

OUR EMPLOYEES / 07



Overview of workforce

Our employees



Permanent/ fixed-term/ contract (FTE)*



*Note these figures do not include 133 (FTE) employees who are on leave of longer than eight weeks, apprentices, tour guides, expatriates and inpatriates.

Gender (percentage of actual headcount not including contractors)



Employees by location (FTE not including contractors)



Headcount: The headcount covers all Toyota Australia employees including full-time employees, part-time employees, employees on fixed-term contracts, and casual and temporary employees. It also includes employees on leave of more than eight weeks, apprentices, casual tour guides, expatriates (Toyota Australia employees who are working overseas at affiliate Toyota locations), inpatriates (employees from Toyota affiliates working at our locations) and TMC subsidised employees.

Full-time equivalent (FTE): Part-time and casual employees are counted according to the proportion of full-time hours they work. For example, if an employee works four days a week they are considered 0.8 FTE.

Employee transition

Our aim is to make our transition to a sales and marketing business as smooth and respectful as possible for our people. We are working to maintain the engagement and motivation of all our employees, and continue to focus on safety with a goal of zero harm for employees and stakeholders.

In January 2017, we announced that our last day of vehicle production will be Tuesday 3 October 2017. The relocation of our sales and marketing operations from Sydney to Melbourne will also be complete by the start of 2018. Since we first made the decision to stop manufacturing in Australia, we have been committed to a respectful and smooth transition for all of our employees. This year will be an emotional time for our employees, and difficult for some, but we have made every effort to maintain momentum internally by focusing on our theme of 'last car = best global car', and to make sure those employees who are leaving us feel confident and well prepared for their future.

We would like Toyota Australia employees who are leaving us to be the first choice for future employers. Towards that end, while they remain with Toyota, we are acting to challenge and support those employees to be flexible, exercise personal responsibility, develop the skills to deal with potential future redundancies, and build a realistic view of life outside Toyota.

DRIVE

To support our departing employees across the business with comprehensive career development, we established DRIVE.

The DRIVE program provides employees with information, resources, and access to training and further education. It also provides job-seeking and preparation support for employment post-October 2017, as well as information for employees considering starting a small business or considering retirement.

We have DRIVE Centres at Altona and Port Melbourne in Victoria, and Woollooware Bay in New South Wales. Case Management Consultants at the DRIVE Centres are available to meet with employees on a one-on-one basis to research and discuss future options, and develop individual career plans.

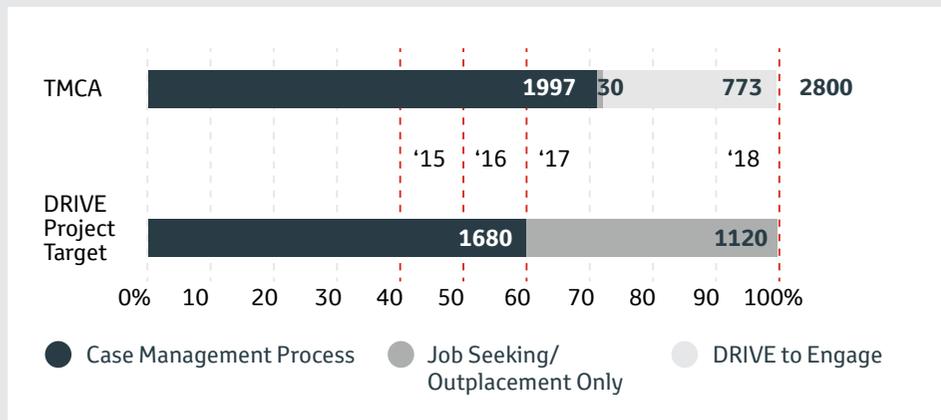
DRIVE has established key performance indicators that are reported to the board, senior management, DRIVE steering committee and other stakeholders.

2027 employees registered

By 31 March 2017 DRIVE had:



We have exceeded our target for the number of employees registered with the case management process, (at 72.4% compared with a target of 60%). However, we had still not reached 773 employees (27.6%) that we hoped to assist with job seeking opportunities. We will be working to engage with these employees by the end of October 2017.

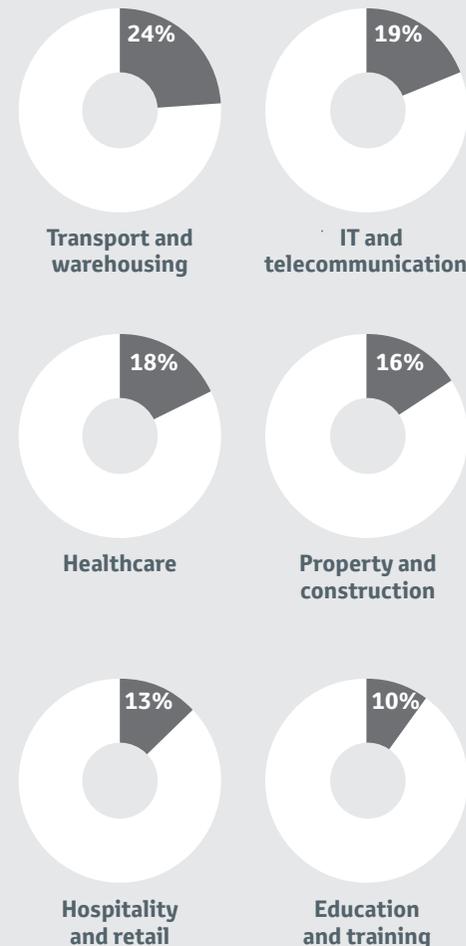


We communicate with employees through face-to-face information sessions, an online DRIVE portal, and a regular DRIVE newsletter. We regularly collate employee questions on DRIVE together with our responses, and make them available to all employees on the intranet along with questions about other parts of the organisation. As well as presenting information on a wide variety of career options, including salary expectations, we have sought to keep employees up to date on relevant financial management topics.

Employees can access formal training, as well as more than 700 online courses covering areas such as project management, communication skills and software programs. Other programs focus on language, literacy, numeracy and computer skills.

The career interests of our employees are varied. We are pleased that many DRIVE clients are taking the opportunity to start their own small business, in areas as varied as nutrition, landscaping, brewing, and photography.

DRIVE customer career choices



For employees aged 55 or over as at 30 June 2017 who are choosing to retire, DRIVE also offers a comprehensive retirement preparation program covering a range of topics including financial planning.

Healthcare has been a popular choice of industry for future employment. 23 DRIVE-registered employees undertook Certificate III in Non-Emergency Patient Transport, aiming to become drivers in this area.

Learning alongside Toyota Australia colleagues has proved a bonus, with one participant commenting: *'It's so good to have the support of my workmates. If there's a time that one of us is confused or just needs something clarified, it's comforting that there's always a fellow student to help put you back on the right track.'*

As we move closer to the last day of manufacturing, the DRIVE program has shifted its focus from information services and career planning towards a job centre offering structured job-seeking support. The Job Seeking Skills program comprises four workshops on creating resumes, first impressions, job searching and interview techniques, aimed at giving employees the capability and confidence to present themselves in the best possible manner. Attendees at workshops held to date have been active participants, asking questions, and reporting that they find the workshops valuable.



In October 2016, we surveyed manufacturing employees about their intentions and found that 9% were not yet feeling positive about their future after Toyota, 42% were unsure, and 49% of employees were positive or very positive about their future. Over the coming months we will work hard to support more of our employees to feel positive about their future.

Employees will be able to access the DRIVE Centres well after we stop manufacturing, through to June 2018.



I am really not positive about my future after Toyota	4.36%
I am not positive about my future after Toyota	4.53%
I am unsure how I feel about my future after Toyota	42.04%
I feel positive about my future after Toyota	26.27%
I feel very positive about my future after Toyota	22.80%

Employee engagement and motivation

We recognise the importance of engaging and motivating all our staff, both those that will be leaving us when we cease manufacturing and those that will be continuing with Toyota Australia.

We want our manufacturing employees to be remembered as the team that built the highest quality vehicles right until the final day of production, and to take pride in the vital part they have played in our rich manufacturing history.

Our Manufacturing Community Spirit Team led various initiatives during the reporting period focused on engagement and motivation. 'Food for Thought' lunches, held throughout the year at our Altona Plant, provided an informal opportunity for employees to sit together with managers and ask questions about the topics that matter most to them. Nearly 1,000 manufacturing employees have now attended these lunches. Other initiatives included a workplace talent contest and the Toyota Open Day (*see page 30*).

To ensure that we continue to attract and retain employees, we have been working to modernise our human resources policies and processes and embed our cultural framework in them. Areas of focus have included onboarding, performance management, flexible working arrangements and a structured leadership development framework. We have also invested in AKARi, a technology platform designed to integrate new and existing software applications to enable seamless cooperation across the business.

2016 engagement and enablement survey results

		Engagement	Target	Enablement	Target
Toyota Australia	2016	74	72	64	63
	2015	72		61	
Benchmarks	Australia companies	72		66	
	Global automotive companies	74		63	
	Global high performing companies	77		72	

Each year we run a comprehensive **annual employee engagement and enablement survey**, which provides valuable information regarding employee sentiment about Toyota Australia and allows us to understand our performance relative to other companies.

The survey took place in October 2016, with results showing that employee engagement and enablement had improved compared with the previous year and that we exceeded our target for each area. Engagement refers to employees' motivation and emotional ties to the company, while enablement captures whether employees are supported with the rights skills and tools to perform their work. The 2016 survey took place in October, with results showing that employee engagement and enablement had improved compared with the previous year and that we had exceeded our target for each area.

Absenteeism

There was a total of 346,537 absentee hours for the reporting period, or 86.38 hours per employee. This is based on the headcount of 4,012 employees as at 31 March 2017 and does not include contractors. It represents unmanaged absence hours including both paid and unpaid sick leave and carers' leave.

Absentee rates

2016/17	86.38
2015/16	66.41
2014/15	76.00
2013/14	91.83
2012/13	75.00

This was an increase compared with 260,848 total absentee hours, or 66.41 hours per employee, in 2015/16. However, it is not an anomaly in the context of the previous five years of data.



Open Day In November 2016, we hosted our final Open Day, welcoming more than 20,000 Toyota Australia employees, friends, family members, suppliers and the general public to the Altona plant.

The free event included food and drinks, kids' rides, photo booths, vehicle displays, 4X4 adventure drives, 86 Racing Series driving experience, and art displays. Special guests including performers such as Anthony Callea and sporting personalities such as Adam Goodes.

Employees were particularly proud to showcase their workplace to their friends, families, and members of the community for one last time. Over 430 volunteers gave up their time to help make the event a success.

Ongoing training and development

People development is one of Toyota's key competitive advantages. It is every manager's role to develop their team through creating on-job-development opportunities, assigning challenging work, daily coaching and actively providing support through off-the-job training activities.

We divide training and development into four key areas:

- > delivery of global Toyota programs to enable the understanding and practice of company values and methods worldwide
- > manager and leadership training
- > training specific to operations
- > training for dealers and service providers.

Even as our manufacturing plant at Altona approaches closure, we continue to provide employment opportunities through apprenticeships, with 17 in place as at March 2017.

Regular performance and career development reviews are conducted for all award and non-award employees in professional, technical and supervisory roles. We also have annual team member assessments for award employees in the non-trades, apprentice and trades classifications, including manufacturing, parts centres and company fleet.

Employee health and safety

Our President's goal of 'zero harm' reflects our commitment to managing the health, safety and wellbeing of our employees, contractors and visitors.

Health and safety management and training

Toyota Australia's company-wide framework for health and safety management is certified to the standard OHSAS 18001. In Victoria, our work sites also comply with the National Audit Tool (NAT). An external assessor audits us against the NAT every nine months. As a self-insurer in Victoria, we are also audited by Victoria's WorkCover Authority every three years.

The manufacturing team participates in Toyota's global safety management system, known as Plant Management Requirement Simplified (PMRS). The manufacturing safety dojo (training centre) at Altona helps to establish and maintain the systems necessary for compliance and to support safety training.

The Toyota Production System (TPS) aims to eliminate waste across every process and improve productivity. Our approach to health and safety also reflects these principles. Employees from each shop at the

Altona manufacturing plant participate in regular quality circles (focus groups) which promote jishuken (identification of areas requiring ongoing focus) to help stimulate kaizen (continuous improvement).

All managers (grade levels one to four) are required to complete annual online health and safety management training. This is to help managers understand their roles and responsibilities, including those of a legal nature, with regard to occupational health and safety. Completion of the training also enables compliance with the NAT requirements.

We encourage reporting of all injuries, incidents and near misses to support our analysis and yokoten (sharing of information) process. Early reporting also allows for early intervention treatment via our medical centre, and enables the group leader to be involved and manage the situation from the outset.

As part of our commitment to provide all employees with a safe workplace free from inappropriate or unwelcome behaviours, we have a standard of behaviour that all employees are expected to adhere to at all times.



Health and safety committees

Health and safety committees provide a mechanism for employees to raise and discuss issues directly with management. Committees comprise elected employee representatives and management representatives, and operate at every Toyota Australia site except Darwin, whose manager attends Brisbane committee meetings.

Approximately five percent of our workforce, or around 200 employees (based on actual headcount), participate in the committees. Committees meet quarterly as a minimum requirement; however, most meet monthly.

Health and safety performance

Lost time injury frequency rate	
2016/17	1.25
2015/16	3
2014/15	3
2013/14	6
2012/13	9

A lost time injury is defined as any work injury, occupational illness or musculoskeletal disease resulting in the inability to work for at least one rostered working day or shift after an incident. This includes muscle, tendon and other soft tissue disorders, eye disorders, hernias and hearing loss. The lost time injury frequency rate measures the number of lost time injuries for every one million hours worked. Our lost time injury frequency rate continued to fall this year.

There were no workplace fatalities involving Toyota Australia employees in the reporting period.

We were proud that our Altona press shop won the Safety Kaizen award at TMC's 2016 Global Safety Awards. The award was presented by TMC Senior Managing Officer, Mr Hirofumi Muta, in recognition of our Press Crane Safety Management system, which achieved zero crane incidents.

Support for wellbeing and mental health

In a challenging time for our employees, we have expanded our focus on health and wellbeing. All employees were eligible for a free 30-minute health consultation during company time, including key measurements such as blood pressure and cholesterol, a health and lifestyle questionnaire and health coaching. We provided mental health awareness sessions for managers and supervisors, and accredited Mental Health First Aiders have been provided within the shops to support the supervisors.

Where further assistance is needed, Toyota Australia's Employee Assistance Program provides free access to professional counselling support for a limited number of consultations, to discuss personal, financial or work-related issues. Services are voluntary, independent and confidential.

Industrial relations

Industrial relations is important to Toyota Australia and we have a highly unionised workforce.

Sixty-six per cent of our employees (2,747 employees) are covered by the 2015 Toyota Australia Workplace Agreement, which came into effect in April 2015.

Redundancy program

As we move towards the closure of the Altona manufacturing plant in October 2017, many of our employees will be eligible for redundancy packages. These packages were announced in May 2014 and are detailed in our general workplace agreement.

In January 2016, we commenced a voluntary redundancy program for permanent direct employees. Forty-one employees took up this offer during the reporting period.

Bonus payment

A \$250 bonus payment was made to eligible award employees in recognition of their efforts during 2016/17. This was based on the company achieving its financial target. An additional bonus of up to \$750 was available based on certain targets and on employees' participation in programs such as quality control circles.

Non-award employees were given bonuses based on a combination of individual and company performance.