

## Motorcycle Action Group (MAG) response to:

# Vehicle Excise Duty: call for evidence

This version: 2020 08 21

### About MAG

**MAG is the UK's foremost riders' rights organisation. We have 58,000 members, and represent the interests of the motorcycling community in a rational and data-based manner. We seek to influence outcomes using logical and reasoned argument. MAG has no party political affiliations.**

See:

<https://www.mag-uk.org/>

Contact:

[Central-office@mag-uk.org](mailto:Central-office@mag-uk.org)

01926 844 064

*Motorcycle Action Group*

### Background

The question of VED as applied to motorcycles is a vexed one for motorcyclists, who believe that it is unreasonable and unfair that the level of VED for motorcycles tends to be higher than for cars. The largest-capacity motorcycles (defined as those over 600cc) pay £91, whereas a petrol or diesel car of 1000cc or more can be paying far less, and, in some cases, zero, VED.

The current VED system, using differing models for different vehicle classes (engine capacity for motorcycles, emissions for cars and axle weight for HGVs) is, unsurprisingly, creating confusion and anomalies that are counterproductive.

We therefore broadly welcome a move towards a unified system applied equally to all vehicle classes. However, we do not believe that focusing the model on CO2 emissions is the correct approach.

In order to meet the legally required Net Zero target, prompt action is required that impacts all areas of CO2 emissions. Simply focusing on tailpipe secondary CO2 emissions from the transport sector would be a mistake, as it ignores the primary CO2 emissions from energy generation, and embedded emissions from manufacture. The goal should be to reduce all three.

We wish to advocate that a weight-based approach (similar to that currently applied for HGVs) be applied to all vehicle types.

This approach would achieve goals of encouraging the purchase of less polluting vehicles, whilst also being simple, clear and universally applicable across all road vehicles. As stated in the documentation for this call for evidence, recent increases in CO2 emissions are due, largely, to the increase in sport utility vehicles. The CO2 increase is not the result of technology changes but, rather, a trend towards larger vehicles that necessarily require more energy for their propulsion and thus more fossil fuel being burnt. The weight-based approach to VED would therefore deal with this issue just as effectively as a CO2 emissions-based model.

It is clear that using the smallest vehicle - requiring the least energy - that meets the needs of the trip is the best route to reducing all transport CO2 emissions. Hence a driver with no passengers in an SUV could easily downscale to a small car or, better still, a motorcycle, whilst if the trip required transportation of passengers in addition to the driver, a small car may still be entirely adequate.

Data clearly shows that single-occupancy cars make up the majority of traffic on the roads. Each of these trips could be completed by pedal cycle or, for longer distances, motorcycle, vastly reducing CO2 emissions. Sadly, whilst the pedal cycle portion of this statement is widely accepted and acted upon, the motorcycle part, which bears equal relevance, is ignored both by Government and all other leading voices in the debate.

When applied to zero-emission electric vehicles, the weight-based system may at first seem counterproductive. This is due to the focus purely on tailpipe emissions. However, a smaller electric vehicle will require less energy - and thus emissions - from the electricity generation system, which we know has yet to achieve zero emissions. There is also the question of embedded CO2 emissions from the manufacture of the vehicle to be considered.

Several further advantages are also provided by a weight-based model, in addition to direct emissions reductions.

- The weight-based approach would remove the inbuilt fiscal obsolescence of a CO2-based model. With electrification being the goal, there will clearly be a diminishing return from a revenue perspective of the VED, thus requiring additional taxes elsewhere. The weight-based model will not suffer this problem.
- The weight-based approach, in encouraging smaller vehicles, will reduce congestion and road space pressure, possibly allowing greater space for segregated cycle tracks and wider pedestrian pavements which are clearly seen as a necessity for the move towards active travel.
- The weight-based approach would help tackle the issues of particulates generated from brake and tyre wear.
- The weight-based approach will also assist in terms of wear and tear on the road infrastructure. The cost savings in terms of highways repair and maintenance could be significant.
- The weight-based approach will show a road safety benefit, as lighter vehicles will produce less kinetic energy transfer in the case of a collision.
- The weight-based approach is simple, easily applied and understood without the complexities and potential for loopholes that would exist in a tailpipe emissions model.
- The weight-based approach would be fair across all vehicle classes.

In short, a CO2 tailpipe emission model will do little to reduce overall energy consumption at the pace required to meet the 2050 Net Zero target for total UK emissions. The comprehensive range of emissions benefits from moving less material per individual around the country will have a far greater impact.

We are unable to provide large amounts of technical evidence - which we are sure could be forthcoming from the industry sectors and relevant experts if they were asked to focus on this proposition - but we do believe that consideration of the VED model would benefit from taking a much wider view of the potential of avoiding a blinkered tailpipe CO2 emissions model. A weight-based approach, encouraging a shift to smaller, lighter vehicles reduces CO2 (and other pollutants) in manufacture, transport, use, repair and, ultimately, scrappage of vehicles, bringing both UK and worldwide benefits.

### **Responses to specific questions raised**

We have chosen to confine our responses to the three motorcycle-specific survey questions, though our recommendation should be viewed as applying to all vehicle classes.

#### **8. Do you think motorcycles should be taxed based on carbon emissions?**

We do not think that motorcycle emissions should be based carbon emissions, believing the current system to be unfair and counterproductive. It does need to change.

A CO2-based model would be preferable to current engine capacity model simply because it would be a universally applied model, but we do not believe that this would be the most effective approach. A weight-based approach to VED applied across all vehicle types would encourage down-sizing of vehicles to the smallest, and thus least energy demanding, choice. Tailpipe CO2 emissions would be addressed along with a long list of secondary issues that increase total UK CO2 emissions.

#### **9. What impact would this have on the behaviour of those looking to purchase a new motorcycle?**

Given the lack of support for motorcycling within transport policy, the reality is that most motorcyclists fall into the enthusiast category rather than being users of a utility transport mode. The decision-making process for many riders is often driven by factors beyond cost. Small changes in the cost of VED are unlikely to impact buying choices for the majority of those choosing to purchase motorcycles.

The current VED burden on motorcyclists is already unfair and disproportionate, so the current motorcycle market, in our opinion, is unlikely to significantly change its buying habits because of changes to VED.

Motorcycling is already an expensive hobby, so small increases to that expense are unlikely to dissuade the hobby rider.

A VED saving alone is unlikely to encourage more car drivers to purchase motorcycles, given the current significant barriers and restraining factors that discourage most utility transport users from choosing motorcycles as their mode of transport.

Our proposal for a universal weight-based system could however achieve the goal of downsizing all vehicles (including a proportion of the motorcycle market). The total emissions savings from such a policy would therefore be fair and significant.

**10. Should the government continue to take account of NOx emissions if it reforms the VED system?**

Yes, but not as a further complication and limited-lifespan element of a CO2-based VED system.

A simplified weight-based system will impact NOx far more than complex secondary measures allied to a CO2-based model.

