

## MEDIA RELEASE: ABMARC RELEASES GROUNDBREAKING CNG VEHICLE REPORT

**Melbourne, Australia – 30 September 2011:** ABMARC this week launched **Natural Gas Australia: An Automotive Perspective**, the first in a ground breaking new series of reports that examine alternative fuels and powertrains and provide insight into potential growth areas.

These reports have been created to give technical and non-technical readers in both Business and Government accurate and objective information that can be relied upon to assist in making critical long-term planning, strategic or policy decisions.

The uptake of natural gas vehicles (NGVs) is growing at astounding speed. At the moment, nearly 13 million vehicles globally operate on natural gas and this number is increasing at the rate of nearly 18% per year. A natural gas fuel system for vehicles is proven, commercialised technology and the price is attractive for many vehicle operators, with a premium similar to that paid for a diesel powered vehicle.

Many Governments, including those in the EU and the USA, are actively promoting Compressed Natural Gas (CNG) vehicle friendly policies in the transport industry as a way of increasing their energy security, reducing their vulnerability to fluctuations in the price of oil and immediately reducing their CO<sub>2</sub> emissions by 20-25% when compared directly to the petrol engine it replaces.

At the moment, only 0.02% of Australian vehicles are capable of operating on CNG, despite the fact that nearly half of Australian residential and commercial premises are connected to natural gas, and that Australia has abundant indigenous natural gas resources. Compare this to Pakistan, where 61% of all vehicles run on CNG, thereby providing substantial benefits to the environment and that country's terms of trade.

Australia's extensive, existing transmission and reticulation networks are an incredible asset which could be quickly leveraged to roll out station, depot and home fill capability for CNG vehicles. Increased availability of refuelling stations would likely assist in the uptake of CNG fuelled vehicles in Australia.

The report highlights the multiple CNG price regimes that determine vehicle running costs in Australia. ABMARC has assessed these range from a low of 21% up to 65% that of an equivalent petrol engine with the variation occurring by both the State refuelled in and the location of refuelling, be it station, home or fleet depot. The operating cost benefits can be substantial, but also confusing and difficult to determine, so to address this issue the ABMARC team created a comprehensive running cost and payback period calculator that allows users to easily determine the potential benefits of switching to CNG based on their vehicle operating conditions. The calculator also has the functionality to include the alternative fuel and carbon tax.

Specialist forecasts included in the **Natural Gas Australia: An Automotive Perspective** report illustrates the impact of the alternative fuels excise and the proposed carbon tax on transport fuels, showing a rise to an average 60% the running cost of petrol when fuelled at a station bowser by mid-2015. At this rate, whilst still offering substantial cost benefits to the vehicle operator, it would make Australia's CNG to petrol price relatively one of the highest in the world.

The **Natural Gas Australia: An Automotive Perspective** report provides:

- Comprehensive information on resource availability and Australian infrastructure
- Local and international Government policy review
- Price forecasting, including projections of the alternative fuels excise and proposed Carbon Tax in July 2015
- Detailed analysis of natural gas vehicle systems
- A comprehensive calculator which allows users to determine the potential benefits of switching to CNG for their specific fleet

**Natural Gas Australia: An Automotive Perspective** is available from ABMARC. Please phone Natalie Roberts, Principal Engineering Consultant on 03 5964 8402, mobile 0438 352 530 or email on [nroberts@abmarc.com.au](mailto:nroberts@abmarc.com.au) for further information.

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ABMARC is the authoritative source for completely unbiased and comprehensive analysis of conventional and alternative Powertrains and fuels. We are passionate Powertrain Engineers with many years' of OEM experience in the design, development and long term strategic planning for automotive use. We have developed the Powertrain Series of reports and also consult to business and Government on issues relating to vehicles, powertrains and fuels.