



Submission by
Toyota Motor Corporation Australia
to
Interim Report: Investing in
Cheaper, Cleaner Energy and the
Net Zero Transformation

September 2025

Consultation Response

Toyota Motor Corporation Australia Limited (Toyota) welcomes the opportunity to respond to the Productivity Commission interim report on *Investing in Cheaper, Cleaner Energy and the Net Zero Transformation*.

Toyota supports the Commission's emphasis on technology neutral incentives, cost effective emissions reduction and regulatory reform to enhance productivity and climate benefits. We also acknowledge the key points made in the submission from the Federal Chamber of Automotive Industries (FCAI).

Toyota supports a multipathway approach to carbon emissions reduction across the transport sector. This includes battery electric vehicles (BEVs), hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs), hydrogen fuel cell electric vehicles (FCEVs), and low carbon liquid fuels. A technology-agnostic strategy ensures that emissions reductions can be achieved across diverse use cases, geographies, and vehicle types, maximising both environmental and economic outcomes.

In the report, heavy vehicles are identified as a key opportunity for low carbon liquid fuels (LCLF). Toyota proposes expanding this approach to all passenger vehicles, including light commercial vehicles (LCVs), which play a critical role in Australia's economy. This approach would provide an immediate impact on CO₂ while continuing to provide Australian's with fit-for-purpose vehicles.

LCLFs such as renewable diesel and ethanol, can offer an immediate solution to reduce emissions from the existing fleet. Their compatibility with current infrastructure and vehicle platforms makes them a practical option for decarbonisation across the transport sector.

Toyota encourages the Productivity Commission to consider the role of low carbon liquid fuels as part of a broader, technology-neutral strategy to enhance decarbonisation of the transport sector. Light commercial vehicles are essential to Australia's economic productivity, and based on current uptake projections, electrification alone won't meet emission reduction targets. By supporting a multipathway approach Australia can be a world leader in emissions reduction while maintaining operational flexibility and economic resilience.

Toyota looks forward to continued collaboration with government and industry stakeholders to ensure that transport decarbonisation is inclusive, practical, and aligned with national productivity goals.

About Toyota Australia

Facts and Statistics	▪ Presence in Australia since 1959 ▪ 21 consecutive years as Australia's best-selling automotive brand with 215,240 vehicles delivered in 2023. Additionally, Lexus Australia sold 15,192 vehicles in 2023. ▪ Toyota Australia directly employs 1,500+ staff ▪ Dealer network of approximately 280 Dealers with their own workforce of approximately 15,000 employees ▪ 200+ EV chargers across Toyota Dealers, including 16 that are publicly available. Toyota Australia has over 25 EV charging points across our corporate properties. ▪ While no longer a local manufacturer, Toyota Australia continues to deliver diverse operations above and beyond import/distribution as is evident through our Altona Centre of Excellence (COE). COE functions include: – Product Planning & Development, Conversions and Accessories – Design, develop or customise vehicles to meet the needs of the Australian market – Product knowledge centre – Carry out vehicle evaluation on a 1.2km test track purpose built to replicate Australian road conditions – Hydrogen Centre – Victoria's first integrated hydrogen site including generation of hydrogen and refuelling station – Local assembly of Hydrogen Power Generators intended for both Australian and export markets. – Corporate Social Responsibility (CSR) initiatives – Sharing Toyota Production System knowledge with local industry through our Toyota Production System Support Centre (TSSC) and broader community support through Toyota Community Trust contributions (1% of pre-tax profit to community with a value between \$2.5-\$3.5 million per year). – Sponsorships and grass-roots community contributions such as the AFL 'Good for Footy' program, Cricket Australia, National Tree Day, Olympics and Tamworth Country Music Festival
Product Information	▪ Market leader in hybrid technology – Introduced the first mass produced hybrid vehicle to the Australian market (Toyota Prius) in 2001 ▪ Pioneer in hydrogen fuel cell vehicle (FCEV) technology ▪ Toyota and Lexus hybrid and other zero and low emissions vehicle product range: – Toyota ○ Hybrids • Yaris • Corolla Sedan and Hatch • Camry • RAV4

- C-HR
- Yaris Cross
- Corolla Cross
- Kluger
- Hydrogen Fuel Cell Electric Vehicle
 - Mirai²
- Battery Electric Vehicle
 - bZ4X
- Lexus
 - Hybrids
 - LBX SUV
 - UX SUV
 - NX SUV
 - RX SUV
 - ES sedan
 - LS sedan
 - LC coupe
 - LM people mover
 - Battery Electric Vehicle
 - UX SUV
 - RZ SUV

Toyota launched its first hybrid in Australia in October 2001 with the original Prius, and has now sold more than 430,000 hybrid vehicles since then.