

EXPANSION

LPG Australia says its Industry Development Program (IDP) has led to a steady increase in the number of LPG-powered vehicles being sold.

The latest figures from automotive industry statistician VFACTS show that the number of factory-fitted Autogas vehicles sold in Australia has grown by 50.3 per cent year-to-date.

May sales of new LPG-powered vehicles (not including after-market fitment) were up 43.3 per cent (1144), from last year's May figure of 798 vehicles.

LPG Australia estimates total national sales of new LPG systems to the end of April (based on cylinder sales) at 16,341 – 12,810 of those retrofitted.

Retrofits have increased 134.2 per cent year-to-date whilst OEM sales have increased 52.6 per cent.

Using a limited budget funded by association members, LPG Australia undertook a four-pronged marketing strategy during 2005/2006.

"It's clearly working well," said Phil Westlake, LPG Australia's industry development manager.

"The program consisted of relationship activity, public relations, awareness and promotion, and state programs held with local suppliers, installers and other fuel industry bodies."

Activities including distributing media releases, advertising, website modifications, and 'meet and greets' with industry stakeholders were all undertaken to promote the LPG industry.

Mr Westlake said that high petrol prices had made private motorists, small businesses and company fleets think about the cost of fuel and that the IDP had placed LPG Autogas firmly on the radar.

"The Defend Yourself advertising campaign and the PR activity were designed to take advantage of the topicality of the fuel price issue," said Mr Westlake.



LPG IN TOP GEAR, THANKS TO IDP

"During that period, the PR campaign reached over 12 million people thanks to the stories which appeared in publications – including national and metropolitan newspapers, plus other mainstream and trade magazines."

Overall the PR strategy witnessed a 479 per cent return on investment for LPG Australia.

As a result of the campaign visits to the LPG Autogas web

site have been growing strongly from a monthly average in 2004/05 of 2400 to a monthly average in 2005/06 of 6900.

In May 2006 the site received 16,268 visitors, up from 10,806 in April.

In addition Mr Westlake said the national campaign had played its part in maximising the resale values of LPG vehicles.

According to leading car valuers,

Redbook and Glass's Guide, LPG vehicles on average fetch a \$2000 premium.

In some cases, secondhand LPG vehicles have reached premium prices of \$3000 to \$4000 in government fleet auctions.

LPG Australia has confirmed continued funding of the IDP's public relations, state programs and relationship activity in 2006/2007.

GREATER TAREE CITY COUNCIL CHOOSES LPG AS PETROL PRICE SOARS

A New South Wales council has chosen LPG Autogas-powered cars for its fleet, saying a comparison with bio-diesel and hybrid-powered vehicles found LPG delivered greater savings in running costs.

Greater Taree City Council says its Autogas vehicles have considerably reduced overall fuel costs of its passenger vehicles over the last eight months.

Escalating petrol prices and the desire to provide a greener alternative drove the Council to investigate fuel alternatives, leading to the trial of seven Autogas-powered vehicles.

"We looked at all options – from alternative fuels such as bio-diesel and hybrid vehicles – but we chose Autogas because the other alternatives couldn't match what Autogas had to offer," said John Webster, Fleet Supervisor, Greater Taree City Council.

In 2002 the Council trialed bio-diesel in its fleet vehicles but after three months abandoned the experiment because of concerns about the quality of the fuel.

"We were using straight bio-diesel but it began to turn into a lard-



John Webster, Fleet Supervisor, Greater Taree City Council, with his Ford E-Gas fleet.

type fuel in the cooler months," said Mr Webster.

"If we had blended the bio-diesel with conventional fuel to solve the problem we would have had to pay an excise tax on the fuel, diminishing the cost savings."

Mr Webster said the council also rejected hybrid-powered cars because they were too expensive to purchase and there were doubts about their resale value.

The Council chose Ford's Falcon E-Gas because it was

the only Australian-built car with a dedicated LPG engine.

"Dual-fuel LPG cars are more expensive to purchase and to pay that back with fuel cost savings takes too long. The dedicated LPG Falcon is only \$1200 more than the petrol equivalent so it's easier to make the sums add up," said Mr Webster.

"Our LPG Falcons are slightly thirstier – averaging 12 litres/100km compared to 11 litres/100km for our petrol-powered cars – but

"We looked at all options – from alternative fuels such as bio-diesel and hybrid vehicles – but we chose Autogas."

with the current price difference between Autogas and standard unleaded petrol we very quickly pay back the extra purchase price and after that save considerably on running costs."

In addition to achieving lower running costs, Taree Council has saved money through the stronger residual values for Falcon E-Gas over standard unleaded petrol Falcons.

"We are receiving approximately an extra \$2000 at auction for the Autogas cars, so that makes a huge difference when you calculate whole-of-life costs for the vehicle," said Mr Webster.

"With seven vehicles running on Autogas we expect a reduction in greenhouse gases of 11.55 tonnes per year."

AUTOGAS MITSUBISHI DEBUTS AT PERTH SHOW

An advanced LPG Autogas-powered version of Mitsubishi's new 380 family sedan featuring the fourth generation electronic fuel injection (EFI) system debuted at this year's Perth Motor Show.

Displayed on the Kleenheat Gas stand at the show, the 380 is a joint project between Kleenheat, Mitsubishi, Impco Technologies, APA Tanks and John Hughes Mitsubishi.

The 380 uses a dual-fuel gas/petrol system developed specifically for the car by Impco Technologies and is fully compliant with Mitsubishi's guidelines for fitment of LPG.

The Impco Sequent 56 system uses new generation fuel vapour injection technology and computer management technology to ensure the 380 performs much the same on Autogas as on petrol.

Kleenheat Sales Manager Mike Carrigg said the 380 show car would be used to promote the new technology to Mitsubishi dealers, government departments and fleet managers.

"Fourth generation EFI for Autogas is changing consumers' perceptions about Autogas, with even greater fuel savings, greater power, improved reliability and the elimination of backfires," he said.

"Responses from fleet managers have been extremely positive."

Impco Technologies reports strong advance orders for the 380 LPG kit in the wake of sharply higher petrol prices over the last 12 months.

"The response has been amazing – we already have orders for over 200 units," says Impco Technologies' David Finch.

"Fuel consumption of the 380 on Autogas is within two litres per



The new LPG Autogas-powered Mitsubishi 380.

100 kilometres of petrol, and given the much lower pump price of Autogas compared to petrol, the running cost savings are significant."

Mr Finch says the Sequent system has proven very reliable

since it was first introduced for Holden Rodeo 16 months ago.

"Some components of the Sequent 56 system were re-designed specifically for the 380 to ensure the integrity of the vehicle was not compromised in any way."

AUTOGAS-POWERED CAR SETS AUSTRALIAN LAND SPEED RECORD

A classic Holden Monaro powered by LPG Autogas has set a new Australian land speed record as Australia's fastest LPG-powered vehicle on a salt lake in South Australia.

The 1971 Holden HQ Monaro, owned and built by Dr Don Hudson and co-driven by himself and Dr Justin Clarke, both from NSW, reached speeds of up to 259km/h at this year's Australian Dry Lakes Racers Speedweek at Lake Gairdner.

Dr Hudson and Dr Clarke are the only drivers running an LPG-powered vehicle for land speed racing.

The co-drivers were trying to beat their own record set last year after modifying the engine to produce more power.

"The speed and reliability of our Monaro's LPG engine

stunned sceptics," said Dr Hudson.

"We changed the heads and the intake manifold, upgraded to a larger-size carb and placed an additional gas tank in the car to increase flow," said Dr Hudson.

Both co-drivers aimed to break 320km/h, although wet weather conditions and track changes restricted them to 259km/h.

"The engine was perfect," said Dr Hudson.

"This year we changed the diff gearing so it didn't have to rev as high for the same speed but, as luck would have it, we were limited by the soft and slippery track and the distance we had to run with."

The speed recorded is based on an average speed over a 'time-flying mile', unlike drag racing where top speed reached is the recorded figure.

Drivers need to be at a constant speed for three or four miles, which can have a dramatic impact on the car and the engine.

"If your car is running lean, you will burn all your valves out, which is one thing people said would happen to us running LPG Autogas, but it has run beautifully every year – we have never burnt a valve," said Dr Hudson.

"Since the Monaro engine runs on LPG Autogas, the fuel does not destroy the oil.

"The carburettors are more reliable than petrol carburettors, as cleaning isn't required as often, nor is changing spark plugs and jets.

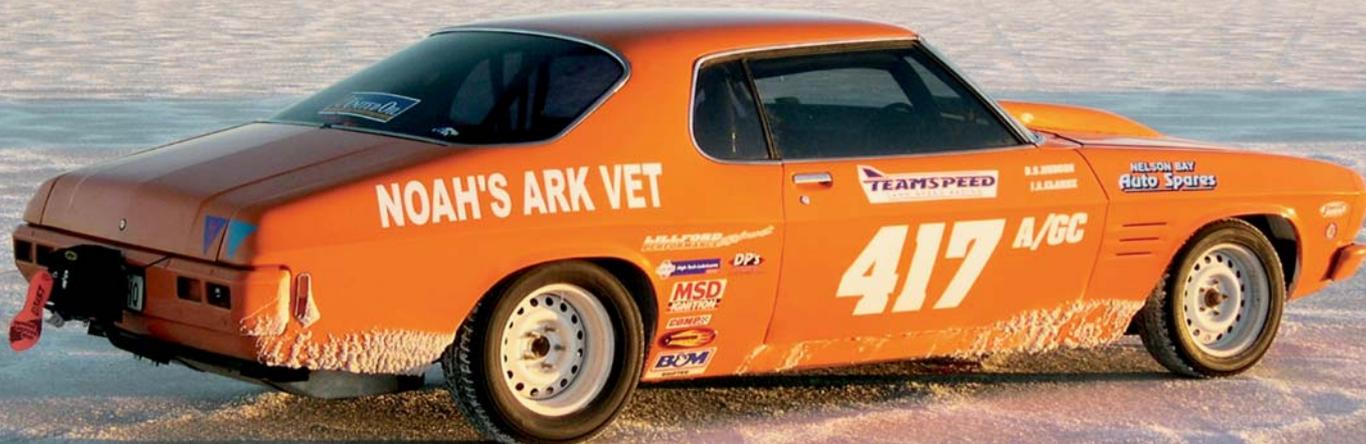
"LPG's octane rating is high enough to be used for a high-compression motor, so the cost of super premium fuel does not come into play.

"The speed and reliability of our Monaro's LPG engine stunned sceptics."

"As far as performance goes, LPG is quite good."

At last year's meet the co-drivers set the Australian record at 250km/h. This year, despite restricted conditions, the team added another 9km/h to the record and next year they aim to break the record again.

"We are definitely looking forward to next year's meet where we can really open the car up and hopefully break 320km/h, weather permitting," said Dr Hudson.



Dr Don Hudson's 1971 Holden HQ Monaro at Lake Gairdner, South Australia.

GOVERNMENT WINS PRAISE ON LPG AUTOGAS POLICY

LPG Australia has praised the Federal Government for its efforts to provide cash-strapped motorists with an alternative fuel.

"The government's support measures have made LPG Autogas affordable," said LPG Australia's Industry Development Manager Phil Westlake.

"Measures for the future, including a \$1000 capital grant for LPG Autogas vehicles delivered new from 1 July 2011, will reinforce LPG Autogas' affordability.

"It makes sense to make more use of LPG as an alternative transport fuel at a time when Australia currently exports around two million tonnes of LPG per year," Mr Westlake said.

"At current fuel prices an average motorist who uses 60 litres of petrol per week will save around \$40 per week using affordable LPG Autogas.

"This Government's support for LPG Autogas, coupled with rising demand, has seen

Ford Australia recently expand its range of Falcon E-gas models.

"Additionally, GM Holden has launched a dual-fuel (petrol/LPG powered) version of its best-selling Commodore," Mr Westlake said.

Mr Westlake added that motorists and Green groups were coming to recognise that keeping the price of LPG Autogas low was a practical response to the petrol price





Queensland businessman Mark Porter of Environpest Termite Consultants says converting to LPG Autogas has enabled him to save substantially on fuel costs. "By converting my 2.5-tonne Nissan Patrol to Autogas, my fuel cost equates to the petrol bill of my mother's Toyota Corolla," said Mr Porter.

"With petrol around \$1.21 a litre in Queensland and Autogas at 49c, it's around \$12.25 per 100km to run a vehicle on Autogas, whereas for unleaded petrol it's around \$30."

Mr Porter says with the mileage he does driving from client to client, the conversion will have paid for itself within six months.

"If I couldn't convert the vehicle to Autogas I wouldn't be using a Nissan Patrol for work jobs – it would be too expensive to run, especially with the recent petrol spikes.

"We'd have to work out which bank to rob between jobs to run the Patrol around on petrol," he joked.

Mr Porter has been using Autogas-powered vehicles in his business for over 22 years.

"I've used Autogas for so long because it's reliable, economical to run, safe, extends oil changes and is an environmentally friendly alternative to petrol and diesel.

"I would absolutely recommend LPG to other motorists."

WLPGA REPORT CALLS FOR AUTOGAS TAX RELIEF

The World LP Gas Association has published a report which concludes that government tax policy is one of the most important factors in determining the growth of LPG Autogas use.

The WLPGA report is a country-by-country analysis of why and how governments promote Autogas use, and what works best.

The analysis concludes that the single most important measure in making Autogas an attractive fuel to vehicle owners is a favourable fuel tax treatment compared to conventional fuels.

"At a minimum taxes should be set on an energy content basis and should take account of the environmental benefits of encouraging switching to Autogas," says the report.

"In practice Autogas can only be successful if there is a concerted effort on the part of all stakeholders, vehicle

manufacturers and converters, Autogas suppliers and governments to make switching attractive to end users."

The report also concludes that the most critical factors in determining consumer uptake of Autogas are the financial payback on the initial investment and the achievement of a critical mass market.

"The payback period has to be sufficiently short to compensate for the inconvenience associated with Autogas, notably the loss of boot space and the more limited availability of refueling stations in some countries and regions," say the report's authors.

"The market needs to be large enough to demonstrate to potential users that the fuel is safe, reliable and cost effective.

"Safety should be an overriding concern for policy-makers everywhere and technical and

safety standards should be enforced by governments."

LPG Australia's General Manager, Ray North, says the report demonstrates the situation in Australia favours the growth of Autogas use.

"We have retained both the government tax support and safety regulations that the report calls for and our LPG fleet and refueling infrastructure are both large enough to give consumers confidence in Autogas."

Mr North said, however, that there were additional recommendations in the report that Australia should consider.

"The report says that the conversion of public fleet vehicles to LPG is also an effective way of demonstrating the benefits of Autogas.

"It's also notable that the report highlights the importance of stable

The most critical factors in determining consumer uptake of Autogas are the financial payback on the initial investment and the achievement of a critical mass market.

long term government policy – something LPG Australia has been saying for years," said Mr North.

The WLPGA report concludes that: "without policy stability, coherence and consistency, neither fuel suppliers, nor OEMs, nor consumers will be confident that they will be able to make a reasonable return on the investments required to switch fuels."