

GAS NEW ZEALAND

Representing New Zealand's Gas Industry

smart. clean. efficient.



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Welcome to Gasline, a joint publication of the LPG Association of NZ and the Gas Association of NZ.

Gas New Zealand will be published regularly as part of the industry's efforts to encourage the direct use of natural gas and LPG into households and small businesses.

Using natural gas and LPG as a direct energy source offers numerous cost, environmental and energy efficiency benefits, and Gas New Zealand hopes to educate consumers and policy makers about the many advantages of making wider use of this strategic energy asset.

LPG AUTOMOTIVE EXCISE DUTY TO BE QUESTIONED

The LPG Association is investigating the somewhat unnecessary collection of the non-automotive excise duty, which is paid on all LPG used in New Zealand.

LPGA Executive Director, Peter Gilbert, says the Association's members have expressed concern about the excise duty, and asked the LPGA to investigate.

"The effort expended by both government agencies and the industry for a gross return of approximately \$2 million is questionable," he says.

"The Association will soon be approaching the Associate Minister of Transport to see if the excise duty for automotive LPG can be removed, in the hope of alleviating labour for all involved."

Mr Gilbert says changes to the use of LPG have resulted in a need for a review of the LPG excise duty.

"We are now in the rather ludicrous position where the government collects around \$28 million from LPG producers and importers, and then must refund roughly \$26 million to major users and the LPG supply industry," he says.

"In the early days of the LPG industry in New Zealand, 80% of LPG was used for automotive purposes, so the excise duty was introduced to contribute to the cost of roading.

"The world has changed since then. Automotive LPG currently makes up 6.5% of LPG use, amounting to approximately 9,000 tonnes out of a total 140,000 tonnes.

"Despite these changes, we are still paying excise tax on all LPG produced or imported in New Zealand."

Mr Gilbert says over 90% of LPG excise duty collected is not automotive-related, and must be refunded.

"The \$2 million differential is now so lean that the NZ Transport Agency, which operates the refund system, is having more and more difficulty trying to ensure the whole system reconciles.

"Not only that, but it is a huge amount of unnecessary paperwork for both government and industry."

For more information on the LPG excise duty and the planned meeting with the Minister, please contact Peter Gilbert at peter@lpga.org.nz.

GAS INDUSTRY FORUM A SUCCESS

Over 100 delegates recently attended a highly successful Gas Industry Forum, which Gas New Zealand hopes to build on every year.

The Forum was held at the Novotel Hotel in Rotorua, Wednesday October 17 – Friday October 19.

Gas New Zealand spokesperson, Peter Gilbert, says the Forum was just as popular as the 2011 Gas Industry Forum.

"130 delegates attended the Forum to listen to a wide range of interesting speakers. We were very happy with the turnout," he says.

"We want the annual Forum to get better every year, so we will be surveying delegates to see what we did well and what we can improve on for next year.

"The feedback so far has been very positive, which is extremely encouraging."

Mr Gilbert says Energy Minister Phil Heatley's welcome to delegates was well-received.

"Phil Heatley welcomed delegates to the Forum, and gave a presentation on where gas and LPG sit in the New Zealand energy scene.

"I think this was a highlight for delegates, to understand the bigger energy picture."

Mr Gilbert says a lot of interesting conversation and networking took place during the Forum, with the networking events an opportunity for delegates to get to know one another.

"The four networking events were a lot of fun, despite some suffering from the weather," he says.

"Anyone who chose to play golf ended up being battered by hail stones. In contrast, those who went on the cruise got to bathe in the hot pools.

"We appreciate that while delegates come to learn from all the fascinating keynote speakers, they also get the opportunity to meet others in the industry and share ideas.

"It's always fantastic to see the gas industry really come together."

Gas New Zealand hopes to publish results of the delegates' survey and a full report on the Forum in the next edition of Gasline.

We are always looking for stories from both the natural gas and LPG worlds, as well as the wider gas community.

If you have any story ideas for Gasline please email Alex Hema

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HOLDEN COMMODORE SV-6 GETS A GLOWING REVIEW

The Holden Commodore SV-6 LPG has been praised by New Zealand Company Vehicle's John Oxley as deserving 'five stars'.

As part of a project for the New Zealand Company Vehicle magazine, Mr Oxley spent a month driving Holden's Commodore SV-6 LPG.

Mr Oxley says his team was surprised by the savings that can be made by using LPG.

"We were blown away by the savings you can get just by using LPG gas from a normal service station, where you can expect a price of around \$1.30 a litre," he says.

"We found that based on travelling 1,000 km a month, using petrol you'll spend \$196 a month in petrol Commodore SV-6. Use regular LPG service station gas, and this drops to \$153 a month.

"If you get a Rockgas card, you're looking at \$137 a month, which is a saving of around 30%. You won't even get that from diesel!"

Mr Oxley says he found other benefits of using LPG as well as cost-efficiency.

"LPG is a locally sourced fuel, it's considerably cleaner than either petrol or diesel in terms of the environment, and it produces about 14% less CO₂ emissions than petrol," he says.

"It's also freely available. At last count, there were more than 400 LPG refuel points around the country."

Mr Oxley says the Commodore SV-6 LPG is cost-efficient, convenient and environmentally-friendly.

"The SV-6 is a very nice offering. It's good-looking, it's comfortable, it's well-equipped, it's smooth and powerful," he says.

"Add in the fact that you're using a clean-burning fuel, and saving money at the same time, as well as the full complement of safety alphabet soup – it's enough to give it a five-star Ancap rating."



HEATING CAMPAIGN EDUCATES LPG USERS

The LPG Association would like to express its thanks to the Environmental Protection Authority for its generous contribution to a recent LPGA campaign.

LPGA Executive Director, Peter Gilbert, says the campaign utilised collateral material to provide safety tips for use of LPG cylinders and heaters in winter.



He says the LPGA was exceptionally lucky to obtain funding from the Environmental Protection Authority for this campaign.

"The EPA very kindly donated \$5,000 to promoting winter safety, which assisted us with printing costs.

"We are very grateful to be able to work alongside an organisation that places the same emphasis on safety as we do."

Mr Gilbert says the campaign gave LPG users useful information to help them stay safe while using LPG to keep warm in winter.

"In May of this year we distributed 300,000 swing tags to service stations and other cylinder filling sites, and 6,000 leaflets to service agents and the Citizens Advice Bureau," he said.

"Tips included ensuring there is adequate space around a heater, keeping rooms well-ventilated and how to test a new or refilled cylinder connection.

"The leaflets and swing tags also encouraged users to get their heaters and cylinders checked before winter every year by an LPG service agent."

Mr Gilbert says educating users is important to the LPGA.

"We have been running campaigns similar to this one for the past 15 years," he says.

"The LPGA has always seen educating the public regarding LPG as a priority, particularly as a way of heightening awareness of LPG and strengthening its reputation as a reliable heating source.

"These campaigns are all about reinforcing safety measures and ensuring users of LPG are out of harm's way."

GAS AND ELECTRICAL CERTIFICATIONS UPDATED

Gas and electrical certification regimes have been revised, with all gas and electrical installation work now requiring certification.

The update to the certification regimes now permits practitioners to design their own certificates, and store and send them electronically.

This means that gas and electrical practitioners will no longer be required to buy Certificates of Compliance from their worker registration board, removing a compliance cost.

Energy and Resources Minister, Phil Heatley, says improving the certification regimes will raise standards in the gas and electricity industries, while doing away with unnecessary compliance costs.

"The changes provide for an improved certification process with a new risk-based system that emphasises safety and accountability for installation work," he says.

"Details of all work classified as high-risk will have to be registered on a new publicly available database run by the Ministry of Business, Innovation and Employment.

"This will improve the monitoring of 'high-risk' work and focus attention on the areas that will provide the greatest improvement in safety outcomes."

Building and Construction Minister, Maurice Williamson, said that the changes will benefit consumers.

"The changes mean consumers will always be entitled to get a certificate once work is completed. This will assure consumers that installation work and connection to energy supply is safe to use," he says.

"Consumers should always check they are using a licensed practitioner before work begins and keep a copy of their certification once work is completed."

The amendment regulations also update the fees charged by the Electrical Workers Registration Board in relation to examination and licensing.

The changes are effective from 1 July 2013. For more information, go to www.energy-safety.govt.nz or phone 0508 377 463.



Gas New Zealand is published monthly by The PR Company for the LPG Association and Gas Association of New Zealand.

The views expressed in this publication are not necessarily those of the LPGA, or GANZ. The LPGA can be contacted by telephone (04) 914 1765, fax (04) 914 1766, or mail PO Box 1778, Wellington.

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