

TOYOTA

Submission overview by
Toyota Australia
to the
**Ministerial Forum on
Vehicle Emissions
Discussion Paper**
April 2016

1. Key facts

Toyota Australia Facts and Statistics	<ul style="list-style-type: none"> ▪ Presence in Australia since 1959 ▪ 13 consecutive years as Australia's best-selling automotive brand with 17.8% market share in 2015 ▪ 3,900 employees ▪ 2015 production and sales: <ul style="list-style-type: none"> - Toyota domestic sales: 206,236 <ul style="list-style-type: none"> ○ Passenger: 94,903 (46%) <i>Hybrid: 8,207 (8.7% of passenger vehicle sales)</i> ○ SUV: 59,412 (29%) ○ Light commercial: 51,921 (25%) - Lexus domestic sales: 8,691 <ul style="list-style-type: none"> ○ Passenger: 3,905 (45%) <i>Hybrid: 1,544 (40% of passenger sales)</i> ○ SUV: 4,786 (55%) <i>Hybrid: 1,660 (35% of SUV sales)</i> - Australian vehicle production: 91,616 - Vehicles exported: 64,165 - Australian engine production: 98,074 - Engines exported: 12,152 - Export countries: 13
Product Information	<ul style="list-style-type: none"> ▪ Market leader in hybrid technology <ul style="list-style-type: none"> - Introduced the first mass produced hybrid vehicle to the Australian market (Toyota Prius) - Manufactures the only Australian built hybrid vehicle (Camry Hybrid) ▪ Pioneer in hydrogen fuel cell vehicle (FCV) technology <ul style="list-style-type: none"> - Commenced fuel cell development in 1992 - Launched the Toyota Mirai hydrogen FCV in Japan in 2014 followed by the US and EU in 2015 ▪ Toyota Australia green vehicle product range: <ul style="list-style-type: none"> - Current <ul style="list-style-type: none"> ○ Toyota (hybrids) <ul style="list-style-type: none"> • Prius • Prius C • Prius V • Camry Hybrid ○ Lexus (hybrids) <ul style="list-style-type: none"> • CT200h • ES300h • GS300h • GS450h • IS300h • LS600hL • NX300h • RX450h - Upcoming <ul style="list-style-type: none"> ○ Toyota Corolla Hybrid (launch scheduled mid-2016) ○ Toyota Mirai hydrogen FCV (technology showcase from second half 2016)

2. Key points

Options to reduce vehicle emissions	
1. Implementation of Euro 6/VI Noxious Emissions Standards for Light and Heavy Vehicles	<ul style="list-style-type: none"> ▪ Toyota Australia supports the introduction of Euro 6 emissions standards with the corresponding 10ppm sulphur fuel ▪ Euro 6 introduction must provide appropriate lead time for manufacturers and include accompanying changes to fuel quality standards (i.e. mandated 10ppm sulphur fuel) to align real world conditions with certification regimes
2. Implementation of Fuel Efficiency (CO2) Standards for Light Vehicles	<ul style="list-style-type: none"> ▪ Toyota Australia supports a light vehicle CO2 emissions standard which is fair and reasonable for all automotive brands and reflects Australia's unique conditions ▪ A CO2 standard should provide manufacturers with appropriate lead time aligned with model development timeframes, coincide with changes to fuel quality standards and should include complementary measures to promote a greater uptake of low emission vehicle technology including incentives, tax-related measures and education programs ▪ CO2 standard development requires detailed modelling of the Australian vehicle mix to ensure industry and corporate targets are appropriate to the operating environment ▪ Proposed changes to the Motor Vehicle Standards Act should not allow parallel imported vehicle to bypass CO2 and noxious emission regulations or risk eroding the effectiveness of these regimes
Other complementary measures to reduce emissions	
3. Fuel Quality Standards	<ul style="list-style-type: none"> ▪ Australia's current fuel standards (91 RON, 150ppm sulphur) lag behind other comparable nations with implications for engine performance, emissions controls and air quality ▪ To realise the full benefits of Euro 6 emission standards for the life of the vehicle as well as to support manufacturer compliance, improvements to Australia's fuel quality is considered paramount
4. Information and Education	<ul style="list-style-type: none"> ▪ Toyota Australia is an advocate of eco-driving behaviour for individual drivers and the community, and the fuel efficiency outcomes that can be achieved through eco-drive programs ▪ Education measures led by government could be an effective means to promote the benefits of efficient driving practices as well as fuel efficient vehicles to change consumer attitudes and acceptance
5. Fleet Purchasing Policy	<ul style="list-style-type: none"> ▪ Amendments to government fleet purchasing policies are an important opportunity to promote new and emerging low, ultra-low and zero emission vehicle technology ▪ Government fleet purchasing behaviour has positive flow on effects for corporate fleets and retail customers through the demonstration of environmental leadership
6. Taxation Measures	<ul style="list-style-type: none"> ▪ Federal and state based tax reform is recommended to encourage the take up of lower emission vehicle technology including replacement of state-based registration, compulsory third party insurance and stamp duty taxes with a state fuel tax to move to a usage based charge approach ▪ The inequitable luxury car tax should be abolished and replaced by a high emissions tax targeting higher emitting vehicles with revenues directed towards measures that support the Australian Government's emission reduction objectives such as consumer incentives
7. Alternative Fuels and Electric Vehicles	<ul style="list-style-type: none"> ▪ Effectiveness of a CO2 regime is contingent upon the parallel introduction of national demand-side measures to stimulate the purchase of environmentally friendly as evidenced in comparable CO2 regulating markets

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	<ul style="list-style-type: none">▪ Establishment of partnerships between government and industry are important to support the introduction of zero emission vehicles and refuelling infrastructure
8. Intelligent Transport Systems	<ul style="list-style-type: none">▪ Toyota Australia supports the introduction of co-operative intelligent transport systems (C-ITS) as a means to improve in-service emissions through improved congestion management▪ C-ITS regulatory settings must be consistent across Australian jurisdictions and aligned with European standards to ensure the successful introduction of increasingly automated vehicles and associated infrastructure
9. Vehicle Emission Testing	<ul style="list-style-type: none">▪ Toyota Australia supports a testing regime which aims to reduce real-world emissions, however the test design must be suited to unique Australian conditions