



Australian Liquefied Petroleum Gas Association Ltd

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Energy Efficiency Inquiry
Productivity Commission

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The Australian Liquefied Petroleum Gas Association (ALPGA) is the peak body representing the interests of the LPG industry in Australia. We welcome this opportunity to provide information to the Productivity Commission as it undertakes its Inquiry into Energy Efficiency.

The Terms of Reference for the Inquiry ask the Commission to report on a range of parameters relating to Energy Efficiency such as economic and environmental costs, benefits, identifying the potential for improvements and policy options to assist.

No doubt, the Commission is aware that LPG is a fuel utilized in a diverse range of applications from household heating and cooking to powering vehicles and forklifts to providing a fuel source for remote power generation.

Around 2 million tonnes of LPG is consumed in the automotive, residential, commercial and industrial market place in Australia representing around 2% of primary energy supply. LPG is also Australia's largest alternative transport fuel providing fuel for more than 500,000 vehicles.

LPG is clean burning which makes it an environmentally responsible fuel with beneficial impacts for improving urban air quality and reducing greenhouse emissions.

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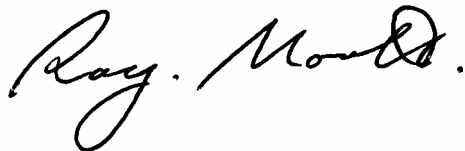
LPG is portable and versatile which makes it an important and secure source of energy for rural and regional Australia. Given this delivery flexibility, LPG is an important complement to reticulated natural gas supply. At the residential level many LPG appliances fall within energy efficiency rating designs such as hot water utilization.

Australia has abundant supplies of LPG and in a study conducted by ABARE in 2003 these supplies are forecast to increase over the next 20 years.

For the Commission's information a copy of a number of important research studies are attached including: *Australian Liquefied Petroleum Gas Supply Research Study 2000 – 2020 (ABARE)*, *The Indirect Taxation of LPG in Australia (Access Economics)* and *LPG – The Clean Transport Alternative: Presenting the Environmental Case (Anyon)*.

The ALPGA looks forward to receiving a copy of the Inquiry's draft report incorporating the role that LPG can play in improving the energy efficiency outcomes for Australia.

Yours sincerely

A handwritten signature in black ink that reads "Ray North". The signature is written in a cursive style with a large initial 'R' and a distinct 'N'.

Ray North
General Manager