Dear Ms Rowley

Climate Change Authority report on light vehicle standards

Thank you for your letter of 23 September 2014 inviting Toyota Australia to provide materials in response to the Authority's research report, *Light Vehicle Emissions Standards for Australia*. Please find below some information that addresses the deficiencies of the report.

Toyota Australia's high level position on vehicle emission technology and its introduction into the Australian marketplace is as follows:

- Toyota does offer comparable technology in this market, often with a different name/brand;
- Common platforms and engine offerings must be considered when comparing Australia's model line-up with other markets; and
- To the extent that differences in CO2 continue to exist this is as a result of poor fuel quality in Australia.

Toyota's specific comments relate to Figure 3.1 (page 33) in the report, for which we offer the following comments:

1. The figure shows the gap between Australia's most efficient variant versus the United Kingdom most efficient variant. The vehicles selected for the comparison are in fact distinctly different.
   - **YARIS data used**
     - AU Most Efficient Variant = 134g/km (1.3L VVT-i Manual)
     - UK Most Efficient Variant = 75g/km (1.5L VVT-I Hybrid)
     - This comparison is misleading. The UK Yaris Hybrid (75g/km) vs. AU Prius C (90g/km) is a more representative comparison (same platform, same engine)
     - Toyota Australia does not offer the Yaris Hybrid as it will compete directly against the Prius C (market size is not large enough to justify)
COROLLA H/B data used
- AU Most Efficient Variant = 152g/km (1.8L VVT-I CVT)
- UK Most Efficient Variant = 84g/km (1.8L VVT-i Hybrid)
- This comparison is misleading also. UK Corolla Hybrid (84g/km) = AU Prius (89g/km) (similar platform, same engine).
- Toyota Australia does not offer the Corolla Hybrid as it will compete directly against the Prius (market size is not large enough to justify)

RAV4 data used
- AU Most Efficient Variant = 149g/km (2.2L Diesel MAWD)
- UK Most Efficient Variant = 127g/km (2.0L Diesel MT FWD))
- UK Rav4 2.2L Diesel (149g/km) vs. AU Rav4 2.2L Diesel (149g/km) is a more representative comparison (same platform, same engine) as the AU model compared has a larger engine variant and is an AWD

LANDCRUISER 200 data used
- AU Most Efficient Variant = 273g/km (4.5L V8 Diesel)
- UK Most Efficient Variant = 214g/km (3.0L L4 Diesel)
- UK most efficient variant above is a LandCruiser Prado (different platform, different engine to LandCruiser 200)
- UK LandCruiser 200 (250g/km) vs. AU LandCruiser 200 (273g/km) is a more representative comparison (same platform, same engine)

These model comparisons are consistent with VFACTS vehicle segmentation.

2. The fundamental reason for (minor) variation between petrol AU and UK models is fuel quality. Australian fuel has a high sulphur content (greater than 50ppm compared to the UK 10ppm) restricting CO2 reduction (i.e. high sulphur fuel causes the premature failure of direct injection injectors and exhaust catalytic converters).

We were disappointed that this information was issued publically without our input. We are always available for consultation and welcome any opportunity to provide information regarding Toyota's model line-up.

Should you require further information or explanation of the above, we would be happy to meet with representatives from the Authority.

Yours sincerely

V BENNS
Corporate Manager, Corporate Affairs