



ROUND AUSTRALIA DRIVE DISPELS LPG MYTHS

The success of an around-Australia demonstration drive in an LPG Autogas-powered car has dispelled once and for all the myths about the availability and suitability of Autogas for Australian motorists.

The LPG industry peak body says the completion of the Ford "Around Australia for around \$1000" LPG Challenge is proof of what it has been saying ever since fuel prices began to rise – that Autogas is an inexpensive, widely available and viable alternative to petrol. Returning to Melbourne after 23 days of driving around the country, the Ford LPG Challenge

team spent a total of \$997.55 and had 20 kilometres of LPG left over – demonstrating the efficiency and availability of LPG Autogas.

The E-Gas Falcon travelled 13,965 kilometres around Australia's mainland states and averaged 10.2 litres per 100 kilometres – 2.3 litres better than Ford had predicted.

"Ford E-Gas was more economical than anyone thought, including Ford. The car's mileage just got better and better and continued to impress," said Phil Westlake, LPG Australia's Industry Development Manager.

Mr Westlake took the wheel of the E-Gas Falcon from the roads of Australia's country music capital, Tamworth, to the city streets of Sydney.

"When I joined the Ford LPG Challenge for the leg I was really impressed by the high level of community interest in the drive.

"We made it to Sydney from Tamworth without having to refill, which was very economical given we had done 750-odd kilometres – including peak-hour Sydney traffic.

"When we left Tamworth we filled the tank for 56.9 cents per litre, compared to unleaded which was 88.1 cents dearer at \$1.45."

The biggest price gap encountered during the trip was close to \$1 in Geelong where LPG was 44.9 cents against unleaded at \$1.43, a differential of 98.1 cents.

"High petrol prices are continuing to push motorists towards LPG Autogas," said Mr Westlake.

"The Federal Government's decision to provide a grant for private motorists converting to LPG has definitely put Autogas top of mind for many people.

"It has also made Ford's dedicated LPG model even more attractive."

In 2004 LPG Falcons accounted for 6 per cent of annual Falcon sales. In 2005 it had risen to 11 per cent and so far this year, approximately 21 per cent of all Falcon sales are LPG.

"The Ford LPG Challenge has demonstrated to Australian motorists the benefits of LPG Autogas and dispelled the myths out there about alternative fuels – like Autogas being low-performance, unreliable, unsafe and inaccessible," said Mr Westlake.

"The challenge has demonstrated just how reliable Autogas is and that motorists can travel throughout Australia in an LPG Autogas-powered car with great confidence."

There are more than 3240 Autogas outlets across Australia within a network of 6500 service stations.

Mr Westlake said rural Australia is particularly well-served by Autogas filling stations as nearly half of them are located in regional areas.



LPG Australia's Industry Development Manager Phil Westlake with an environmentally friendly LPG tailpipe.

FLEET SA ACCELERATES WITH ALTERNATIVE FUEL

While high fuel prices have put LPG Autogas in the news, the South Australian Government's fleet operator has thrown its weight behind Autogas-powered vehicles in order to 'green' the state's vehicle fleet.

Fleet SA – which is aiming to convert 50 per cent of its fleet to environmentally friendly fuels by 2010 – says it has chosen Autogas over other green fuels following positive experiences with LPG-powered vehicles over the last five years.

The use of Autogas-powered vehicles helped Fleet SA achieve its previous target of a 20 per cent environmentally friendly fleet by the end of last year.

The company's decision to further expand its Autogas fleet was brought about by local manufacturers' support for LPG-powered vehicles – such as Ford's dedicated LPG Falcon E-Gas range.

Fleet SA assessed other environmentally friendly fuels, such as bio-diesel B5 and ethanol blends, but rejected them because they are not widely accepted or supported by local manufacturers – unlike Autogas and hybrid (petrol/electric) vehicles.

The South Australian Government proposed the 50 per cent fleet target as part of its drive to reduce the state's carbon dioxide emissions.

If passed, the new state climate change legislation will mean a reduction of 2000 tonnes of greenhouse gas emissions and shave \$3.7 million off South Australia's annual fleet fuel bill – a cut of almost one-third.

"Using Autogas is a practical way of contributing to the health of our environment, in addition to saving significant fuel costs," said Phil Westlake, LPG Australia's Industry Development Manager.

"With petrol prices reaching record levels – fleet managers and companies are actively searching for more affordable alternatives such as LPG Autogas.

"The Federal Government's recent LPG conversion grant for private motorists means more Australians can follow Fleet SA's example and do their bit for the planet as well as save money at the bowser," Mr Westlake said.

The SA Government fleet consists of around 8000 vehicles, including 1830 that run on Autogas and 85 hybrid vehicles.

COST SAVINGS AND ENVIRONMENTAL CAUSES PUSH FUEL DEBATE

Australian motorists have backed in the strongest terms the development of an alternative fuel industry, with almost 85 per cent supporting the Federal Government's incentives to take up LPG and ethanol, said NRMA at this month's Alternative Fuel Summit held in Sydney.

A survey of more than 330 NRMA Motoring and Services members across NSW and the ACT found that almost 90 per cent believe Australia can no longer rely on overseas markets for fuel because of its volatility and should develop local sources of fuel.

"Australia stands on the brink of an energy revolution," NRMA President Alan Evans said.

"The Federal Government's incentives to encourage motorists to make the switch to alternative fuels are having an impact and we must act now to make these available to all motorists.

"Governments, car manufacturers, the oil industry, NRMA and all other stakeholders have a responsibility to make the most of this community enthusiasm and set about developing an alternative fuel industry in Australia."

The NRMA survey found that cost savings and environmental causes were among the main reasons for the public's change of heart about alternative fuels.

"Almost 80 per cent of motorists surveyed said they would convert their car to an alternative fuel because it's cheaper," Mr Evans said.

"More than 70 per cent would convert for environmental reasons and over 60 per cent pointed to incentives from the Federal Government as their motivation."

The survey also found that high petrol prices have prompted motorists to begin modifying their behaviour. For example:

- 44 per cent are driving less
- 62 per cent are filling up on cheaper days
- 61 per cent are using fuel vouchers
- 31 per cent have decreased spending in other areas
- 12 per cent have purchased a more fuel-efficient vehicle
- 8 per cent are using more public transport

The Alternative Fuel Summit brought together some of the nation's leading minds and decision makers in alternative fuels, including speakers such as Federal Minister for Transport Warren Truss, Federal Opposition Leader Kim Beazley and international and domestic experts on alternative fuels, such as Vialle Gas Technology Director Peter Rutten.

To help develop a roadmap for an alternative fuel industry in Australia, NRMA has provided



funding to establish the "Jamison Group" – named after the hotel where the summit was held.

The group will comprise six to 10 eminent experts in the field from the scientific, business and political sectors.

NRMA will contribute \$250,000 to its establishment and will call on other parties to also contribute.



Prime Minister John Howard at a Sydney mechanics business.

LPG INDUSTRY WELCOMES GOVERNMENT ANNOUNCEMENT

LPG Australia has welcomed the Federal Government decision to offer cash-strapped motorists an affordable alternative to petrol-powered motor vehicles.

"The government grants for new LPG vehicles and conversions are a sensible response to current petrol price trends because they recognise that LPG Autogas is a readily available alternative fuel," said LPG Australia's Industry Development Manager Phil Westlake.

He said that at current price differentials, motorists switching from petrol to autogas would effectively halve their fuel costs.

He said the Federal Government's \$2000 Autogas conversion grant meant that motorists currently using \$80 worth of petrol a week would pay back the average \$2500 cost of conversion in less than four months.

The \$1000 grant for new Autogas vehicles means that if the same motorist chose to buy an LPG-powered Falcon, the extra purchase price over an equivalent petrol-powered model would also be recouped in less than four months. The grants became available on

14 August and will run for eight years.

In response to the Federal Government move, LPG Australia has announced the immediate formation of an Autogas Task Force (ATF), charged with taking practical steps to ensure a rapid industry response to the expected growth in demand for Autogas engine conversions.

"With the government's announcement, an Autogas conversion has become an investment in the future for consumers, and the LPG industry will invest in the future as well," said ATF spokesperson Ian Maloney.

"While the spike in demand may involve some short-term conversion capacity issues, this will not adversely impact on the savings the motorist makes, which will continue for many years to come.

"The government has given the LPG industry long-term certainty and we will respond with greater installation capacity and a wider range of Autogas kit availability."

LPG Australia says there are already a large number of high technology fuel injection-type LPG kits available for many popular makes and models.

"The latest, fourth-generation LPG systems offer performance and driveability comparable with the best petrol engines. Motorists contemplating conversion can purchase these systems with confidence," said Mr Westlake.

He said it was hoped that more motor vehicle manufacturers would respond to the LPG Vehicle Scheme by offering LPG engine options as original equipment.

Mr Westlake said the government decision had recognised the powerful macro-economic and environmental arguments in favour of LPG Autogas.

"It also makes sense to make more use of Autogas as an alternative transport fuel at a time when Australia currently exports around three billion litres of LPG per year, 40 per cent of our current production," Mr Westlake said.

Last year crude oil production in Australia fell by 10 per cent while LPG production rose by three per cent.

In August Prime Minister John Howard visited a Sydney mechanics business – Archers Motor Repairs – to learn first-hand about LPG conversions.

RAPID EXPANSION!

Sales of new LPG-powered motor vehicles and conversion kits are booming in the wake of the Federal Government's 14 August LPG Vehicle Scheme announcement and 12 months of rising petrol prices.

Phil Westlake, LPG Australia's Industry Development Manager, said the Autogas industry had responded to the additional demand by producing 68 per cent more LPG cylinders (11,129) for the month of September compared with 6621 in August.

New Autogas passenger private vehicles sold in Australia have grown by 226.2 per cent year to date

LPG vehicle installations to existing vehicles have increased 101.5 per cent year to date (40,828) while new LPG vehicles sales have increased 64.5 per cent year to date (10,224).

LPG Australia expects the number of vehicles being converted to grow from 45,000 per year to 105,000 in 2007, while sales of new factory-built LPG vehicles will increase from 15,000 to 30,000 a year.

Mr Westlake said demand had been rising rapidly even before the Prime Minister's announcement.

"The Autogas industry doubled installations from around 4000 conversions in July to more than 8000 for August," said Mr Westlake.

LPG Autogas tank manufacturers and installers are now making a substantial effort to turn LPG conversion requests around even more quickly.

"With more installers and tanks on the way, the conversion process is going to speed up," said Mr Westlake.

"The government has given the LPG industry long-term certainty and we are responding as quickly as possible with a greater installation capacity and a wider range of Autogas kit availability."

Meanwhile, the latest figures from automotive industry statistician VFACTS show that all new Autogas vehicle segments have also increased markedly, with the largest increase occurring in the private segment.

New Autogas passenger private vehicles sold in Australia have grown by 226.2 per cent year to date and light commercial private vehicle sales are up by 147.8 per cent. (continued page 4)

INDUSTRY WELCOMES TRAINING BOOST

During September the Victorian Government and TAFE NSW announced substantial commitments to the Autogas industry in training, production and resources.

A major boost was the Victorian Government's aid of \$1.2 million for the training of LPG tradespeople and the production of LPG tanks.

The package provides an additional 500 training places for mechanics to become LPG installers and assistance to the state's LPG tank manufacturers to enable them to access skilled labour.

The Victorian Government program also includes a public information campaign and additional resources for the Automotive Alternative Fuels Registration Board (AAFRB).

TAFE NSW demonstrated its support by announcing that over the coming 18 months it will have trained an extra 800 motor mechanics and automotive electricians in the installation, repair and servicing of LPG



Prime Minister John Howard meets two Sydney mechanic apprentices.

vehicles – more than a ten-fold increase on its current numbers.

In addition, TAFE NSW has commenced training courses in regional areas such as Albury, Nowra, Tamworth, Taree, Goulburn and the Sydney suburb of Wetherill Park.

By 2007 the courses will also be offered at Wagga Wagga, Griffith, Dubbo, Blacktown, Coffs Harbour, Wollongbar and Newcastle. The association says the packages

from both parties will help alleviate concerns about the LPG Autogas industry's capacity to meet consumer demand.

"It is gratifying to see that the Victorian Government and TAFE NSW support our efforts to meet demand with efforts of their own. These initiatives will make it easier for the LPG industry to gear up quickly," said Phil Westlake, LPG Australia's Industry Development Manager.

RAPID EXPANSION!

(continued from page 3)

Meanwhile, new Autogas passenger non-private vehicles have increased 43.5 per cent year to date and light commercial non-private sales have increased by 91.9 per cent.

"Clearly, increasing numbers of consumers are recognising that Autogas offers them an inexpensive, widely available and viable alternative to petrol-powered motor vehicles," said Mr Westlake.

"In addition, by switching to Autogas, they can feel good in the knowledge that they are helping our environment by reducing greenhouse gas emissions."

Ford Australia, whose Falcon E-Gas currently represents the majority of the new LPG vehicles sold in Australia, says it has the production capacity to meet the booming demand.

Ford is predicting annual Falcon E-Gas sales will continue to grow significantly from 21 per cent of total sales and is investigating

options to improve E-Gas production capacity should this occur.

Holden's all-new VE Commodore can now be ordered with a factory fitted dual-fuel LPG engine.

An advanced computer-controlled sequential fuel injection system means the LPG version of the 3.6-litre Alloytec V6 engine produces 175kW. Mr Westlake said that in addition to a wider range of factory-fitted models an expanded range of autogas conversion kits – incorporating the latest safety and technology advances – will become available in the coming months in response to consumer demand.

"The performance, efficiency and safety of this new generation of LPG injection systems will overcome any outdated perceptions some consumers have about autogas vehicles," he said. Parnell LP Gas Systems, for



example, has announced a new advanced-technology gas injection system suitable for the conversion of Holden Commodore VZ (both six-cylinder and V8), Toyota Prado and HiLux and Mitsubishi Pajero, amongst other models.

Developed in Europe, the Parnell VSI system is described by the company's director, Mark Somers, as "by far the benchmark in LPG systems".

"The Parnell VSI system's performance, safety and reliability makes it the envy of other LPG injection systems," says Mr Somers.

GOVERNMENT'S LPG GRANTS FUELLING GREAT INTEREST

In the first week of its operation the Australian Government's LPG Vehicle Scheme has approved grants worth close to \$3.5 million to Australian drivers making the switch to, or buying, LPG-powered vehicles.

Australian Industry Minister Ian Macfarlane said interest in the \$2000 and \$1000 grants announced by the Prime Minister in August had been intense, with more than 50,000 phone callers registering their interest.

The LPG Vehicle Scheme officially opened Monday 2 October and by close of business on Friday 6 October more than 4100 claims had been lodged by motorists who have already converted their vehicle or bought a new LPG car.

"More than 90 per cent of these were claims for the \$2000 conversion rebate," said Mr Macfarlane.

"These claims are being swiftly converted to cash for motorists and 1734 claims were assessed and approved by the weekend. More than 90 per cent of these were claims for the \$2000 conversion rebate," said Mr Macfarlane.

"The LPG Vehicle Scheme is designed specifically to give families and individual motorists an option when it comes to how they fuel their vehicles and the cost of doing that.

"LPG is an option as is ethanol, a renewable fuel in which the Howard Government is making a substantial investment to give motorists a choice at the servo, while also stimulating a new, local industry."