

TOYOTA

TOYOTA MOTOR CORPORATION AUSTRALIA LIMITED

A.C.N. 009 686 097 A.B.N. 64 009 686 097

16 July 2021

Senate Economics Legislation Committee
Parliament House
Canberra ACT 2600

Re: Inquiry into Coronavirus Economic Response Package Amendment (Ending JobKeeper Profiteering) Bill 2021

Toyota Motor Corporation Australia Limited (**Toyota**) has retained a significant local presence in Australia beyond the closure of local vehicle manufacturing operations in October 2017. This presence includes import and distribution of vehicles, parts and accessories, the maintenance of a significant research and development division, as well as the establishment of a Centre of Excellence at our Altona manufacturing site.

The Australian new car market was severely impacted in April 2020 due to COVID-19, down 48.5% on 2019 and as a result, Toyota's revenue and profitability was impacted. Due to the severe impact on business conditions Toyota was eligible for and was granted JobKeeper support when our revenue decreased by greater than 50%.

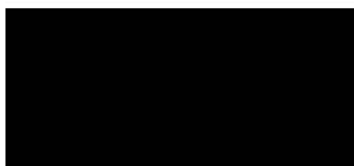
Toyota initially applied for JobKeeper on the basis of securing employee jobs and sustaining employee wellbeing for over 1500 employees, which is a priority for Toyota. In the second half of the year, particularly the last quarter, Toyota's results improved markedly, and Toyota was fortunate to come out of the COVID pandemic in a better position than most, in part due to the government introducing a range of industry and consumer support measures including the extension of the Instant Asset Write-Off incentives, which provides enhanced interest in the purchase of vehicles.

Subsequently based on an assessment of our overall business conditions, including vehicle sales being much more favourable, and Toyota's policy of contributing to the local economy in which we operate, we believed it was appropriate to volunteer to return the monies to the Australian government, and minimise the cost imposition placed on the Australian taxpayer. As revenue and profitability outlook improved, Toyota wanted to do the right thing as well as avoid any unnecessary reputational risk. We sought advice from the Australian Tax Office on how to return monies and in January this year, Toyota in good faith voluntarily returned the \$18,200,000 in support we received covering the period June to September 2020.

Toyota continues to be extremely grateful that so many Australians put their trust in Toyota to deliver quality vehicles and services, and we value being part of the Australian community. Toyota hopes that our actions in returning the JobKeeper support provide a demonstration of our ongoing commitment to the Australian community.

Yours faithfully

TOYOTA MOTOR CORPORATION AUSTRALIA LIMITED



Matthew Callachor
CEO and President