



Media

LPG Vehicle Rebate Scheme Frequently Asked Questions

The LPG Vehicle Scheme

What is the purpose of this Scheme?

The purpose of the Scheme is to encourage the uptake and use of LPG as an alternate fuel.

What level of assistance is available?

The Australian Government has introduced a grant to assist with the cost of purchase of a new dual-fuel or dedicated LPG vehicle or an approved and fitted automotive LPG system.

Under this initiative:

- a grant of \$2,000 for approved and fitted LPG conversion of a motor vehicle for non-business use (ie. converting your existing or new vehicle to run on LPG)
- while a grant of \$1,000 will be paid for a new LPG-dedicated or dual-fuel (petrol/LPG) vehicle for non-business use. (ie. factory fitted LPG dual or dedicated vehicles)

Is the assistance available for vehicles sold or conversions done prior to the Scheme's commencement date?

No, the Scheme is not backdated.

Conversions and/or new vehicle purchase made on or after 14 August 2006 are eligible. You will need to have an invoice showing the date of payment is on or after 14 August 2006.

Applications can be submitted from 1 October 2006 and thereafter. The application forms will be available from our website or from any Centrelink or Medicare shopfront, from early September.

Why isn't a higher amount offered to cover the full (additional) costs of LPG vehicles?

This Scheme is designed to encourage people to convert to LPG powered vehicles. There will be a significant benefit not only to the community, but to individual users in terms of reduced running costs. It is therefore reasonable that they contribute to the cost of conversion.

Will assistance received under the LPG vehicle scheme affect other Commonwealth assistance that I receive?

It is the Government's intention that the grant not be assessable as income for social security purposes.

ELIGIBILITY

Eligibility at a Glance

Vehicle is for private use (not for commercial or business use)

- Any passenger or light commercial vehicle less than 3.5 tonnes Gross Vehicle Mass;
- Must be registered in state of residence of claimant;
- Vehicles must not be subject to a novated lease or salary sacrifice arrangement;
- One conversion per person every three years.

All vehicles suitable for conversion to LPG

- As determined by state regulations for registration.

Recipients of state subsidies remain eligible for the Commonwealth grant payment in addition to any state payments.

Claim submitted within 12 months of purchase or conversion of the vehicle.

Vehicle Owner Eligibility

Who can apply?

Individuals who have purchased a new LPG-dedicated or dual-fuel vehicle or an approved and fitted LPG conversion system for their own private (non-business) use.

Purchasers can only apply for the grant for one vehicle once every three years.

Further details will be available in the Customer Guidelines.

How do I apply?

Customers wishing to access the LPG Vehicle Scheme need only lodge a completed Application Form with Centrelink or Medicare, by post or by hand from 1 October 2006.

Further details will be available in the Customer Guidelines.

Please note that payments cannot be made over the counter at Centrelink or Medicare offices. Payments will be made within a few days of submitting an application to your nominated bank account or by cheque (and after 1 October 2006).

If I have already received assistance via the WA Scheme, am I eligible to apply?

YES – subject to fulfilling all eligibility criteria.

How long after having my vehicle converted must I submit an application?

You must lodge your application within 12 months of purchasing your new vehicle or completing your conversion.

Will I have to pay tax on the LPG grant?

The grant will not be assessable for income tax purposes where the vehicle is used solely for private (non-business) purposes.

Private use includes driving your car to and from your place of employment.

You will not have to pay income tax on the grant or declare it on your income tax return.

I also use my private vehicle part of the time to run my home business, will I have to pay tax on the grant?

To be eligible for the grant your vehicle must be registered for private use.

If you use your vehicle for some business purposes the grant may be assessable for tax purposes.

If you are unsure of your tax circumstances you should seek advice from the Australian Taxation Office.

If my vehicle is on a novated lease or has been acquired through salary sacrifice am I eligible?

NO. Where the vehicle is not privately owned, that is, it is provided by an employer, an employee is not entitled to the grant.

Why have small businesses been excluded from applying?

The Scheme is designed to assist families that are struggling with high oil prices. Small businesses are already eligible for accelerated depreciation under the Simplified Tax System.

Vehicle Eligibility

What types of vehicles are eligible under this Scheme?

A vehicle which is registered solely for private use which does not exceed 3.5 tonnes Gross Vehicle Mass.
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What types of vehicles are suitable for conversion to LPG?

Many types of vehicles are suitable for conversion to LPG. However, you should contact your motoring association for specific advice on the suitability of your vehicle for conversion to LPG. Contact details will be provided in the Customer Guidelines.

Why aren't vehicles of more than 3.5 tonnes Gross Vehicle Mass eligible under this Scheme?

The Government's Alternative Fuels Conversion Program (AFCP) is a \$75m program which provides grants including to assist in the conversion of vehicles greater than 3.5 tonnes to LPG or CNG where this confers a greenhouse benefit. The AFCP is managed by the Government's Greenhouse Office and you should contact them for further information on possible assistance at www.greenhouse.gov.au or phone 02 6274 1888.

Why am I only allowed one conversion every 3 years?

There is always potential for this sort of assistance measure to be abused. Having a cap on the number of conversions by each individual is the fairest way to ensure that as many genuine claimants as possible can have their vehicle converted. Most people don't acquire a new vehicle more than once every 3 years so this limitation shouldn't represent much or any disadvantage to anyone.

How much does it cost to convert to LPG?

Almost all unleaded petrol-fuelled vehicles can (subject to space limitations) be converted to LPG operation. Systems typically range in price from about \$1,500 to \$3,400 installed, depending on the type of vehicle, type of system and options.
You should seek your own advice on costing options.

LPG Excise

Will the price of LPG increase in the future?

LPG is currently excise free but it will become subject to excise in the future. No excise will be applied to LPG until 1 July 2011. The full rate of excise to apply to Liquefied Petroleum Gas (LPG) used in vehicles will be 12.5 cents per litre. This rate will apply from 1 July 2015. The planned excise rates for LPG are as follows:

1 July 2011 2.5 cpl
1 July 2012 5.0 cpl
1 July 2013 7.5 cpl
1 July 2014 10.0 cpl
1 July 2015 12.5 cpl

Is excise being applied just to automotive LPG, or to other uses (eg gas bottles) as well?

Excise will only apply to automotive LPG. Non-vehicle use of LPG will continue to be excise free. This would be the case for home heating and cooking purposes, gas bottles, stationary engines, forklifts and power generation.

Does excise apply to other transport fuels?

Excise is already applied to petrol and diesel. The Government's position is that all fuels should compete in the market on their commercial merits, not their tax treatment.

How much money does Converting save

More information can be found on the APA website as well as a list of quality distributors. To find out how much you can save visit the handy savings calculator on the APA website www.apamfg.com.au

