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Committee Ara Tahi
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Peak Oil - An Urgent Issue for New Zealand

1. Purpose

To present the issue of Peak Oil to Ara Tahi for their consideration and recommendation to the Greater Wellington Regional Council.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

Human activity in New Zealand is heavily reliant on abundant and cheap energy, much of which we get from oil. Yet oil is a finite resource, and one that the world is rapidly using up. At present, world conventional light crude oil production is barely keeping up with rising demand.

Alternatives to fossil fuels are not ready to replace our region's dependence on conventional oil. No single substitute in isolation will replace the cheap energy we currently get from oil and gas.

Because the implications of Peak Oil are so serious for the Wellington region, attached is the paper "*Peak Oil*" – *An Urgent Issue for New Zealand* from the Sustainable Energy Forum that promotes planning for the Peak Oil crisis, for the consideration of Ara Tahi.

4. Comment

The Wellington Regional Strategy has sought advice on Global Trends and Uncertainties in the development of the Growth Framework (page 38). The paper *Global Volatility, Lifestyles and Livelihood trends affecting the Greater Wellington region: TO 2025* (Delaney & Associates 2005, Working Paper 7) identifies energy issues including Peak Oil as a risk for the future.

Specifically, five mega-trends or uncertainties were identified by the Wellington Regional Strategy that may call into question conventional economic assumptions. The five mega trends are:

1. the impacts of natural disasters;
2. the growing costs of fossil fuels, often called peak oil;
3. competition from Europe for the 25 to 45 age group workforce;
4. global disruption and conflict; and
5. Major swings in national policy, particularly in the areas of energy, international markets, transport, governance and immigration.

In response, the Wellington Regional Strategy Forum adopted an *Uncertainties and Risk* strategy. This work provides a response to the issue of Peak Oil (among other issues) in the region, and could be adopted by Greater Wellington.

Tied with such a strategy should be a work programme to attempt to future-proof the Wellington region against the risks identified, including but not confined to:

- Ensuring recovery and post-disaster restoration plans are in place;
- Promoting local centre based employment;
- Promoting energy efficiency and alternative sources of energy production; and
- Developing regional risk plans to address identified issues.

5. Recommendations

That the Committee:

1. **Receives** the report;
2. **Notes** the content of the report; and
3. **Recommends** Greater Wellington adopt the Wellington Regional Strategy Uncertainties and Risk strategy, specifically acknowledging the five mega-trends or uncertainties that may call into question conventional economic assumptions.

Report prepared by:

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