

12 June 2012

**The Hon Paul Henderson MLA**

Chief Minister  
Government of Northern Territory  
GPO Box 3146  
Darwin  
NT 0801

Via email: [Chief.Minister@nt.gov.au](mailto:Chief.Minister@nt.gov.au)

See Distribution

## **LPG vehicles offer budget and carbon savings**

Dear Chief Minister

I am writing to you concerning the benefits that would be realised by the Northern Territory Government in making greater use of Liquefied Petroleum Gas (LPG i.e. Autogas) vehicles in the Government's vehicle fleet.

LPG Australia is the national peak body which represents the bulk of the downstream alternative gaseous fuels industry which covers LPG, Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG). The industry comprises major companies and small to medium businesses in the alternative gaseous fuels supply chain; refiners, fuel marketers, equipment manufacturers, LPG vehicle converters, and the providers of services to the industry.

The Northern Territory plays a significant role in Australia's LPG industry, including production at the Bayu-Undan offshore field. This role will increase when production commences at the Ichthys project's onshore processing facility at Blaydin Point. In addition, a number of Northern Territory small businesses undertake LPG vehicle conversions and provide services to the LPG industry.

I understand lack of availability of Australian manufactured dedicated LPG vehicles has constrained the Northern Territory Government's ability to use LPG vehicles. I am very pleased to advise you that situation has changed with the recent release of dedicated LPG Ford Falcons and Holden Commodores which utilise locally designed world leading LPG injection technologies which match and often surpass the power and drivability of petrol systems, extend vehicle maintenance schedules and reduce CO2 emissions. LPG vehicle converters are also able to install kits which utilise these technologies on many of the vehicles sold in Australia, including light commercial vehicles. As such, the deployment of these technologies represents a significant and innovative development for Australia's Autogas industry and its manufacturing sector.

I also understand there is a perception by some of the Northern Territory Government's fleet clients that Autogas availability is limited in the Northern Territory which has held back the take up of LPG vehicles in the Government's fleet. Holden also encountered this perception while developing its new dedicated LPG Commodore. In response, Holden undertook extensive trials, including outback Northern Territory, to ensure Autogas refuelling facilities are widely available and in good working order. The trial concluded that refuelling facilities are available and this is supported by industry statistics which show that 54 per cent of service stations in the Northern Territory sell Autogas.

Further, **LPG Australia has estimated that converting all of the Northern Territory Government's petrol powered 6 cylinder passenger and light commercial vehicles to LPG would deliver significant reductions in both fuel costs and CO2 emissions – around \$0.4 million and 220 tonnes respectively in a full year.** The robustness of these estimates is underpinned by the affordability of Autogas which, on average over time, costs up to 50 per cent less at the bowser than petrol. As a result, greater use of LPG vehicles in the Northern Territory Government's vehicle fleet would help the Government meet its budget and environmental objectives.

Consequently, I ask that the Northern Territory Government actively consider making greater use of LPG vehicles in NT Fleet and its Police, Fire and Emergency Services fleet, as well as address any artificial barriers that might prevent this from happening. For its part, Australia's LPG industry has the supply capacity, infrastructure and skilled service workforce to support greater uptake of LPG vehicles.

In addition to the benefits discussed above, substituting LPG vehicles for petrol vehicles would also increase Australia's energy security, improve urban air quality as well as facilitate workforce participation and social inclusion for those living in urban fringes and regional areas where public transport coverage is often poor and access to affordable private transport is critical.

Finally, on a personal level, I ask you to consider using a new Australian manufactured LPG vehicle as your official car of choice. Such a decision would send a strong positive signal to the Northern Territory community, including its Autogas industry.

## **Conclusion**

Australian designed world leading LPG injection technologies match and often surpass the power and drivability of petrol systems, extend vehicle maintenance schedules and reduce CO2 emissions. Greater use of LPG vehicles by the Northern Territory Government in its vehicle fleet would deliver significant reductions in both fuel costs and CO2 emissions – around \$0.4 million and 220 tonnes respectively in a full year – which would assist your Government meet its budget and environmental objectives.

## **Recommendations**

LPG Australia recommends the following:

- a. The Northern Territory Government actively considers making greater use of LPG vehicles in its vehicle fleet and addresses any artificial barriers that might prevent this from happening.
- b. You consider using a new Australian manufactured LPG vehicle as your official car of choice.

My staff and I are available at any time to meet with you to discuss the significant benefits to be realised by the Northern Territory Government by converting its fleet vehicles to LPG.

For your consideration.

Yours sincerely



Michael Carmody  
Chief Executive Officer

Distribution: Chief Minister of the Northern Territory

For Information:  
Northern Territory Minister for Business and Employment

LPG Australia Advisory Council Working Group – Road Map LPG Vehicles  
LPG Australia Automotive Equipment Suppliers Technical Committee  
LPG Australia State Representative – South Australia  
LPG Australia Secretariat