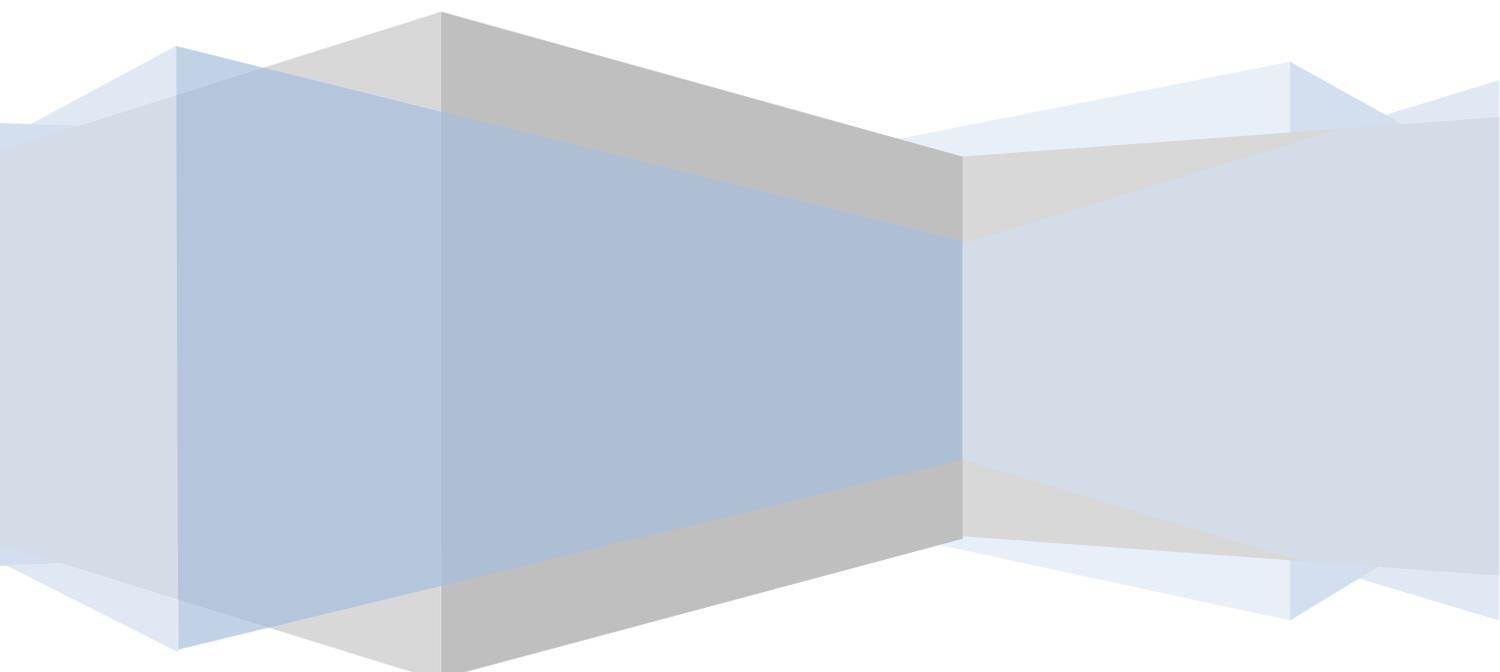


LPG Australia POLICY

POLICY DEVELOPMENT LPG Excise
Policy Reference Number: 00.01.01



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Executive Summary

This policy supports the development, growth and sustainability of the LPG autogas industry.

The policy framework is a living document which positions LPG as an alternative energy that is placed to provide a

on on LPG Excise is to ensure that the LPG market is afforded transitional support (moving from dependence on oil) in terms of Excise relief until LPG achieves 10% of the alternative fuels transport energy requirement.

The Government can enable this outcome by allowing LPG to remain excise free (for at least 10 years) and to restore the \$2000.00 grant for conversion of vehicles from traditional oil-based fuels to LPG.

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- a. take the initiative in its advocacy, policy development and communications approach;
- b. gain time by having the introduction of excise delayed;
- c. 2 2 2 2 2 2 2 security and carbon emissions reduction; and
- d. increase LPG Australia membership engagement.

Key Impact Statements (external policy considerations) will be used to harness support, among key decision makers, for the corporate objectives of LPG Australia. These statements will make the following key points:

- a. increasing the cost of LPG will hit outer metropolitan and rural households, and small businesses most;
- b. increasing the cost of LPG will eat up the savings achieved by conversions;
- c. 2 2 s carbon emissions;
- d. increasing the cost of LPG will result in the demise of LPG as an alternative transport fuel in Australia;
- e. increasing the cost of LPG will remove the opportunity to use LPG as a greenhouse-friendly transitional fuel.

The Key Impact Statements will be supported by tailored key messages; international evidence; a Federal Budget 2011-2012 submission strategy; a comprehensive advocacy and communications strategy; critical (campaign) timelines; stakeholder liaison and political contact plans, and a contingency plan.

The policy will be further supported by the inclusion of supporting information and past submissions, an assessment of the administration and resources required to drive this policy framework through to its end result and finally, it will have the discipline and accountability of key performance outcomes and indicators.

Purpose of this Policy

The aim of this policy is to drive development, growth and sustainability of LPG as an autogas industry.

Further, this document will provide direction and guidance to the development and application of advocacy; governments, regulators and the consumer, and related policy development, on the matter of LPG Excise.

The tone and message contained within the policy and energy and climate change without being threatening to either party. It is aligned with the focussed agenda of the minority Government in delivering regional consumers and small businesses access to cheaper and more affordable alternative fuels.

The policy, if adopted, will deliver bi-partisan support for consumers to continue to have access to a cleaner, greener alternative fuel and one that helps lessens the impact of the cost of living on families.

LPG Australia Strategic Policy Position

LPG, as an alternative energy to oil, biofuels and other non-renewable energy sources, is well placed to provide a range of energy change policies.

The *Energy White Paper* is characterised by; abundant national supply, extensive national infrastructure and lower carbon emissions. LPG provides the Australian consumer with reliable, cost-effective and environmentally friendly energy in the vehicle transport and household energy markets.

To ensure adequate and on-going supply of LPG to the Australia consumer, and to continue to provide an alternative energy source, the LPG industry and related vehicle, appliance and equipment manufacturing industries, must maintain and increase investment and innovation in infrastructure, regulatory compliance, equipment, technology and workplace (industry) skills.

Additional Investment will require Government to continue to support the LPG consumer and small business in the short to medium-term as Australian consumers transition to cleaner and more cost-effective energy sources.

Commencement of this Policy

This Policy is effective from 1 November 2010

The Policy

Introduction and Background

This document details the policy position of LPG Australia in relation to the introduction of LPG Excise by the Australian Government (Government) due to take effect from July 2011.

Two strategic drivers dominate the issues, considerations and political landscape for LPG: climate change and energy security. Adapting to climate change; and helping to shape a global solution. Energy security is now emerging as another key pillar in the debate

The tri-focus of the (now suspended) Government *Energy White Paper* was; adequacy, reliability and affordability.

Rationale and Impact on Industry

Rationale

The rationale underpinning the 10% target has been drawn from past submissions and disclosure, current debate
2 2 2 2 future alternative fuels mix, and guidance extracted from Europe.

10% of the total transport energy fuels market (including trucks) is ~25% of non-truck market.

10% is considered a conservative target ' 2 2 2 2 (and will be subject to
2 2 2 2 e fuels and gaseous transport fuel policy.

An Excise on LPG Autogas will:

- a. Reduce a viable option for many consumers to access a cleaner, greener and affordable alternative to petrol and diesel;
- b. Increase carbon emissions into the atmosphere;
- c. Increase financial hardship for motorists, families and small business, particularly in outer metropolitan and regional areas;
- d. Extend the period for motorists, manufacturers and transport companies who have converted their vehicles to LPG, to recover their investment (financial outlay, infrastructure and equipment);
- e. Create a loss of jobs - mostly in regional Australia - caused by the closing of conversion businesses and
2 2 2 ;
- f. Be a disincentive for motorists, and the fleet and taxi industries to convert their vehicles to LPG; and
- g. Negate the purpose of the 2 *Vehicle Rebate Scheme* and the purchase of new LPG vehicles produced by Australian Vehicle Manufacturers with the updated LPG technologies.

The impact on industry and market will be:

- a. Less vehicles converting to LPG hence continued reliance on imported oil;
- b. Increased costs to the public (flow-on from the taxi and fleet industries);
- c. Eliminates the lower cost option for local vehicle manufacturers to provide lower cost greener solutions to their product range.
- d. 2 ; and
- e. Continuing decline of the LPG Industry; national infrastructure, businesses and employment.

The impact on Government policy will be:

- a. Potential waste of ~\$500M investment in the *Vehicle Rebate Scheme*;
- b. Increased costs associated with removing increased carbon pollutants from the atmosphere;

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- c. Increasing reliance on imported oil national security issue; and
- d. industry 2 2 2 : B 1 1 2 2
Independents. green credentials. Potential separation of the Greens and

The Key Impact Statements (external policy considerations) are aimed at highlighting the issues and harnessing support for the corporate objectives of LPG Australia among those whose opinions and judgements of LPG can, and will, have an impact on the future of this alternative fuel.

The external audience should engage this policy consideration as a cost effective, equitable long term solution to the challenges facing decision makers on issues of climate change and managing the impacts of the cost of living.

Key Impacts Statements are listed at Annex A.

Advocacy Strategy - Policy Enabling Objective(s)

- 2 2 2 2 2
- a. 2 2 2 22 2 2
activities; meetings with select Ministries and bureaucrats, and media engagement, aimed to highlight and reinforce industry concerns;
- b. Gain Time. Seek delay to the introduction of the Excise to allow for increased advocacy and Government policy development. Couple LPG with ethanol in terms of Excise treatment;
- c. Develop Policy. Concurrent with a. and b. above, work closely with the Government, Coalition and Independents to develop (incorporating favourable treatment for LPG) an *Alternative Fuels Policy*; and a *Gaseous Transport Fuels Policy*. Include aggressive engagement vide the Automotive Australia 2020 medium and Gaseous Transport Fuels Coalition; and
- d. Increased LPG Australia Membership Engagement. Establish and develop targeted Council Working Groups, directly interface members into select media coverage, provide select (updated) information via progressive Membership Advisories.

Communications Plan

The Communications Plan is attached at Annex B.

Liaison and Contact Plan

The Liaison and Contact Plan is attached at Annex C.

Critical Timings

Based on current information, key timings are follows:

- a. 12 November Response to the Treasury *Discussion Paper – Taxation of Alternative Fuels*; and
- b. 31 December Within context of the *LPG Industry Road Map*, to provide a positioning statement at the Alternative Fuels and Gaseous Transport Fuels Coalitions.

Key Performance Outcome and Indicators

The KPO is a 10 year delay in the introduction of an Excise on LPG Autogas and/or achievement of the 10% alternative fuels target.

The KPI in support of the KPO are as follows:

- a. Government agreement to accommodate LPG Australia membership at the Alternative Fuels and/or Gaseous Transport Fuels Coalitions.
- b. 2 2 2 2 mission on the Treasury *Discussion Paper – Taxation of Alternative Fuels*.
- c. Government agreement to; couple LPG to ethanol in terms of excise treatment, or a five-10 year delay on the introduction of excise on LPG.
- d. Continued access to RET and Treasury in terms of on-going liaison.

Supporting Information

Supporting information available or required is listed below:

- a. LPG Australia Submission to the Energy White paper dated 2009.
- b. LPG Australia Submission to the Henry Tax Review.
- c. LPG Australia Federal Landscape Impact on the LPG Industry dated March 2010
- d. LPG Australia - Adept Research Survey of OEMs, Installers and Consumers, dated August 2010
- e. Federal Governments Australian Automotive Vision 2020 Initiative dated August 2010.

Administration and Resources

The development and application of policy is managed by the Secretariat following policy approval by the LPG Australia Board of Directors.

The 4YIS Budget has allocated \$80K for FY2010-11 for subject development.

Contingency Plans

Pending achievement of each KPO, the following contingency plans will be developed and, following Board and Member engagement and approval, implemented as agreed:

- a. Mini -style media campaign 2 2 2 . \$1M campaign);
- b. A - e.g.: accept reduced delay ... five years?;

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- c. Continue to call for being treated at least the same as ethanol; and
- d. Call for a fractional increase in the excise applied to conventional fuels, which continue to represent the bulk of the overall fuel mix to offset the revenue foregone from no excise on LPG.

Attachments to this Policy

- a. Key Impact Statements.
- b. Communications Plan.
- c. Liaison and Contact Plan

Variations to this Policy

LPG Australia reserves the right to vary, replace or terminate this policy.

Policy Version and Revision Information

Policy Authorised by: Board Title: President	Original issue: 1/12/2010
Policy Maintained by: Silvana Zubac Title: Administration Manager	Current version: 1
Review date: 01/12/2011	

KEY IMPACT STATEMENTS

Increasing the cost of LPG will hit outer metropolitan and rural dwellers most

LPG is used by more than one million homes and businesses in regional Australia. Almost two-thirds of Australians who have taken up LPG conversion grants in the past four years live in outer metropolitan and regional/rural communities.

A review of the LPG Vehicle Rebate Scheme identified that LPG motorists tend to come from families with mortgages and below-average disposable income.

LPG is favoured particularly by motorists and businesses that have long distances to travel and for whom fuel costs are a significant component of the household/business budget. A saving of more than 40% can be achieved by LPG over ULP for a Falcon or Corolla covering 20,000km a year¹.

The 2007 election commitment to reduce cost-of-living pressures on families. Australians are struggling still to recover financially in a post-GFC economic environment and there is an upward trend in interest rates that will increase their mortgage stress.

LPG is an important and vital source of energy in regional areas across Australia because it can be economically transported by road tankers. Without LPG, many regional users would be limited to diesel-powered generators or electricity if connected to the main grid.

Increasing the cost of LPG will eat up the savings achieved by conversions

LPG has approximately 77% of the energy content of ULP which means that 1.3 litres of LPG is consumed for every litre of ULP to travel the same distance. Despite this, the significant difference in price². This has been a significant incentive for consumers to invest in the additional capital outlay required to have a gas vehicle.

The highly successful LPG Vehicle Rebate Scheme has prompted more than a quarter of a million conversions since 2006. An investment in LPG conversion is a considered move by motorists who believe an up-front cost is offset by ongoing running costs.

The Government has committed to maintaining the rebate scheme in the long term.

¹ LPG Australia Report Card 2009, Fueltrac and Orbital data

² Australian Government, Department of Climate Change, *National Greenhouse and Energy Reporting System Measurement Technical Guidelines*, June 2009

The increased cost of LPG will result in fewer vehicles converting to LPG, with motorists electing to remain with petrol and diesel. This will increase pollutants in the atmosphere leading to increased longer-term costs association with carbon reduction. There are more than 13.2 million petrol vehicles with about one in five being older than 15 years. Conversion of these vehicles under the existing LPG vehicle scheme could deliver reductions in greenhouse gas emissions of approximately 16 million tonnes.

New generation LPG Autogas powered vehicles emit significantly less greenhouse gases and other pollutants than petrol-powered equivalents. Results testing a Toyota Corolla Conquest Hatch 2009 and a Ford Falcon FG XR6 2008 to ADR compliance 79/02 and 79/01 respectively showed the LPG vehicles had about 11% reduction in CO₂ emissions. Over the course of one year where each vehicle travels 20,000 kilometres the LPG powered Corolla would save 384 kg of CO₂ over the ULP option and the LPG Falcon would emit 590 kg less CO₂ than the ULP option (over this test cycle)³. These savings keep 2 2 -year life span the CO₂ saving for the Falcon is almost 6 tonnes.

From a greenhouse emissions perspective, when considering the energy expended in producing the fuel as well as the greenhouse gases emitted from vehicle tailpipes, LPG again has very low net emission 2 2 2 2 2 2 cluded that once the energy expended in transporting and processing fuels is accounted for, LPG has lower net greenhouse gas equivalent emissions than petrol⁴.

Increasing the cost of LPG will result in the demise of LPG as an alternate transport fuel in Australia

The economics are simple. Increasing the cost of LPG will reduce demand for the product as motorists and businesses revert to petrol, diesel and hybrid technologies. Reduced demand will force the decline and ultimate demise of the industry and the fuel as a viable alternative in Australia.

Phasing in the excise will not mitigate the damage to the ongoing viability of the LPG industry.

Such a tax impost will inevitably damage the one transport fuel for which Australia has an established distribution; infrastructure, an established engine technology sector and a large long-term supply surplus.

The Australian LPG industry has a net capital investment of \$3.5 billion comprising oil and gas producers, refiners, importers, marketers, distributors, retailers and manufacturers. LPG transportation is provided by 300 line-haul (long distance) tankers and around 300 local tankers. Regional storage capacity is around 6,000 tonnes, backed by independent seaboard storage of 100,000 tonnes and a further 200,000 tonnes of storage associated with the production sources.

Most importantly, the distribution and supply chain for LPG is already in place. Australia has an extensive network of LPG refuelling stations, with over 3,300 retail outlets across the nation. It is therefore possible 2 2 2 2 has been a key reason why the LPG vehicle scheme has been a success.

Vehicle data from testing conducted by Orbital

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This network which the industry has continually invested in over many years has maintained and supported the needs of the growing LPG vehicle fleet.

Access Economics has concluded that the benefits of the LPG industry to the Australian economy offset most of the excise revenue foregone, that greenhouse benefits compensate for favourable tax treatment, and that the imposition of excise would impose substantial transitional costs on industry and private motorists .

Analysis by Deloitte⁶ shows that the LPG conversion market is highly sensitive to the price differential between ULP and LPG. This relates to both the absolute price differential between the two fuels and volatility in the price of ULP at a particular point in time. Data from 2006 to 2010 shows that a fuel price differential of less than 70 cents/litre leads to a slump in LPG conversions. The proposed excise would substantially reduce this fuel price differential.

Consumer research⁷ indicates that of those motorists committed to converting to LPG, 21% say they will not go ahead as a result of the excise and 35% will now review their decision to convert. For those motorists considering a conversion, 10% will not proceed and 48% will review their decision.

The projected revenue return in the proposed excise does not account for the likely economic detriment from a scaled-back industry and reduced capital investment and R&D activity.

Increasing the cost of LPG will remove the opportunity to use LPG as a greenhouse-friendly transitional fuel

The imposition of an excise on LPG sits at odds with public policy trends to support LPG around the
2 2 2 2 2 2
intensive use of fossil fuels to totally greenhouse friendly alternatives. There must be a period of transition. LPG is perfectly positioned to be that transitional fuel. It is cleaner, cheaper and it is already here and reliably available.

Further, the policy landscape with respect to climate change is entirely fluid. Locking in policy which will
2 2 2
change and energy security imperatives.

The availability of LPG is assured, with naturally occurring reserves that are capable of satisfying the domestic market for well over 20 years⁸.

COMMUNICATIONS AND ADVOCACY STRATEGY

Objective(s)

The objectives are multi-tiered:

- a. to drive the message home to decision makers that policy action is warranted to ensure LPG remains a viable, sustainable and supported alternative fuel that is cost effective, reduces carbon emissions and is central to energy security in Australia;
- b. to urgently intervene with Government policy as it stands on LPG and the timing of the intended excise;
- c. to educate among key influencers and decision makers regarding the important role LPG plays in the community and to change behaviours and attitudes towards the sector;
- d. to ensure the LPG sector is provided with every opportunity to make its viewpoints clear and to harness support (among key stakeholder groups) for its key objectives;
- e. to provide leadership in the sector; and
- f. to carve out new policy initiatives that put the industry on a positive, innovative and solution-driven trajectory that leads to a place at the negotiating table on all issues impacting on LPG.

Strategic Considerations

Given that the excise on LPG is due to be imposed in July 2011, that the budgetary gains are documented, that the sector is perceived (rightly or wrongly) as having not promoted or helped itself since the excise was announced seven years ago and now that consumer demand is struggling; it would be fair to say there are immense communications and advocacy challenges ahead.

Conversely, the minority Government, the Opposition, the Greens and the newly-empowered Independents remain on a semi-campaign footing. Regional Australia is central to all Cabinet decision making processes and the political antennae is up on the cost of living and the need to be seen to be doing something on climate change.

LPG Australia is well positioned to take advantage of this new and unique political paradigm.

Recommended Approach

The advocacy approach must be disciplined but flexible. Direct one-on-one engagement with Ministers and Shadow Ministers, the Greens and Independents is already underway and on-site visits with key MPs are being arranged.

Roundtables with the bureaucracy and other sector participants are being planned.

Other events such as the emergency summit in Canberra in late October are events that can be leveraged to highlight the issues at stake for consumers, motorists and the industries.

The tone must always be forward thinking and positive but with the need to ask government for its urgent consideration and intervention.

This is an issue that is not new to Federal decision makers. The viewpoint of the sector has been explained many times over the years. This means that the industry can be more vocal and more innovative in its approach than would be the case if it was new to the political landscape.

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For the political decision makers; the pitch for a delay in the excise will be couched in as positive terms as possible. For example:

- a. right now, Australian families have access to a more affordable, cleaner and greener fuel alternative;
- b. right Now, Australians can breathe in air with fewer pollutants that would be the case if all the cars and taxis were petrol and diesel alone;
- c. right now, Australian motoring industry is poised to demonstrate its strength to the world regarding the release of new LPG models. It is poised to support hundreds of jobs in regional areas (?). It is poised for significant technological breakthroughs that will see cars come onto the market that are more energy efficient (using LPG) than ever before. (This line of approach is dependent on the vehicle manufacturers being part of the positive communications campaign);
- d. right now, LPG is an alternate fuel that is cheaper, greener, more sustainable and already here. It is the fuel of the future as well as the fuel for now;
- e. right now, LPG is the backbone fuel of families, small business and farmers in regional and rural Australia;
- f. right now, LPG is the traditional fuel for taxis - allowing taxi services to maintain a lower fee for their service;
- g. right now, LPG is being supported by Government with grants to help motorists convert from the dirtier more expensive petrol and diesel and
- h. right now, LPG is sustainable. It is portable and it increases energy security.

Evidence

Alongside direct representation; LPG Australia will offer supporting evidence for its policy position.

This includes evidence of decline in an industry, evidence that consumers will change their minds on converting to LPG (done), ongoing surveys into the concerns and behaviours of motorists (rising interest rates and energy prices are a prime time to ask about perceptions of the cheaper, cleaner alternative of LPG); and international studies of LPG support and examples of where LPG is winning greater slices of the market in other jurisdictions through market place commitments and Government support packages.

2 2lutions, backed by international evidence, will be presented to a range of important political, bureaucratic, consumer and media audiences. This will include a presentation to key Federal Parliamentary committees (energy and environmental - Senate and Legislative Assembly; ALP Economic Caucus committee) and to key Independents and regional MPs.

Federal Budget Submission

These policy documents will be folded into a Federal 2011/2012 Budget submission. The official deadline is not until January 30 2011, however, LPG Australia wants to be considered on the Ministerial wish list being presented to the Expenditure Review committee (Prime Minister, Deputy Prime Minister and Treasurer and the Minister for Finance). It will consider if and how to apply some cost benefit analysis to these policy documents to be presented to the relevant Cabinet Ministers by mid November 2010.

Henry Tax Review/Summits

The LPG sector made recommendations to the Henry Tax Review. It will review those submissions and consider making follow up submissions and comments to the expected tax summits being developed now as a result of demand by the Independents.

The following measures were recommended by LPG Australia to the initial Henry Tax Review. The following were seen by the industry as an absolute requirement:

- a. the price differential between LPG and petrol due to differential excise is the fundamental driver of automotive LPG demand; and
- b. $\frac{2}{5}$ year period.

The following tax measures were seen as highly desirable to support the industry in realising its full potential in terms of contribution to the Australian economy:

- a. amend the R&D concession to provide more generous treatment for research and development into LPG-related technologies;
- b. allow a specific tax deduction for the non-rebated conversion costs of private motorists; and
- c. allow a specific tax break (bonus deduction) for small business for the purchase of new LPG vehicles.

Media Strategy

The agreed advocacy strategy will be rolled out in conjunction with a complementary media strategy and crisis management strategy to ensure consistency of message.

LPG Australia will actively promote its sector to provide comfort to the Government that it will indeed be rewarded at the next election if it steps in to assist the LPG sector.

Direct and non direct stories are developed and rolled out.

To the media - in particular, the political commentators; the message will be aligned with the political considerations of the day.

Right now that centres on what is missing - in terms of a coherent energy policy, a climate change policy, the increasing pressure of rising interest rates, petrol prices, energy prices, the concerns of regional Australia and the general alarm in the community about the rising cost of living.

A sense of urgency will be injected into the debate. The issue will be highlighted and aligned with the political machinations of the day and the concerns of the independents (who can act to strengthen or undermine the stability and determination of the Government).

Other important issues LPG Australia will seek to raise include the broad issues covering:

- a. The lack of a cohesive energy policy;
- b. The need to link LPG to ethanol in terms of tax treatment;

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- c. LPG being an issue that is extremely important to consumers and motorists, small business people and farmers in regional and rural Australia;
- d. LPG 2 1 1 2 2 2
the Australian automotive industry;
- e. LPG can be central to solving the concerns about the energy security of Australia; and
- f. LPG is the solution to an awkward political problem about climate change.

Media Activities

To support this policy (and others), LPG will engage in communications and advocacy campaigns aimed at the assertive, ongoing promotion of LPG as a viable, sustainable, cleaner, greener alternative fuel. It will be prepared to react quickly to political debate and media scrutiny of relevant issues.

This can be achieved via

- a. ongoing briefing of political commentators and key specialist writers covering the political dimensions of the LPG argument in the context of the overall energy policy debate;
- b. opinion editorials crafted by the CEO of LPG Australia for placement in the mainstream and online media (the Drum - ABC and the Punch - News Limited);
- c. case studies of industry participants struggling to remain viable;
- d. case studies of areas to be hit by potential job losses;
- e. case studies of high profile Australians converting to LPG;
- f. the new-to-market production of LPG vehicles;
- g. international studies;
- h. aligning with political debates on electricity prices, climate change, energy policy, increasing cost of living, ;
- i. media releases promoting policy positions and debates;
- j. boardroom briefings of key journalists (federal political, environmental, industry); and
- k. public opinion surveys (e.g.: if electricity is becoming unaffordable, do you support government initiatives aimed at supporting LPG?, etc).

Key Messages

Key themes and messages:

- a. An excise on LPG will have an immediate and negative impact on the motorist, their families and the 2 2 2 2

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- b. Consumers and motorists in regional and rural Australia will risk further financial hardship as this cheaper, cleaner alternative fuel is denied them
- c. There has been inadequate consultation with consumers and industry - the latter which is already struggling with the unexpected budget cut in Government grants to support motorist conversion to LPG.
- d. Add to this the cost of converting increasing significantly over the past seven years and the pressure points on this fledgling industry become more and more obvious.
- e. A reprieve from any excise imposition will enable time for the recovery of industry and consumer investment and will allow the industry to continue advocating for no excise at all.

In short:

- a. this fuel must be supported;
- b. it is good for the environment;
- c. it is a more cost effective fuel for motorists;
- d. it is safer in terms of pollutants;
- e. it is sustainable;
- f. it delivers jobs in the regional and lower socio economic areas;
- g. maintaining LPG as excise-free will minimise the negative impact on motorists, small business, the rural sector, the environment and the LPG industry; and
- h. the Government needs time to establish a cohesive gaseous fuels policy.

For this reason, we urge the Government to commit to delaying the introduction of any excise on LPG.

Increasing the cost of LPG will:

- a. hit those least able to afford it;
- b. $2 \quad 2 \quad :$
- c. put thousands of hard working Australians out of work. Many of these lost jobs will be in regional and rural Australia.

Target Audience

Prime Minister the Hon Julia Gillard	Key Cabinet Ministers	Regional Australia Minister (and department and various new regional committees/centres)
Independents Windsor & Oakeshott, Tony Crook (National Party WA), Adam Bandt Greens MP), Andrew Wilkie (Denison Tas)	Greens Party - National	Independent Senators (Xenophon and Fielding)
Opposition Leader	Key Shadow Ministers	Key Department Secretaries/senior bureaucrats
National Party Leader	Senate and House of Representatives Regional Development committees	ALP Economics Caucus committee (chair and secretary)
Consumers/motorists/consumer advocacy groups/ Environmental advocacy groups Academics (environmental/industry)	Media - national political Environmental/Climate Change Industry trade	Party secretariats - <ul style="list-style-type: none"> • ALP • Liberal • National Party think tanks eg: Page Institute

A more complete Tier 1 and Tier 2 list of political elite influencers can be obtained from the CEO of LPG Australia.

Communication Mediums

As part of the communications strategy to support this policy and others, LPG Australia will be working with a range of communications vehicles in which to convey its message to its stakeholders and the broader public. These will change and be modified depending on the stage of the campaign and the target audience. The following is a guide only to show the range of communication mediums available to the organisation.

Media

- a) Newspaper interviews and briefings;
- b) Opinion editorials by LGA Australia CEO and high profile advocates;
- c) Letters-to-the-Editor;
- d) Radio (talkback, live, current affairs, ABC Rural Hour);
- e) Television - regional/morning/730 Report;
- f) Media releases/media alerts;
- g) Panel discussions; and
- h) Pod casts (web).

LIAISON AND CONTACT PLAN

Objective(s)

The objectives are multi-tiered:

- a. to ensure the right message is delivered in the right tone to the right key influencers;
- b. to ensure that the Key Impact Statements are understood and supported by key Cabinet Ministers, Shadow Ministers, the Green and the Independents;
- c. to urgently intervene with Government deliberations on the treatment of LPG in terms of a tax regime and to try and have a positive and lasting impact on that decision making processes;
- d. to leverage the engagement with key decision makers to identify issues before they hit;
- e. 2 2 2 2 2 2 d re-aligned (if necessary) to reflect the outcome; 2 2
- f. to ensure the right vehicle/person is used to deliver the message to key decision makers;
- g. to ensure the appropriate and tailored materials and supporting arguments are prepared to deliver to the decision makers;
- h. to continue to build political capital and good will with key decision makers;
- i. to ensure all media contact is made in unity with a positive and consistent advocacy program. That any media release or statement is sent to the key influencers within Cabinet before it is published;
- j. to develop a positive two way relationship with key influencers;
- k. to identify areas of potential industry leadership;
- l. to identify influential advocates and to leverage their support with Government and key influencers;
- m. to monitor, review, track and understand the motivators and drivers of Government policy and the political commentary and debate that can impact on the success of the campaign;
- n. to share information and ideas with key influencers to further build goodwill with key influencers; and
- o. to ensure a united front is presented by the sector ,and within LPG Australia itself, to key decision makers and ensure there are no surprises among LPG members that may undermine the success of the overall campaign.

Key Messages

The key messages will be tailored to each audience. The message and tone to the Government will differ to that being delivered to the Greens and to the Independents. Whilst the overall tone is consistent, the special interests and agenda of each target audience will be aligned with the corporate objectives of LPG Australia. For more detail on the key messages and briefing notes for each target audience; please see Annex E.

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Liaison

Government

Target	Medium and message		Who is Responsible	Critical Timing	Remarks
Office of the Prime Minister	<ul style="list-style-type: none"> a) Letter b) direct engagement c) sharing of research (Adept Research/international studies) d) analysis of LPG usage in electorate a) pre budget submission e) Key Impact statements f) LPG Policy solutions (AA2020, Excise, Rebate, Water Heaters) 	See Annex E (tailored key messages to Cabinet)	Michael Carmody - Warring Neilsen + Coalition for Gaseous Transport Fuels	Now	<p>Expenditure Review Committee begins meeting to discuss priorities for budget.</p> <p>LPG should be on the agenda of this consideration if possible</p> <p>**Cabinet reviewing treatment of ethanol as part of the minority govt deal with Tony Windsor MP</p> <p>Leads multi-party panel on climate change (potential for a submission)</p> <p>Advocate for a gaseous fuels transport policy/alternative fuels policy</p>
Treasurer	<ul style="list-style-type: none"> a) Letter b) direct engagement c) sharing of research (Adept Research/international studies) d) analysis of LPG usage in electorate b) pre budget submission 				

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Target	Medium and message		Who is Responsible	Critical Timing	Remarks
Minister for Regional Australia, Regional Development and Local Government	<ul style="list-style-type: none"> a) Letter b) direct engagement c) sharing of research (Adept Research) d) Regional specific info on industry e) pre budget submission analysis of LPG usage in electorate 	See Annex E (tailored messages - Regional)	Michael Carmody-Warring Neilsen	Now	<p>All Cabinet issues must now be reviewed through the prism of the impact on regional Australia. LPG needs to make its case for this policy with a strong regional-specific aspect (eg: jobs, impact on farmers/small business fuel expenditure/penetration in regional Aust of LPG etc.</p> <p>A number of new regional-specific committees are being developed. LPG Aust must develop regional impact submission to these new forums</p>

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	<ul style="list-style-type: none"> d) case studies/evidence of Ford and Holden new LPG cars e) pre budget submission k) Key Impact statements e) LPG Policy solutions 				\$3.4 billion Automotive Transformation Scheme (ATS), which aims to lift innovation in the motor vehicle industry by supporting investment in skills and research and development.
Minister for Resources, Energy and Tourism	<ul style="list-style-type: none"> a) Letter b) direct engagement c) pre budget submission (if ready) d) case studies (innovative technologies being employed/ e) international research/Adept research/industry research f) analysis of LPG usage in electorate 	See Annex E (tailored key messages - Cabinet)	Michael Carmody - Warring Neilsen	Now	<p>Meeting with Martin Ferguson 13/10/10</p> <p>Strong advocate for a gaseous fuels transport policy/alternative fuels policy</p> <p>Sympathetic to the concerns raised by LPG Australia</p>
Minister for Climate Change and Energy Efficiency	<ul style="list-style-type: none"> a) Letter b) direct engagement c) pre budget submission (if ready) d) case studies (relating to impact on carbon emissions reduction); reports/studies on energy efficiency (cost/carbon a) analysis of LPG usage in electorate 	See Annex E (tailored key messages - Cabinet + environment	Michael Carmody - Warring Neilsen	Now	Minister Greg Combet is also a unionist so appeal to his former interests in maintain jobs in the manufacturing industry whilst cleaning up the environment
Parliamentary Secretary to the Treasurer	<ul style="list-style-type: none"> a) Letter b) direct engagement c) sharing of research (Adept Research/international studies) d) pre budget submission e) analysis of LPG usage in electorate 	See Annex E (tailored key messages - Cabinet)			David Bradbury. Member for Lindsay is from argument.

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Parliamentary Secretary Climate Change and Energy Efficiency Cabinet Secretary	f) Letter g) direct engagement h) sharing of research (Adept Research/international studies) i) pre budget submission j) analysis of LPG usage in electorate	See Annex E (tailored key messages - Cabinet) + environment	Michael Carmody - Warring Neilsen	now	Mark Dreyfus is a QC from Vic. He has been appointed by PM to drive the multi- party panel on climate change/carbon tax
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Victoria	<ul style="list-style-type: none"> c) studies) evidence that shows excise will have a negative impact on family homes d) analysis of LPG usage in state/case studies in Vic 			Commitment to block excise tax if needs be to be made before June 2011.	<p>technical complexity of argument.</p> <p>All arguments needs to be couched in terms of impact on family home and budget/farming communities/small business</p> <p>LPGA to seek support from the Senator in the Senate to move a disallowance motion if needs be prior to July 11 2010</p>
Independent MP for Dennison Tas Andrew Wilkie MP	<ul style="list-style-type: none"> a) Letter b) direct engagement sharing of research (Adept Research/international studies) c) evidence that shows excise will have a negative impact on consumers and environment d) analysis of LPG usage in state/case studies in Tas 	See Annex E (tailored key messages + environment + LPG excise impact on cost for consumers	Michael Carmody	Now - and again in Dec-Feb 2011	<p>A former Greens candidate Mr Wilkie is a strong advocate for Dennison so any evidence of impact on LPG in Tasmania would benefit</p> <p>LPGA to seek support from the MP to reject measure when it comes before the house prior to July 01 2010</p>
Nationals Member for B2 2 WA Tony Crook MP	<ul style="list-style-type: none"> a) Letter b) direct engagement sharing of research (Adept Research/international studies) c) evidence that shows excise will have a negative impact on regional Australia/farmers d) analysis of LPG usage in state/case studies in WA/electorate 	See Annex E (tailored key messages regional +impact on small business	Michael Carmody + Wesfarmers/ Kleenheat CEO	Now and again in Dec-Feb 2011 (before budget)	<p>A National MP from WA, Mr Crook has declared he will sit on the cross benches.</p> <p>Will be interested in the regional arguments/farmer access to cheaper fuels etc.</p> <p>LPGA to seek support from the MP to reject measure when it comes before the house prior to July 01 2010</p>

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	<p>WA/electorate</p> <p>k) pre budget submission</p> <p>l) Key Impact statements</p>				to July 01 2010
The Greens	<p>a) Letter</p> <p>b) direct engagement sharing of research (Adept Research & international studies)</p> <p>c) evidence of carbon reduction</p>	See Annex E (tailored key messages + environment)	Michael Carmody - Warring Neilsen + environmentalist such as Ian Kiernan - Clean Up Australia	Now and again in Dec-Feb 2011 (before budget)	<p>Greens very keen to demonstrate negotiating potential post July 2011 and to demonstrate their broader appeal beyond climate change (eg: regional Australia, smaller business)</p> <p>In the meantime, support needed from them to block measure in the Senate (via a disallowance motion)</p>

The Coalition

Target	Medium and message		Who is Responsible	Critical Timing	Remarks
The Liberals	<p>a) Letter</p> <p>b) direct engagement sharing of research (Adept Research/international studies)</p> <p>c) evidence that shows excise will have a negative impact on regional Australia/farmers</p> <p>d) analysis of LPG usage nationally/regional areas/case studies of demise</p>	See Annex E (tailored key messages regional +impact on small business + families/homes)	Michael Carmody - Warring Neilsen	Now + ongoing	<p>In 2003, the then Liberal government announced the excise on LPG to be introduced for the first time.</p> <p>The proposed tax was significantly reduced and then never legislated for until now.</p> <p>An uncertain minority government affords them the opportunity to show their concern for regional Australia and support a carbon reduction policy without a carbon tax.</p> <p>After the 2010/11 budget announcement of the excise, the liberals likened it to the mining tax.</p> <p>2 iness operators, such as taxi drivers, who are the next targets of 2</p> <p>- Ian Macfarlane 13/05/10.</p>
The Nationals	<p>a) Letter</p> <p>b) direct engagement sharing of research (Adept Research/international studies)</p> <p>c) evidence that shows excise will have a</p>	See Annex E (tailored key messages regional +impact on regional Australia/farmers + small business)	Michael Carmody - Warring Neilsen	Now + ongoing	<p>The Nationals increased their representation in the 2010 election even though there is a view that they lost important influence with the regional voters to the independents.</p> <p>Sen John Williams. 7/06/10 said:</p> <p>1 increasing to 12.5 cents a litre is a blow to those</p>

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	d) negative impact on regional Australia/farmers analysis of LPG usage in nationally/regional areas/case studies of demise				people who have converted to LPG from petrol or diesel for the sake of the environment and economy, but now find their costs
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