



Maranello, 08.10.2024

Ferrari Position on the Australian New Vehicle Efficiency Standard (Exempt Vehicles) Determination 2024 Consultation Draft

Ferrari fully welcomes the opportunity to provide comments on the consultation draft of the New Vehicle Efficiency Standard (NVES) exemption instrument. This paper aims to refine Ferrari's comments previously submitted for the final phase of the NVES consultation process, also taking into account the recent discussions from Government NVES related webinars.

Ferrari is well aware that, in order to transform an industrial sector by 2050 and all the value chains, decisions and actions need to be taken now.

Innovation runs within Ferrari, so the challenge of building a Ferrari for a low-emissions future is one that we are already embracing despite our negligible contribution to the total air pollutant emissions due to the low volumes and typical low average annual mileage. In support of this, during our 2022 Capital Markets Day, we have detailed our commitment to achieving carbon neutrality by 2030 on our entire value chain, addressing direct and indirect GHG emissions, while also revealing our electrification journey. By 2026 we target a well-diversified product portfolio, composed of 55% hybrid, 5% full electric and 40% ICE in terms of number of models, and by 2030 we are targeting an offering composed of 20% ICE, 40% hybrid and 40% full electric.

Ferrari fully supports and welcomes the climate protection initiatives of the Australian Government, provided that all stakeholders contribute their share, and that the achievements obtained so far are taken into account. Saying that all stakeholders should contribute their part means that the negligible contribution to air pollutant emissions of vehicles registered in Australia and produced by Small Volume Manufacturers (SVMs) should be taken into account in the Technical Consultation evaluations.

The even more negligible contribution to the total emissions of high performance vehicles registered in Australia and produced by SVMs due to the small environmental impacts and typical low mileage should also be taken into account.

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With regards to anti-avoidance and tracing rules concern as reported in the Consultation Impact Analysis of the NVES, Ferrari kindly reminds that global CO2 regulations usually include a definition of SVM that prevents manufacturers from splitting up their fleets across multiple corporate vehicles to defeat the standard.

Specifically, European CO2 Regulation (EU 2019/631 amended by EU 2023/2502) requires a SVM to demonstrate that:

- is not part of a group of connected manufacturers; or
- is a part of a group of connected manufacturers responsible in total for fewer than 10,000 new passenger cars registered in the Union per calendar year; or
- is a part of a group of connected manufacturers that operates its own production facilities and design centre.

European CO2 Regulation then provides SVMs with the following provisions:

- Manufacturers responsible of fewer than 10,000 new passenger cars registered in the Union per calendar year may apply for a derogation defining specific CO2 targets until 2035 included;
- Manufacturers responsible of fewer than 1,000 new passenger cars registered in the Union per calendar year are exempted from CO2 standards.

Ferrari also recognizes that the above thresholds would not be representative of a smaller market than Europe, namely Australia. For the same reasons, the United Kingdom (UK) set its own thresholds for SVMs in their 2023 Vehicle Emissions Trading Schemes Order¹, allowing manufacturers with fewer than 1,000 UK registrations to be fully exempted from the UK CO2 emission standard, while manufacturers with fewer than 2,500 UK registrations to obtain a derogation from the annual zero-emission vehicle trajectory requirement.

Given the differences in total vehicle registrations between UK (1,903,054 in 2023²) and Australia (1,216,780 in 2023³), Ferrari strongly suggests including the following threshold and provision for SVMs:

Manufacturers responsible of fewer than 500 new passenger cars registered in Australia per calendar year are exempted from CO2 standards.

¹ [The Vehicle Emissions tradings Schemes Order 2023](#)

² [December 2023 New Car Registrations - SMMT](#)

³ [Australia breaks all-time new vehicle sales in 2023 - FCAI](#)