



TOYOTA MOTOR CORPORATION AUSTRALIA LIMITED

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Mr Chris Ritchie
Director, Industry Assessments
Department of Planning & Environment
GPO Box 39
Sydney 2001

07 February 2017
BY EMAIL

**RE: SSDA 7663 - TOYOTA SPARE PARTS WAREHOUSE AND DISTRIBUTION
CENTRE - SITE 3B, OAKDALE SOUTH ESTATE – NOTIFICATIONS AND
SUBMISSIONS**

Dear Mr Ritchie,

Background

In 2014, Toyota announced that it would cease manufacturing vehicles in Australia, and consolidate all of its National Functions to Melbourne. This led to a decision for Toyota to close its offices in Caringbah, which consequently requires a relocation of Toyota's Sydney Central Parts Distribution Centre.

You may have noticed that Toyota recently announced its last day of manufacturing vehicles at Altona, Melbourne on 3 October 2017 and the subsequent closure of its Sydney sales and marketing offices at Caringbah on 31 December 2017. These announcements recently created national news headlines given that the announcements significantly affect many of Toyota's employees. .

Respect for people

Toyota is committed to ensuring "a respectful and smooth transition" with respect to both those employees leaving our organisation and to those staying or joining the future company. At this stage we are unable to notify our Sydney Parts warehouse employees of their final day with Toyota if they are leaving us, or the date for the move to the New Warehouse. We are hopeful to be able to do this soon once the program becomes more secure.

"Respect for People" is one of two key pillars into the foundation of Toyota's world-renowned "Toyota Way" Foundation. Accordingly, Toyota is investing heavily in making health and well-being of its people its priority. Our parent company, Toyota Motor Corporation (TMC) in Japan, has demanded that the New Warehouse be the "global best in safety & efficiency".

Global best in safety and efficiency

To achieve this target Toyota has invested considerable time and money into the design development of the New Warehouse based on knowledge gained from global studies into Toyota's Production Systems (TPS) including time and motion. This site provided us the ability to meet all of the required criteria, and was ultimately the key reason why this site was selected over others.

The focus for design of the New Warehouse has been:

1. Safety - man/machine and machine/machine separation.
2. Sustainability - Toyota's global target is to be Carbon Neutral by 2050 and it is intended that the New Warehouse will achieve Carbon Neutral operations
3. Efficiency - to exceed customer delivery targets, being less than 6 hours from order.

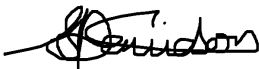
Key learnings from these new safety and operational efficiency systems will be implemented into Toyota's Global network of Parts Distribution Facilities and used as a benchmark for all future Toyota developments. This satisfies the second pillar of the "Toyota Way" Foundation, being "Continuous improvement".

In conclusion, significant time and resources have been invested in developing an optimum site layout to comply with Toyota's stringent safety, amenity and sustainability principles. Re-orientation of the building will erode these design principles resulting in compromised, and in some cases unacceptable outcomes. In this regard, we have set out some of the fundamental design criteria, in Attachment 1 below for your review.

I would appreciate the opportunity to meet with you as soon as possible to discuss the detail which supports Toyota's design of the New Warehouse.

Please do not hesitate to contact me should you wish to discuss any aspect of this letter.

Yours sincerely



Lee Davidson
Corporate Property Transition Project Manager
Sydney and Regions
Toyota Motor Corporation Australia

Attachment 1

Design criteria

Sustainability

- Toyota is implementing a large scale solar array, aiming to ensure the facility is carbon neutral, the building orientation helps Toyota achieve the maximum solar gain throughout the sunlight hours.
- To mitigate heat burden to its employees, Toyota studied and designed a facility that will mitigate heat burden (internally) based on current and future weather patterns (assumption of a 2 degree increase in average temperatures), by using passive measures. If the loading docks face the west, mechanical means would be required to achieve target internal conditions.
- Toyota aims to achieve 5 star green star performance for the facility. This was front of mind in the design of the office and it's positioning on site, to maximize natural light, and to focus on the best visual amenity for the office based people.

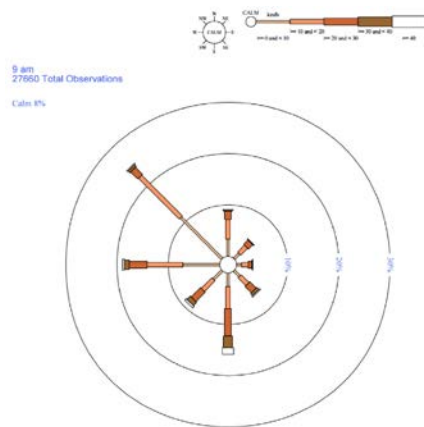
**Safety**

Toyota's Philosophy to safety is to either eliminate a risk or to mitigate the risk with an engineered solution, all other controls, processes or admin controls, are deemed weak and unacceptable.

Re-orientation of the building would eliminate key safety elements such as one way truck flow and right hand down truck reversing. This outcome is considered unacceptable.

Heat burden

- Toyota has invested tens of thousands of dollars into studying heat burden on its employees
- Toyota National Work place agreement prescribes the following triggers
 - Internal temperature reach 33°C, triggers mandatory 10 min refreshment breaks.
 - Internal temperature reach 38°C, triggers stop work
- In this location the Heat burden study determined the hottest position in the warehouse was the north West, and the most frequent prevailing hot wind came from the north West



Wind rose demonstrating the prevailing winds come from the West or North West,

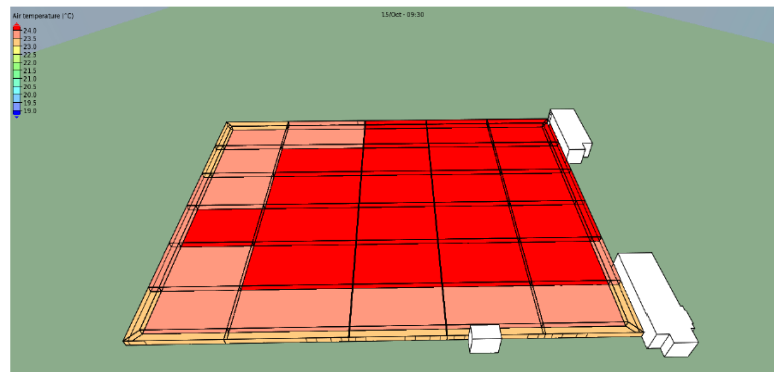


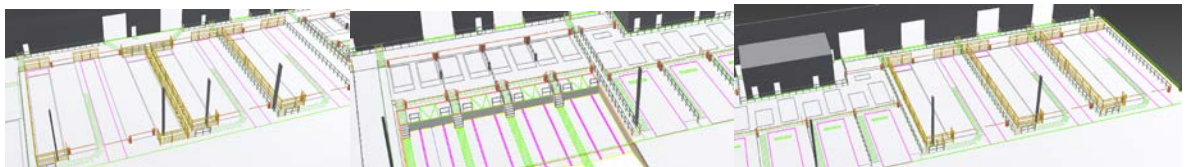
Figure 13 Temperature on ground floor zones at 9:30am on 15th October.

Isometric heat modelling, demonstrating the hottest part of the warehouse is the North West away from the populated zone in the East.

- This informed the design to locate the docks and the occupied areas of the warehouse on the East of the site

External operations

- 30m awning for all weather protection during B double loading and unloading, all external operations occur under the awning foot print, leaving 32m of hardstand for safe truck circulation & off street truck queuing
- Separate truck entry and exit, enforcing one way traffic on hard stand, and right hand down reversing
- State of the art "Bird cage" docking system separating man & machine,



State of the art safety fence and gate system separating man from machine

- Separate car access & truck access and positioning employee car parking adjacent to the office to maximise pedestrian safety.
- Toyota's stringent 5S Global Policies (Sort, Set in order, shine, Standardize, Sustain) leads to high expectations of our facilities cleanliness, efficiency & safety standards.

Internal operations

- Toyota Australia has spent 2+years studying other Toyota parts centers globally along with Toyota's competitors/partners, and 12 months to develop the global best internal design to develop a efficient man/machine separation and a machine/machine separation



- The design as it stands includes:
 - 2.25km of safety fences/handrails & 80 bollards
 - 335 safety gates
- 1 way internal picking traffic,

Operational Efficiencies & Architectural Merit

- Toyotas internal design to ensure the safety and efficiency targets were achieved required a building ratio 1:1:5, this is a TMC Global Standard for its parts facilities
- The internal design focuses on ensuring its High volume fastest moving parts are in the closest locations for picking from its "Prime" Zone, These parts are replenished from the Bulk "Reserve", thus enabling an efficient sustainable approach to the Toyota parts supply chain.



- The office position in relation to the site is on the most prominent position of the site, and commands a corporate presence, this is incredibly important to Toyota, being the market leading Brand in the auto market, this will be the largest remaining Toyota site in NSW.
- The office is intrinsically linked with the warehouse allowing:
 - Direct access to the mezzanine, the office contains 400m² of training rooms to satisfy the monthly re-skilling training sessions in safe and fundamental work practices
 - Direct viewing to the loading docks, internal operations areas and mezzanine from the main office.
 - Central access point to the warehouse
 - Single roof access point to ensure safety is still a priority for maintenance activities.
- Reorientation of the warehouse requires the Office to move to maintain the above requirements