

20 April 2012

**The Hon Julia Gillard MP**

Prime Minister  
PO Box 6022  
House of Representatives  
Parliament House  
Canberra ACT 2600

Via email: [julia.gillard@dpmc.gov.au](mailto:julia.gillard@dpmc.gov.au)

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**LPG vehicles offer budget and carbon savings**

Dear Prime Minister

I am writing to you concerning the benefits that would be realised by the Australian Government in making greater use of Liquefied Petroleum Gas (LPG) vehicles in the vehicle fleet and not making unexpected policy changes such as scaling back the *LPG Vehicles Scheme* which would reduce the overall uptake of such vehicles in Australia. This would result in a significant investment in new low emission automotive technologies.

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 and fuels marketers, equipment manufacturers, LPG vehicle converters, and the providers of services to the industry.

The Australian automotive sector. Your support has contributed to 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. As such, the release of these vehicles represents a significant and innovative development in the automotive manufacturing sector.

Any policy changes which discouraged the uptake of LPG vehicles in Australia would undermine and put at risk the investment in the development and production of these new low emission LPG Ford Falcons and Holden Commodores.

Further, LPG conversion of petrol powered 6 and 8 cylinder passenger and light commercial vehicles to LPG would deliver significant reductions in both fuel costs and CO2 emissions around \$7.3 million and 4,355 tonnes respectively in a full year. The robustness of these estimates is underpinned by the

LPG Australia agrees with the findings of the *Strategic Framework* that a range of barriers to the increased take-up of LPG vehicles currently exist. Moreover, LPG Australia supports the *Strategic Framework's* proposal, which *Energy White Paper*, to form an Implementation Advisory Group to enable government and industry to work together to reduce these barriers.

Both the *Strategic Framework* and the draft *Energy White Paper* also stressed the need for a predictable domestic policy environment as a key principle for the development of alternative transport fuels. LPG Australia strongly supports this position and submits that now is not the time to adjust policy settings in ways that would retard the Autogas growth. In line with the approach advocated in the *Strategic Framework* and the draft *Energy White Paper*, LPG Australia stands ready to work with the Government to ensure that existing policies and programs affecting the Autogas industry, e.g., the *LPG Vehicles Scheme*, are well designed and targeted to achieve its policy objectives.

In addition to the benefits discussed above, substituting LPG vehicles for petrol vehicles would also increase 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 LPG Holden Caprice as your official car of choice. Such a decision would send a strong positive signal to the Australian community and represent a massive stimulus.

## 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 Australian Government in its vehicle fleet would deliver significant reductions in both fuel costs and CO2 emissions around \$7.3 million and 4,355 tonnes respectively in a full year which would assist the Government meet its budget and climate change objectives.

support greater uptake of LPG vehicles, growth in LPG vehicles, both new and conversions, has been falling in recent years. Consequently, now is not the time to be making unexpected policy changes which would retard the and -investment in new low emission automotive technologies. This is especially so in light of declining government support for the Autogas sector, along with the recent spike in global LPG prices.

## Recommendations

LPG Australia recommends the following.

- a. The Australian Government actively consider making greater use of LPG vehicles in vehicle fleet and address any artificial barriers that might prevent this from happening.
- b. The Government implements the proposal in the *Strategic Framework for Alternative Transport Fuels* to form an Implementation Advisory Group to enable government and industry to work together to reduce the range of barriers to the increased take-up of vehicles powered by alternative fuels, including LPG, LNG and CNG.
- c. In line with the principles outlined in both the *Strategic Framework for Alternative Transport Fuels* and draft *Energy White Paper*, the Government acknowledges the need for a predictable domestic policy environment as a key principle for the development of alternative transport fuels and that now is not the time to be making unexpected policy changes such as scaling back the *LPG Vehicles Scheme*.
- d. You consider using a new LPG Holden Caprice as your official car of choice.

For your consideration.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Carmody', with a large loop at the start and a horizontal line underneath.

Michael Carmody  
Chief Executive Officer

Distribution: Prime Minister

For Information:

Minister for Finance and Deregulation

Minister for Industry and Innovation

Minister for Resources and Energy

LPG Australia Advisory Council Working Group Road Map LPG Vehicles

LPG Australia Automotive Equipment Suppliers Technical Committee

LPG Australia Secretariat