



City of Maribyrnong: Peak Oil Policy

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Topic: [Policy/Politics](#)

Maribyrnong City Council, covering the inner suburban area west of the centre of Melbourne, is rapidly proving itself to be Australia's (if not the world's) most peak oil aware council. On Tuesday 15th April, the council unanimously endorsed a Peak Oil Policy and Action Plan.

This post summarises the [Peak Oil Policy](#) document, while a subsequent post will look in more detail at the Action Plan.



[Maribyrnong Council](#) provides 80 different services to over 63,000 residents and 3,000 businesses. The Council employs 500 staff and is responsible for maintaining over \$380 million of infrastructure, including facilities, roads and footpaths.

Purpose of this Policy: To address and minimise the impact of peak oil on Council Operations and the Maribyrnong Community.

The explanation of peak oil and evidence for it will be familiar to readers of The Oil Drum. The policy document then considers three scenarios which Maribyrnong Council may face:

Scenario 1. Long Term Transition

Scenario 2. Oil Shocks

Scenario 3. Disintegration

Maribyrnong have adopted the same approach as the Portland task force. They were of the opinion that in a Disintegration scenario there was little that could be done by local government; however, addressing the first two scenarios would mean that the most pessimistic outcomes were averted through foresight and good planning.



How will Peak Oil impact on council operations?

Maribyrnong Council has already absorbed steep fuel increases and responded by buying more fuel efficient vehicles and increasing the proportion of operating budgets spent on fuel. (The purchase of more fuel efficient vehicles has been win-win, since they have higher resale value). The largest council oil bills are associated with the following contracts and services:

- Waste, recycling and hard waste collections.
- Cleansing Services
- Passenger Fleet
- Meal Delivery Services
- Road and Footpath Construction and Maintenance Services

A major impact of peak oil on any organisation will be getting the workers to the worksite. Maribyrnong discuss the effects of location becoming a key factor in individual decisions about where to work and when. They consider that flexible hours of work, working from home, carpooling, private buses and other novel arrangements will all need to be explored.

Council Assets

Peak Oil is likely to result in changing uses of urban and council facilities. There is likely to be a decrease in road use with an increase in demand for good quality pedestrian and bicycle paths and facilities. Decreasing oil supply along with the likely oil price increases that are predicted have the potential to throw long term planning of council assets, including roads and council facilities into disarray. Alternatively, assets planned and built in the near future may result in a waste of resources for buildings, roads and other facilities that can meet residents needs for a limited time. While it is difficult to foresee exactly how oil demand and supply will impact on uses of council assets, the risks that Council and as a result community services will be adversely impacted is significant. Scenario planning for various impacts of peak oil on Council Assets is strongly recommended.

Finance

Financing Council Operations will face greater pressure as the impact of Peak Oil is felt. The community is likely to experience increasing levels of financial stress impacting on Councils revenue. Demand for community services is likely to increase especially for the elderly and those experiencing financial pressures. In addition Council operations are likely to face significant price increases for many of the materials and energy used in providing council services.

Currently, existing costs of materials and energy costs are not reported in a format that enables us to understand the risks that council are exposed to in relation to increasing oil costs and decreasing supply. Many materials costs are bundled together making it difficult to determine which items have the greatest exposure to petro chemical inputs. This is especially the case with contractors costs. It will become increasingly important that oil based costs are reported and future forecasts developed.



How will peak oil impact on our community?

The policy document discusses food security and shelter (housing). You don't read many Government reports thinking this deeply about the longer term impacts of peak oil:

Due to the attractiveness and affordability of living closer to the city, older homeowners without debt may find that as their children living in outer suburbs find it unaffordable to travel to work or maintain debt on houses, they will leave and form multi-generational houses. This will increase the total number of residents and create an increasing demand for council services.

On Health and Safety, they weigh up the balance between increased exercise and decreased consumption of unhealthy processed foods. They consider the mental health impacts of isolation and the greater difficulty of accessing medical services. Possible public health impacts as a result of disruptions to waste collection and other services are also realised.

Economic Prosperity

The community is likely to experience increased prices for a range of commodities, impacting on overall economic prosperity. Higher levels of unemployment are also likely in the short term. Impacts will be felt on businesses with the number of business start ups but also failures increasing. Some businesses will experience significantly higher production and distribution costs, others may be more affected by changes in demand for their products and services.

Local production of previously imported goods are also likely to increase as the high cost of transportation makes locally produced goods competitive, for example food processing, textiles, footwear.

Here are the concrete and challenging targets Maribyrnong have set themselves:

- Council commits to the Oil Depletion Protocol with a commitment to a 3% reduction in oil use per year in Councils operations starting from the 2008/09 financial year.
- Council will commit to a reduction target for oil of 50% reduction by 2025.
- Council will set a target of 1.5% increase per year of Eco-buy purchasing of green products.
- Council commits to develop an annual action plan that directly address both the long term transition (gradual 3% decline in oil supply per year) and the oil shocks scenarios.

Congratulations to everybody at the City of Maribyrnong for having the foresight and courage to tackle such an overwhelming issue. You are leading a way for others to follow.



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