

Submission to the Senate Select Committee on Fuel and Energy

Subject of this submission;

- The effect high fuel prices are expected to have on the recreational vehicle and allied industries,
- Alternative fuel use, namely Autogas.

I wish to commence my submission to this Senate Select Committee by stating that I have no affiliation with any aspect of the caravan, camping, tourist or leisure industries, it is a personal submission only.

With the current public debate on the ever increasing cost of fuel coupled with global warming fears it is common to hear of larger cars being described as 'gas guzzlers', indeed, this term is often applied in a derogatory fashion, it is common to hear the statement; "Why would anyone want to drive a large car nowadays?"

The reason many people chose to continue to drive larger vehicles is obviously many and varied but my submission focuses on my reason alone that is, I tow a caravan.

For the purpose of my submission I define a 'large car' as one with an engine capacity of around 3000cc or greater, it might be a passenger car type vehicle or it might be a four wheel drive vehicle but it will be capable of, and commonly used as a, tow vehicle.

It is my opinion that the high fuel prices will have a continued and worsening effect on this segment of the tourist industry.

While it is likely that hybrid type vehicles, of the type recently announced by the federal government in conjunction with the Toyota Motor company, will gradually replace the internal combustion engined cars in the not too distant future I am not aware of any such hybrids with the capacity to tow a caravan successfully.

For the purpose of my submission I define a caravan as a being of around 750kg tare weight or greater and includes camper trailers, 'pop top', full sized and 'fifth wheeler' type caravans, I include any vehicle of this type, designed for mobile and recreational living, it is also practical to include motor homes in my definition.

For the purpose of my submission I define "Grey Nomads" as being people aged around 55 years, retired or close to retirement, without children and who spend a significant period of time road travelling with-in Australia and towing or operating a vehicle that falls with-in my caravan definition. 'baby boomers' is another popular term that could be applied here.

My submission is also based on my assumption that this 'grey nomad/baby boomer' generation is a source of financial income to many rural and coastal centres and is particularly important during times of drought and other factors affecting smaller communities.

I base this assumption on the personal experience of some 35 years of travelling with a caravan throughout Australia.

In May of this year my wife and I completed a 4300km trip to Northern and Outback Queensland, during the course of this trip I had a number of discussions with fellow travellers, caravan park and tourist facility operators and others who state that numbers are noticeably down from previous years and they feel this is directly related to the high cost of fuel.

I would imagine that the caravan, camping and off-shoot industries might also be similarly affected.

At the beginning of this year I had our vehicle converted to run on Liquid Petroleum Gas or LPG (commonly known as Autogas) taking advantage of the federal governments LPG rebate scheme.

We are totally happy with the conversion to gas; we have found it to be a practical, and perhaps the only, alternative fuel that will allow us, and many others, to continue to engage in the pursuit of caravanning and camping.

And as the retail cost of LPG seems, of late, to generally sit around half the price of petrol it too is expected to increase.

My submission therefore is aimed at looking at the cost of Autogas as an alternative fuel and the effect that significant price increases will have on the use of this fuel. I understand that the current world oil prices are due to a number of reasons and mostly because of external influences that are beyond Australia's control.

My own enquires have found that LPG occurs naturally in crude oil and natural gas production fields and is also produced in the oil refining process. Australia has five sources of naturally occurring LPG - Bass Strait, Cooper Basin in Central Australia, North West Shelf, Kwinana, Western Australia and the Surat Basin in Queensland.

In 2006 Australia produced approximately 3.1 million tonnes of LPG yet internal consumption was just 1.9 million tonnes, the remainder I assume, was exported. It is this last reason that causes me some difficulty in understanding why the local cost of Autogas is as high as it currently is and additionally, why increases seem so closely aligned to that of petrol and diesel.

It is not uncommon to see significantly greater overnight pump price increases for LPG compared to that of petrol, a recent example I noted was an increase from .60 cents per litre to .75 cents per litre, an increase of 25%.

LPG Autogas powered vehicles emit significantly fewer greenhouse gases and other pollutants than petrol-powered equivalents. LPG typically has around 20 per cent less ozone forming potential; between 10 and 15 per cent lower greenhouse gas emissions and only one fifth air toxics emissions.

My request to the Senate Select Committee on Fuel and Energy by way of this submission is to ascertain the reasons why the retail cost of Autogas is increasing at a rate similar, indeed sometimes exceeding, to that of other petroleum products.

I suggest that some consideration be given to increasing incentives for the conversion of the Australia motor vehicle fleet, both petrol and diesel powered vehicles, to utilise Autogas and also to consider the availability of this product.

Note, diesel powered vehicles are also a popular choice for towing caravans due to the high torque outputs available, these engines can be successfully altered to use Autogas but as a supplement to diesel fuel, not as a substitute, I understand that a reduction in diesel consumption will be in the vicinity of 20% to so equipped engines.

I would like some consideration given to the 'grey nomad' population segment in particular; I make the following suggestions for discussion.

- Improved incentives such as the continuation of the federal government vehicle conversion rebate.
- A delay in the introduction of the tax on LPG planned from 2011.
- LPG converted vehicle registration rebates aimed predominantly at the elderly vehicle owners. (defined as 'grey nomads')

Until such time as practical alternatives to the internal combustion engine are developed, I consider actions such as the above might well be instrumental in alleviating the decline in the caravan and associated recreation industries which will inevitable result from the expected fuel cost increases, additionally it should also result in a reduction in greenhouse emissions.

There is one additional issue in relation to the use of Autogas as an alternative fuel in rural areas that will require addressing; I refer to the availability of this fuel.

At the time of preparing this submission it is reported that there are some 3500 LPG dispensing outlets nationwide, unfortunately the greatest majority are on major highways. Our own experiences resulted in some difficulty obtaining Autogas in western Queensland, during our recent trip.

In addressing this situation I believe consideration for an incentive scheme for retailers to install LPG dispensing equipment should also form part of the select committee discussions.

Thank you

Paul F Greig