

**TOYOTA**

Submission overview by  
**Toyota Australia**  
to the  
**2014 Review of the**  
***Motor Vehicle Standards Act***  
October 2014

## Key facts

Toyota Australia facts and statistics	<ul style="list-style-type: none"> <li>▪ Presence in Australia since 1959</li> <li>▪ 11 consecutive years as Australia's best-selling automotive brand with 18.9% market share in 2013</li> <li>▪ 3,900 employees</li> <li>▪ 2013 production and sales: <ul style="list-style-type: none"> <li>- Toyota domestic sales: 214,630</li> <li>- Lexus domestic sales: 6,920</li> <li>- Vehicles produced: 106,278</li> <li>- Vehicles exported: 70,588</li> <li>- Engines produced: 105,243</li> <li>- Engines exported: 10,140</li> <li>- Export countries: 13</li> </ul> </li> </ul>
Toyota/Lexus Dealership facts and statistics	<ul style="list-style-type: none"> <li>▪ Toyota dealers and branches: 276</li> <li>▪ Lexus dealers and branches: 23</li> <li>▪ Total Toyota and Lexus outlets: 299</li> <li>▪ Total dealer employees: approx. 12,500 <ul style="list-style-type: none"> <li>- Technicians: 7,000</li> <li>- Sales people: 3,100</li> <li>- Administration: 1,500</li> <li>- Management: 600</li> <li>- Fleet: 350</li> <li>- Marketing: 50</li> </ul> </li> </ul>

## Key points

1. Effectiveness of the Australian vehicle marketplace	<ul style="list-style-type: none"> <li>▪ The MVSA is delivering uniform national standards for new vehicles and regulation of imported used vehicles at point of entry into Australia resulting in a progressively safer vehicle fleet for Australian consumers</li> <li>▪ Accordingly Toyota Australia believes the existing legislation is meeting its policy objectives including: <ul style="list-style-type: none"> <li>- community safety (as newer vehicles tend to have improved safety technologies)</li> <li>- environmental benefits (through safe vehicles with low emissions)</li> <li>- consumer protection (through vehicles that meet buyers' expectations and are theft resistant)</li> <li>- competition (through vehicles that are readily available and reasonably priced)</li> </ul> </li> <li>▪ Australia is an open marketplace with a world leading number of brands and models available to consumers (67 brands selling over 350 models)</li> <li>▪ Affordability is reflected in the CommSec Car Affordability index which shows that car prices in Australia are at their lowest since the index began in 1976</li> <li>▪ Full volume importers offer significant long term customer after sales support therefore providing a level of consumer protection throughout the life of the vehicle</li> </ul>
2. Harmonisation of Australian Design Rules (ADRs)	<ul style="list-style-type: none"> <li>▪ The MVSA should be modernised through harmonisation with international standards by increasingly applying UN regulations as alternative standards within the ADRs</li> <li>▪ Harmonisation presents opportunities to reduce compliance costs and time required to prepare and process submission documents</li> </ul>
3. Streamlining of new vehicle certification	<ul style="list-style-type: none"> <li>▪ New vehicle certification should be streamlined to create opportunities for cost and compliance minimisation for the Australian Government and manufacturers</li> <li>▪ The introduction of Whole Vehicle Type Approval (WVTA) is sought as soon as possible to facilitate more effective streamlining of new vehicle certification</li> </ul>
4. Grey imports	<ul style="list-style-type: none"> <li>▪ The current low volume and personal import arrangements are working effectively and meet the intent of the MVSA</li> <li>▪ The low volume scheme at current volumes meets market requirements while continuing to limit exposure to consumer issues</li> <li>▪ Larger scale grey imports risk undermining the Australian Government's road safety, environmental, consumer protection and anti-theft objectives</li> </ul>

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**Submission to the 2014 Motor Vehicle Standards Act review**

	<ul style="list-style-type: none"> <li>▪ Grey imports present a higher consumer risk due to the absence of vehicle history and lack of full volume after sales support mechanisms</li> </ul>
5. Parallel and personal imports	<ul style="list-style-type: none"> <li>▪ All new vehicles imported into Australia should be required to meet the same standards and provide the same proof of compliance with these standards except in exceptional circumstances such as the current personal import scheme</li> <li>▪ Toyota builds and introduces vehicles to market that are suitable to Australian conditions and customer requirements with differences between same models sold in different countries, for example engine technology, towing capacity and audio</li> <li>▪ The FCAI have undertaken an independent analysis of key models available in the Australian new car market versus the United Kingdom and Japan which demonstrates Australia's price competitiveness</li> <li>▪ Toyota Australia has significant concerns regarding consumer protection for vehicles that were not intended for the Australian market, including recalls, parts, servicing, warranty and technical support</li> </ul>
6. Fuel quality	<ul style="list-style-type: none"> <li>▪ Australia's fuel quality is inferior to that of other markets, such as the United Kingdom and Japan due to high sulphur content</li> <li>▪ Toyota Australia and the broader industry require higher fuel quality to allow the introduction of models with engine technologies already available in Europe and other regions</li> <li>▪ Engine technologies present in Europe may experience premature failure of direct injection injectors and exhaust catalytic converters through usage of equivalent 'regular' fuels in Australia</li> <li>▪ Improved fuel quality would allow for improved standards alignment to markets such as Europe</li> </ul>
7. Aftermarket parts and accessories	<ul style="list-style-type: none"> <li>▪ The current uneven playing field between OE and aftermarket manufacturers jeopardises the MVSA's consumer safety objectives</li> <li>▪ The scope of the MVSA should be expanded so that ADRs relevant to aftermarket parts and accessories are enforced</li> <li>▪ If accessory parts meet relevant ADRs then entities should be eligible to fit to the vehicle even if this is prior to first point of sale/registration without impacting an overall vehicles ADR assessment</li> </ul>
8. Vehicle built for Australian conditions	<ul style="list-style-type: none"> <li>▪ Toyota Australia's submission includes a number of case studies that demonstrate that vehicles for the Australian market are designed to suit environmental conditions and consumer use, including: <ul style="list-style-type: none"> <li>- Australian Prado has additional braces under the front guard compared to the Japan vehicle to minimise the risk of underbody fatigue and cracking caused by vibration and shaking on rough roads</li> <li>- Australian RAV4 diesel has a lower towing capacity and reprogrammed ECU software to prevent engine damage due to the Australian climate compared with the same vehicle in Europe</li> <li>- Recently released Australian HiLux mining variant is unique to this market and incorporates mining sector requirements including rough road package for road and off road usage</li> </ul> </li> </ul>
9. Conclusions and recommendations	<ul style="list-style-type: none"> <li>▪ Government regulation through the MVSA ensures the delivery of safe and fit for purpose vehicles into the Australian marketplace</li> <li>▪ The current concessional schemes are working effectively by setting a minimum standard for vehicles entering Australia therefore controlling community risk</li> <li>▪ Toyota Australia does not support any changes to compliance requirements or regulations that would allow increased volumes of grey imports or parallel imports of new vehicles</li> <li>▪ Toyota Australia suggests that red tape and compliance cost minimisation can be achieved through the following: <ul style="list-style-type: none"> <li>- Harmonisation of ADRs with international standards (UN-R)</li> <li>- Adoption of WVTA</li> <li>- Removal of discrepancies between Australian Government and state based legislation</li> <li>- Regular meetings between the Australian Government and industry (through associations such as the FCAI) to share industry developments and enhanced planning for regulatory changes</li> </ul> </li> </ul>