



**Submission to the House of Representatives Standing Committee
on Environment and Heritage Inquiry into a Sustainability Charter**

12 May 2006

Standing Committee on Environment and Heritage
House of Representatives
Parliament House
Canberra ACT 2600

LPG Australia, in this submission, provides input into three of the five key elements of a sustainability charter mentioned in the terms of reference for the Inquiry. These elements are the Built Environment, Energy and Transport.

In preparing this submission, LPG Australia has considered recommendations from the Sustainable Cities Report under Section 5 Transport, Section 7 Building Design and Management and Section 8 Energy. The Sustainable Cities Report indicates that there are many aspects to the meaning of sustainability. LPG Australia has drawn on a number of key words that were put forward on the concept of sustainability and listed in the Sustainable Cities Report. These key words indicate areas in which LPG can make a contribution to sustainability. The key words identified are “*environmental*”, “*well being and health*” and “*efficient use of energy*”. The report noted “*by focusing on sustainable cities the committee has a unique opportunity to influence the outcomes for over 80% of the Australian population*”.

1 The Built Environment

A variety of five star rating systems are used in building standards in Australia. A uniform, national five star rating system could be built into the Sustainability Charter. LPG can assist buildings to achieve a five star rating when it is used as a home heating and energy source instead of electricity.

LPG Australia recently commissioned a study by Big Switch Projects which makes a recommendation to Government to provide a \$750 rebate for LPG boosted solar water heaters and a \$250 rebate for high efficiency LPG hot water heaters for those householders who cannot install solar. The cost to Government would be \$14.8 million per annum over ten years with greenhouse gas reduction of 810,000 tonnes per annum or 8,100,000 tonnes over the ten year life of the program.

The proposal is that LPG boosted solar hot water heaters and high efficiency LPG hot water heaters receive the incentive to encourage consumers to use them to replace the estimated 5.6 million electric hot water storage systems which will need replacing in the next ten years. The proposal is attached to this submission.



2 Energy

Australia, according to ABARE Economics, has a net exportable surplus of LPG for the foreseeable future. This report titled 'Australian Liquefied Petroleum Gas Supply Research Study 2000-2020' is attached. LPG can help reduce Australia's reliance on imported oil as a transport fuel and LPG can be used in areas instead of electricity where natural gas reticulation is not provided or planned. LPG can lessen the environmental impact of energy use and dependence on fossil fuel based sources of energy.

2 Transport

LPG as a transport fuel is widely encouraged by overseas governments through a variety of incentives such as grants and, the absence of or reductions in excise. Describing sustainability in the Sustainable Cities Report, Professor McMichael referred to "conditions that are good for human comfort, well being and health".

LPG can make a major contribution to these areas as LPG vehicles produce up to 15% less greenhouse gas, up to 50% less particulate matter, up to 60% less carbon monoxide, up to 33% less oxides of nitrogen, virtually zero evaporative emissions of hydrocarbons and up to 80% less air toxics like benzene and 1,3 butadiene.

The Sustainable Cities Report recommendations quoted in the discussion paper for this Inquiry indicate that in Sweden, one of the five national sustainability objectives is promoting human health.

The World LPG Association has recently published a study called the "Health Effects and Costs of Vehicle Emissions – The Invisible Challenge." The précis of this report is attached to this submission and the full report can be provided on request.

Also attached to this submission is a paper prepared by Peter Anyon called "LPG – The Clean Transport Alternative - Presenting the Environmental Case". This paper outlines in detail the environmental benefits of LPG as a transport fuel compared to traditional fuels.

In Australia, the South Australian Government, in particular, and major commercial fleet operators are adopting LPG vehicles for both economic and environmental reasons.

The Ford Motor Company has announced three new dedicated LPG vehicles which will be added to their range and all the major Australian car manufacturers are able to deliver vehicles with dual LPG and petrol options.

LPG Australia has increased its support and development of the LPG market in Australia through its Industry Development Program (IDP), which is funded by voluntary member contributions. In excess of \$2 million has been spent to date on national promotional and awareness campaigns, initially focused on LPG Autogas.



The IDP was set up to reinvigorate the market following the Federal Government's announcement on new fuel policy which was agreed by December 2003, then finalized in March 2004.

The LPG Autogas campaign has been successful in improving the perception and uptake of LPG Autogas as an alternative fuel by promoting the cost, environmental, energy sufficiency and health benefits.

LPG Australia will continue the LPG Autogas campaign during 2006/07 and will officially launch a new LPG Homegas campaign to increase the use of cleaner locally produced LPG by domestic consumers through promotion and awareness activities.

From 2011 the Federal Government will offer a \$1,000 rebate on all new vehicles purchased with an LPG option. This was designed to offset the introduction in five equal steps of 2.5 cents each year an excise on LPG Autogas capped at 12.5 cents in 2015. It may be worthwhile the Inquiry giving some consideration to an extension of the time period for this rebate so that it could run, for instance, from 2008 to 2015.

A handwritten signature in black ink that reads 'Ray North'.

Ray North
General Manager