

# EXPANSION



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Fuel of the Future

## LPG GRANTS TOP \$100 MILLION

**Motorists have flocked to** LPG Autogas fuel since the launch of the Federal Government's LPG Vehicle Scheme, which provides a \$2000 rebate for private motorists who convert a petrol-powered vehicle to run on LPG Autogas and a \$1000 rebate for the private purchase of a new LPG vehicle. The Federal Government had by July paid out more than \$114 million in grants to over 57,000 motorists, since the scheme's launch in August 2006.

Federal Industry Minister Ian Macfarlane said while motorist demand for the Scheme had exceeded government expectation, it would continue to run uncapped until 2014.

"With climbing petrol prices putting pressure on the household budget, our LPG Vehicle Scheme offers families a cheaper fuel alternative," Mr Macfarlane said.

"Motorists using LPG are saving money on fuel and helping the environment in the process."

National sales of new LPG Autogas-powered vehicles to May 2007 have increased 15 per cent compared with last year, according to Federal Chamber of Automotive Industries (FCAI) figures.

Industry figures based on gas cylinder sales obtained from peak industry body LPG Australia



Lys Karagun is one of over 57,000 motorists who have claimed the LPG Autogas conversion rebate since August 2006.

indicate national LPG installations are up 128 per cent in 2007 compared with the same period last year.

LPG Australia industry development manager Phil Westlake said Autogas conversion of existing vehicles had doubled in 2007.

"We estimate the 12-month period to August 2007 will total 120,000 installations. Clearly, motorists are voting for LPG with their feet."

Mr Westlake said the scheme's popularity had helped overcome misconceptions about LPG systems.

"Modern LPG kits provide power and driveability indistinguishable from that of petrol-powered engines," he said.

Scheme participant Lys Karagun recently had her family's Holden Commodore professionally converted to LPG.

Mrs Karagun said she and her husband were pleasantly surprised by the scheme's simplicity and the fact that they received the rebate only 10 days after application.

"The conversion has been great," she said.

"We were spending \$21 per 100 kilometres for petrol but on LPG that's down to \$9. I love the fact that we're saving money while helping the environment."

## INDUSTRY CLEARS CONVERSION BACKLOG

**Waiting times for motorists** wishing to convert their vehicles to LPG Autogas have been all but eliminated.

LPG Australia industry development manager Phil Westlake said motorists faced conversion waiting times of up to 12 months in some cases following the introduction of the Federal Government's popular LPG Vehicle Scheme.

"There was an overwhelming rush in the scheme's wake to take advantage of the grant. The LPG industry simply couldn't keep up with the booming demand, which meant in some cases motorists cued for uncharacteristically

lengthy periods," Mr Westlake said. "The good news is that long waiting times are over. The industry has rallied to meet consumer demand and conversion waiting times have returned to the industry average of around three weeks." LPG tank manufacturers initially struggled to fill the flood of post-scheme customer orders. Manchester Tank reacted swiftly to unprecedented product demand by increasing its workload. However, as national sales manager Peter Craven said: "The whole supply chain was affected. We had to rely on our suppliers as well.

"We added another production shift, which basically doubled our capacity. We can now meet our distributor orders and they're telling us that they've caught up on their installers' orders."

The industry's other key LPG tank maker, APA Manufacturing, has similarly increased its production. CEO Tony Chapman said a huge demand spike created by the scheme resulted in a parts waiting list. "But we have since ramped up to twice the level of our old production targets. Our back orders are under control and we have significantly expanded capacity going forward," he said.

Installer Wayne Broady of Broady Automotive said that in the first week following the scheme's announcement he received over 400 enquiries. "At its peak we had to turn the phones off because it was just impossible to answer all the calls and get the rest of our work done," he said.

Mr Broady said that his business now performs around three conversions per week and receives three or four daily telephone enquiries, which fluctuates according to the current petrol price.

"We're still booked ahead because

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# INDUSTRY CLEARS CONVERSION BACKLOG

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we do a lot of commercial work for Toyota on behalf of Apollo Gas, but even with a healthy demand we can usually turn around a private motorist conversion within a couple of months."

The education industry has also geared up to train mechanics keen for a share of the busy LPG conversion, repair and servicing markets.

The Victorian state government has already spent over \$1 million on LPG training.

In New South Wales the Sydney Institute of Technology's Automotive Liquefied Petroleum Gas Engine course has expanded beyond the CBD to the suburbs of Blacktown and Wetherill Park, and also many regional centres. Head teacher Dennis Spagarino said the TAFE course had taken hundreds of bookings since recent changes were introduced to make it more flexible and appealing for students. "We've broken the course down to make it easier for



LPG Autogas installer Wayne Broady says LPG conversion waiting times have been greatly reduced.

students to attend and placed more emphasis on workplace assessments," said Mr Spagarino. Apollo Gas Products NSW, a major automotive parts wholesaler specialising in LPG equipment, is still being kept busy. "Demand has dropped of a bit from the dizzying pre-Christmas heights, but it's still

a strong market. We've caught up and are now able to supply pretty much anything at all to our channel, on request," managing director Peter Dane said. "Our installer network feedback is that conversion bookings are down to a couple of weeks, if not a couple of days. Some smaller

installers may even be able to complete an installation on the day of an enquiry."

Director of Mega Gas Australia, Tino Kolb, who imports and wholesales Zavoli LPG equipment from Italy, said Mega Gas is now in a position to supply kits almost immediately. "There's still a backlog for some specialised tanks for specific vehicles, but if one of our installation customers wants equipment to commence a job, we can usually get it to them the next day," he said.

Queensland-based LPG kit distributor and installer Torquegas has increased its importation of its MotorGas and

Technocarb sequential vapour injection kits. "We've received the last of our overseas stock orders and our advance bookings are back down to a fortnight. We're well and truly ready to meet the market," managing director Ron Flanigan said.

## LPG FOR DIESEL 4WDS

**South Australian company** Diesel/Gas Australia has developed an LPG injection system for diesel-powered four-wheel drive vehicles.

Diesel/Gas Australia claims the system increases torque and horsepower while simultaneously reducing exhaust emissions and overall fuel costs.

The feat is achieved by improving diesel combustion via the addition of LPG Autogas.

"LPG is introduced to the engine via the air intake," explained Diesel/Gas Australia general manager Kingsley Songer.

"Because LPG has a higher octane rating than diesel, the system helps diesel burn more efficiently, with more energy being extracted from it.

"The first thing people who use our system notice is that it provides more horsepower and torque – anything from 25 to 30

per cent extra for turbo engines and up to 20 per cent for naturally aspirated engines."

Mr Songer said a key advantage of the system was that no vehicle modification was required. "It's a non-invasive bolt-on system that runs independently of the vehicle's existing computer and fuel system," he said.

"If you run out of LPG or there is a gas system malfunction, the vehicle automatically defaults to run on straight diesel again."

The improved combustion process is also claimed to reduce exhaust particulate and oxides of nitrogen emissions.

"The black exhaust smoke associated with diesel engines, which is mostly unburned fuel, is almost eradicated," Mr Songer said.

LPG Australia industry development manager Phil Westlake said particulate matter

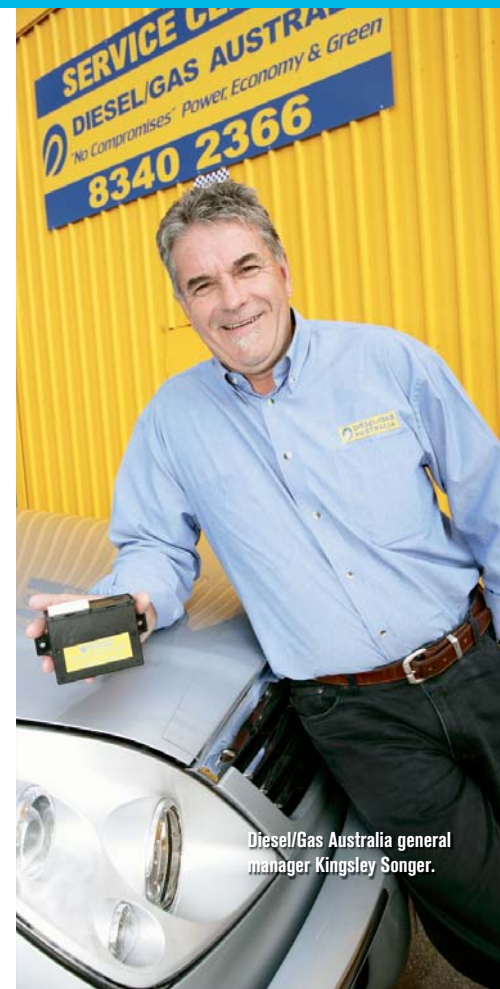
emissions from an average Autogas-powered vehicle were just 3.4 per cent of those of a diesel-powered equivalent, and that oxides of nitrogen emissions from LPG combustion were only 1.9 per cent of those from a diesel engine equivalent.

"Autogas itself burns cleaner than diesel and, when used in the Diesel/Gas system, also causes the diesel to burn more completely," Mr Westlake said.

"From an air quality perspective it's a win-win situation."

Mr Songer said cleaner-burning fuel also had mechanical benefits.

"Cleaner-burning diesel means you get less carbon deposit build-up so the engine components and oil stay cleaner for longer."



Diesel/Gas Australia general manager Kingsley Songer.



# TOYOTA AURION NOW AVAILABLE WITH AUTOGAS



Lpgas1 director Brett Coventry (right) with part of the Aurion LPG kit.

**Toyota's popular new Aurion** family sedan can now be converted to run on economical and low-emission LPG Autogas.

The state-of-the-art Aurion conversion kit was co-developed by Victorian-based companies Apollo Gas Products and Lpgas1.

Manufactured in Italy by Landi Renzo, Lpgas1 director Brett Coventry said the Aurion Omegas kit offers the latest in sequential gas injection technology.

Lpgas1 produces the kit's specialised bracketing, wiring and programming.

"The kit uses the Toyota electronic control unit (ECU), which means all

the Toyota features are also optimised on LPG," Mr Coventry said.

"It starts on petrol and automatically moves over to gas. If you run out of gas it moves back to petrol again – though you'd never know the difference, because there's no power loss."

Mr Coventry said the system produced a five per cent power improvement over conventional air valve and venturi LPG systems and a 50 per cent reduction in operating costs compared with petrol.

A Manchester-brand LPG tank with an estimated capacity of 53 useable litres is installed in the Aurion's boot.

The Omegas Aurion kit costs \$4400 including GST and has successfully passed Australian Standard compliance testing, meeting the stringent Euro IV emission requirements that will not be legislated until 2008.

"The kit is miles ahead of its time in terms of emission compliance," Mr Coventry said.

The Omegas Aurion kit is covered by a three-year, 100,000km warranty from Lpgas1, guaranteeing that the vehicle owner will not face any out-of-pocket insurance costs in the event of kit-related failure, according to Mr Coventry.

Apollo Gas Products has a long

history of developing LPG conversion kits for Toyota vehicles, including a factory-approved HiAce kit.

"We were naturally interested in the Aurion kit project because our homework has indicated there is a healthy demand for it," Apollo Gas Products technical manager Maurice Kouvaras said.

According to the Federal Chamber of Automotive Industries' national sales figures to May, 8648 Toyota Aurions were sold in 2007.

"Our Omegas kit suits the vehicle perfectly and we've been getting some phenomenal results from it," Mr Kouvaras said.

## COUNCIL GREENING WITH LPG AUTOGAS

**Hume City Council, Victoria's** sixth largest, is fuelling 68 per cent of its light vehicle fleet with environmentally friendly and economical LPG Autogas, which it estimates saved over 75 tonnes of carbon dioxide (CO<sub>2</sub>) emissions in 2006.

Three-quarters of the Hume Council fleet of Autogas-powered vehicles are dedicated factory-fitted LPG E-Gas Ford Fairlanes and Falcons with the remainder being dual-fuel conversions, including four Toyota Camrys and the new Aurion.

Council fleet coordinator John Williams is a 35-year fleet industry veteran and a firm believer in using Autogas wherever possible.

"Autogas has much stronger green credentials than unleaded petrol (ULP), producing around 15 per cent less CO<sub>2</sub> emissions," he said.



Hume City Mayor Cr. Gary Jungwirth (left) and fleet coordinator John Williams.

"Exchanging our fleet's petrol consumption for Autogas was a logical and environmentally responsible thing to do."

Since implementing its Autogas strategy in 2001, Hume Council has increased its annual LPG consumption from 125,000 litres

to 407,000 litres in 2006.

The council converted 35 vehicles in the light vehicle fleet to LPG Autogas in 2001, raising that number to 97 in 2006.

"That's a high representation of Autogas vehicles in a total light fleet of 152," Mr Williams said.

"We certainly renew the fleet with Autogas at every opportunity – we even have an LPG-powered street sweeper."

The Mayor of Hume City, Cr Gary Jungwirth, said his council welcomed the significant reduction in fuel costs.

"Our primary motivation, however, is environmental: using Autogas to reduce greenhouse gas emissions and air pollution," Cr Jungwirth said.

Autogas combustion produces extremely low particulate and sulphur dioxide matter emissions and has one of the lowest life-cycle greenhouse gas emissions of all common automotive fuels.

Hume City was recognised as Victoria's most sustainable city in 2006.

# LPG FALCONS WIN COMMERCIAL VEHICLE AWARDS

**Dedicated LPG Autogas Ford** Falcon vehicles have won two categories in *Delivery Magazine's* Light Commercial Vehicle of the Year Awards.

The MKII E-Gas Falcon XR6 tray-back was awarded Best Car-derived Utility Vehicle and the MKII E-Gas Falcon BF won Best Fleet Car.

It is the first time in the awards' three-year history that an LPG Autogas-powered vehicle has won the prestigious accolade.

*Delivery Magazine* editor Chris Mullett said harnessing LPG Autogas' substantial fuel cost savings was the main reason why the MKII E-Gas Falcon XR6 tray-back won its category.

"Our audience is very interested in anything that can be done to reduce operating costs, and the dedicated E-Gas Falcon takes full advantage of a highly economical fuel."

During two weeks and 1500 kilometres of varied testing, *Delivery Magazine* determined that re-fuelling the 4-litre V6 MKII E-Gas Falcon XR6 tray-back cost an average \$6.13 per 100 kilometres. In comparison it determined that a 3.6-litre V6 petrol-powered Holden Commodore Omega used \$12.50 of fuel per 100 kilometres – more than twice the cost of fuelling the Autogas Falcon.

LPG Australia's Phil Westlake said that, even though businesses do not qualify for rebates under



*Delivery Magazine* editor Chris Mullett with the award-winning LPG Autogas-powered Ford E-Gas Falcon XR6 tray-back.

the Federal Government's LPG Vehicle Scheme, investing in LPG Autogas-powered commercial vehicles still makes sound economic sense.

"Autogas is an extremely attractive fuel for business users even without the rebate, because the nature of commercial vehicle use involves high mileage and heavy loads.

"With Autogas presently selling for less than half the price of unleaded petrol, the savings stack up extremely quickly.

"The higher re-sale value of Autogas vehicles should also be considered. Red Book values a two-year-old E-Gas Falcon light commercial vehicle between \$1400 to \$2300 higher than a petrol-powered equivalent."

Mr Mullett said the MKII E-Gas Falcon XR6's performance was impressive while the vehicle's XR6 trimmings also pleased the judges.

"Technological advances have refined LPG systems to the point now where there is very

little difference in the performance of a dedicated LPG Autogas system and a standard unleaded fuel set-up. The Gas Falcon XR6 is no exception."

Autogas fuel's environmental credibility also helped the LPG Falcon XR6 ute get over the winner's line, Mr Mullett said.

"We did take LPG Autogas' low-emission qualities into account. It has many emission advantages over other commercial fuels such as diesel and petrol."

## INDUSTRY DEVELOPMENT PROGRAM GETS RESULTS

**Two-and-a-half years after** the launch of the Industry Development Program (IDP), LPG Australia says there is ample evidence that the message about Autogas is getting through to motorists.

The program was launched in March 2005 with a national print promotional campaign pointing to a purpose-built website.

The site – [www.lpgautogas.com.au](http://www.lpgautogas.com.au) – was receiving about 1000 unique visitors (UVs) a month at launch, rising quickly to an average of 7400 UVs a month in the 2005-06 financial year.

In 2006-07 visitations to the website more than doubled to 16,500 UVs a month.

"It's clear from the results that the promotion has been effective in driving people to the website, which in turn has become a vital public 'shopfront' for the Autogas industry," said the chairman of LPG Australia's Member Advisory Committee (MAC), Ian Maloney. "The establishment of the website has been a vitally important move in raising Autogas' profile."

The MAC chairman said email enquiries via the website have also more than doubled from an average of 37 per month in 2005-06 to 84 per month in 2006-07. The IDP has been keeping staff at LPG Australia's headquarters increasingly busy. Phone enquiries rose from an

average of 51 per month in 2005-06 to 80 per month in 2006-07.

"The phone figures reflect genuine enquiries – motorists looking for detailed information on which kit best suits their vehicle and where to get it fitted," said IDP manager Phil Westlake.

Chris Marriott, general manager of LPG wholesaler UNIGAS, has praised the MAC for its vision in creating the IDP and the generation of the unprecedented demand for LPG conversions.

"Sales of LPG for automotive application in Australia have increased significantly since mid-2006 – a direct reflection of a successful Industry Development Program and the commitment

by the members to continue to work toward sustainable growth," Mr Marriott said.

Mr Westlake said there was also plenty of evidence from installers about the success of the promotional campaign in generating enquiries and sales.

"Requests for point-of-sale material such as brochures and posters have more than doubled over the last year," he said.

"In 2007-08 we will maintain our promotion of the LPG Vehicle Scheme and widen our focus to include encouragement of larger fleet and small-to-medium business enterprises to use LPG Autogas," said Mr Westlake.