



## Peak Oil Action Plan



## Notes to the Draft Peak Oil Action Plan

### Scenarios:

The Action Plan is designed around three scenarios.

- Long Term Transition Scenario, where the decline in fuel supply is expected to be gradual. Actions in this scenario assume a 3% per annum decline in fuel availability in Australia.
- Oil Shocks, where a long term transition in oil supply is interrupted periodically by oil shocks caused by political events or natural disasters affecting fuel supply.
- Disintegration, where oil depletion occurs faster than expected, which results in the failure of oil dependent services and facilities as they are currently structured.

### Actions

These describe the steps we wish to take to address the issue of peak oil.

There are two types of actions specified.

- **Recautionary Actions** that are designed to avoid the most serious impacts of peak oil on Council and our community.
- **Crisis Management Actions** that are designed to plan for potential breakdowns in the provision of services, business continuity and sudden shocks that affect the oil supply caused by unforeseen events.

The main crisis management action is the development of a contingency plan that sets out a series of directions to take based on the type of scenario that is being considered.

The contingency plan will have a series of actions that will be based on a trigger, for example petrol prices reaching a predetermined amount.

The contingency plan will need to determine which activities need further work in order for them to be possible once the trigger point is reached.

For example; the development of a local currency, in the oil shocks/ disintegration scenario. This action is contingent on oil price and other indices. A local currency gives credits to people for goods or services they provide to their community, free of charge. This credit can then be spent on goods and services that are provided by other volunteers or local businesses that are part of the scheme. In an extreme disintegration scenario, large numbers of workers may not be able to travel to work, unemployment rates in the community are likely to be high, and the economy will be in recession. This is likely to have a negative impact on Councils revenue from rates and external grants. Council's ability to adequately provide essential community services would be affected. In such a scenario, triggers such as oil price, absentee levels of Council staff and the percentage of bad debts (rates revenue), would indicate that the breakdown of community services as they are traditionally structured is extremely likely. These indicators would trigger a local currency and community volunteer program to step in and fill the breach.

In order for the action to be triggered, some previous planning around the types of community services that would be included in the scheme, how volunteers would be co-ordinated and how the local currency would work would need to be thought out beforehand. As we get closer to the trigger point, more planning work would be required to work out the finer details of the contingency plan.

## **Implementation**

Specifies who will implement or lead the action.

## **Resources**

"Staff time", refers to staff time using existing budgets. Where additional staffing is required, this is specified separately with a cost for the staff or contractor estimated.. Any additional costs are also specified.

## **Timeframe**

The year in which the action will occur.

## **Priority**

Importance of the action. This also links in with timing. High Priority actions will need to be attended to as early as possible.

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Scenario	Action - Description	Implementation	Resources	Timeframe	Priority
All Scenarios	Develop Inventory of Materials and Energy Used by Maribyrnong Council. To determine Councils exposure to Petro-chemical price increases and shortages.	Finance Sustainability and Environment	Staff Time	2007/08	Very High
All Scenarios	Scenario Planning for the three main peak oil scenarios identified in the City of Portland Study Long Term Transition, Oil Shocks and Disintegration.	Consultant	\$30,000	2008/09	Very High
All Scenarios	Contingency Planning Based on Indexes - Fuel Price - Energy Costs – Electricity and Gas - Car Resale Values - Unemployment Rates - Interest Rates - Bad and Doubtful Debts	Risk Management and Emergency Management Lead	Option 1 \$5,000 for additional staff for Scoping, Then existing staff time in following year.  Option 2 Contract staff \$30,000..	2008/09  2009/10  2008/09	Very High

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Scenario	Action - Description	Implementation	Resources	Timeframe	Priority
All Scenarios	Develop Reporting System for Oil Based Products - unleaded petrol, diesel, LPG, natural gas, non recycled asphalt. Report by Branch.	Sustainability and Environment	Staff Time	2007/08	High
All Scenarios	Develop Eco-Buy Reporting System – Report green purchasing percentages by branch  Further Develop the SAP Purchasing Reports that incorporate green purchasing. Staff Training in using the Green Purchasing Options.	Sust and Envir & Finance	Staff Time  \$10,000 for SAP Module for EcoBuy Reporting and staff training	2008/09	High

Scenario	Action - Description	Implementation	Resources	Timeframe	Priority
Long Term Transition	Transportation Investigate various options to reduce reliance on petro-chemical products for Councils truck and tractor fleet.  <ul style="list-style-type: none"> <li>- Compressed Natural Gas</li> </ul>	Fleet manager	Staff Time	2008/09	

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Scenario	Action - Description	Implementation	Resources	Timeframe	Priority
	<ul style="list-style-type: none"> <li>- LPG</li> <li>- Biodiesel (reusing waste products such as cooking oil.)</li> </ul> <p>Incorporate requirements for fuel options into waste and recycling contracts as they come up for renewal.</p>			2011	
Long Term Transition	Transportation Development of High Priority Bicycle Lane in Hyde St	Transport and Special Projects	\$75,000	2008/09	High
Long Term Transition	Gas Heating and Cooling.  Completion of co-generation plant for the Maribyrnong Aquatic Centre. This will reduce gas use by over 15% at the centre.	Infrastructure	Planned for in existing budget.	2008/09	
	Investigate feasibility of tri-generation plant for Footscray Branch of the Library – either a stand alone system or in conjunction with nearby buildings such as the Western Regional Health Centre. (Trigeneration systems generate electricity from gas, and use waste heat to produce heating and also cooling)	Infrastructure/ Sustainability and Environment.	Staff Time	2009/10	

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Scenario	Action - Description	Implementation	Resources	Timeframe	Priority
Long Term Transition	Finance Sensitivity analysis forecasting councils vulnerability to oil prices.	Finance, Sustainability and Environment	Staff Time	2008/09	High
Long Term Transition	Indirect Costs Identify all significant council purchases that are made from petro-chemicals. Investigate non-oil based alternatives. Identify suppliers and undertake trials.	Sustainability and Environment All Staff  Ecobuy Staff(MAV)	Staff Time  Must fall within existing budgets. 10% variation in price allowed under green purchasing policy.	2008/09	High
Long Term Transition	Establish Eco-Buy Targets by Branch. Green Product purchasing is currently 1% of Councils total operating budget. Targets of 1.5% per year for green purchasing should determine minimum dollar costs for major material purchases for each branch.	Sustainability and Environment	Staff Time	2008/09	High
Long Term Transition	Development of alternative employee working hours and locations as a contingency policy. The policy is activated when pre-determined peak oil indexes are reached. For example, Once retail unleaded petrol	Organisational Development/Risk Management	Consultant -cost included in contingency planning.	2008/09	High – contingent on oil prices

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Scenario	Action - Description	Implementation	Resources	Timeframe	Priority
	prices reach a minimum of \$2.50 per litre for a period of 3 months, alternative working hours, such as a 4 day shift of longer hours, ability to work from home or local office hubs, variable starting times are made available to staff.				
Long Term Transition	Implement and heavily promote Green Travel Plan for Employees - especially Car Pooling	Transport and Special Projects	Staff Time	2008/09	High
Long Term Transition	Review of Information Technology to plan for technology needs for a post peak Council. For example -increased proportion of laptops via progressive purchasing. -remote access to networks for strategic staff -audio and video conferencing technology and training.	Information Technology	Staff Time	2008/09	High – contingent of Peak Oil indexes
Long Term Transition	Advocacy to State and Federal governments re alternative road uses.	Sustainability and Environment	Staff Time	2008/09	High

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Scenario	Action - Description	Implementation	Resources	Timeframe	Priority
Oil Shocks	Advocacy to State and Federal Governments to ensure Councils have priority access to Oil Supplies for emergency services such as Waste Collection and Meals Delivery during oil shocks.	Sustainability and Environment	Staff Time	2008/09	Medium
Oil Shocks	Develop contingency plans to deal with sudden oil shocks and disruption to council services as a result of a sudden lack of supply of oil. For example <ul style="list-style-type: none"> <li>Emergency Staffing Structure for council administration and facilities.</li> <li>Waste Management Emergencies Information Technology Equipment for remote access for strategic staff.</li> </ul>	Risk Management and Emergency Management	Consultant -cost included in contingency planning.	2008/09	Medium
Oil Shocks	Investigate a Council Office Exchange Program. Make basic office facilities available to local council employees that live locally and work in other councils. Develop an exchange program to allow our employees access to office facilities at their nearest local council, where appropriate during temporary oil shock events.	Sustainability and Environment	Staff Time	2008/09	Medium

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The following are examples of the types of actions that may be considered as part of the contingency plan for the most extreme scenario; where an extreme oil shock starts to result in social disintegration. See notes at the top of the action plan for an explanation of how the contingency plan actions would operate. n.b A local currency gives credits to people for goods or services they provide to their community, free of charge. This credit can then be spent on goods and services that are provided by other volunteers or local businesses that are part of the scheme.

Scenario	Action - Description	Implementation	Resources	Timeframe	Priority
Oil Shocks/ Disintegration	Establishment of Local Currency	To be determined as part of Contingency Plan	To be determined as part of Contingency Plan	Contingent on Peak Oil Indices	Low - Med Contingent on Peak Oil Indices
Oil Shocks/ Disintegration	Extensive Community Volunteer Program e.g to cook local meals and provide home help to elderly neighbours – for credits in the local currency that are accepted towards rates payments.	To be determined as part of Contingency Plan	To be determined as part of Contingency Plan	Contingent on Peak Oil Indices	Low – Med Contingent on Peak Oil Indices
Oil Shocks/ Disintegration	Partner with Rural Food Producing Councils, for exchange of skills, food products, volunteer workers, emergency relief etc	To be determined as part of Contingency Plan	To be determined as part of Contingency Plan	Contingent on Peak Oil Indices	Low – Med Contingent on Peak Oil Indices