

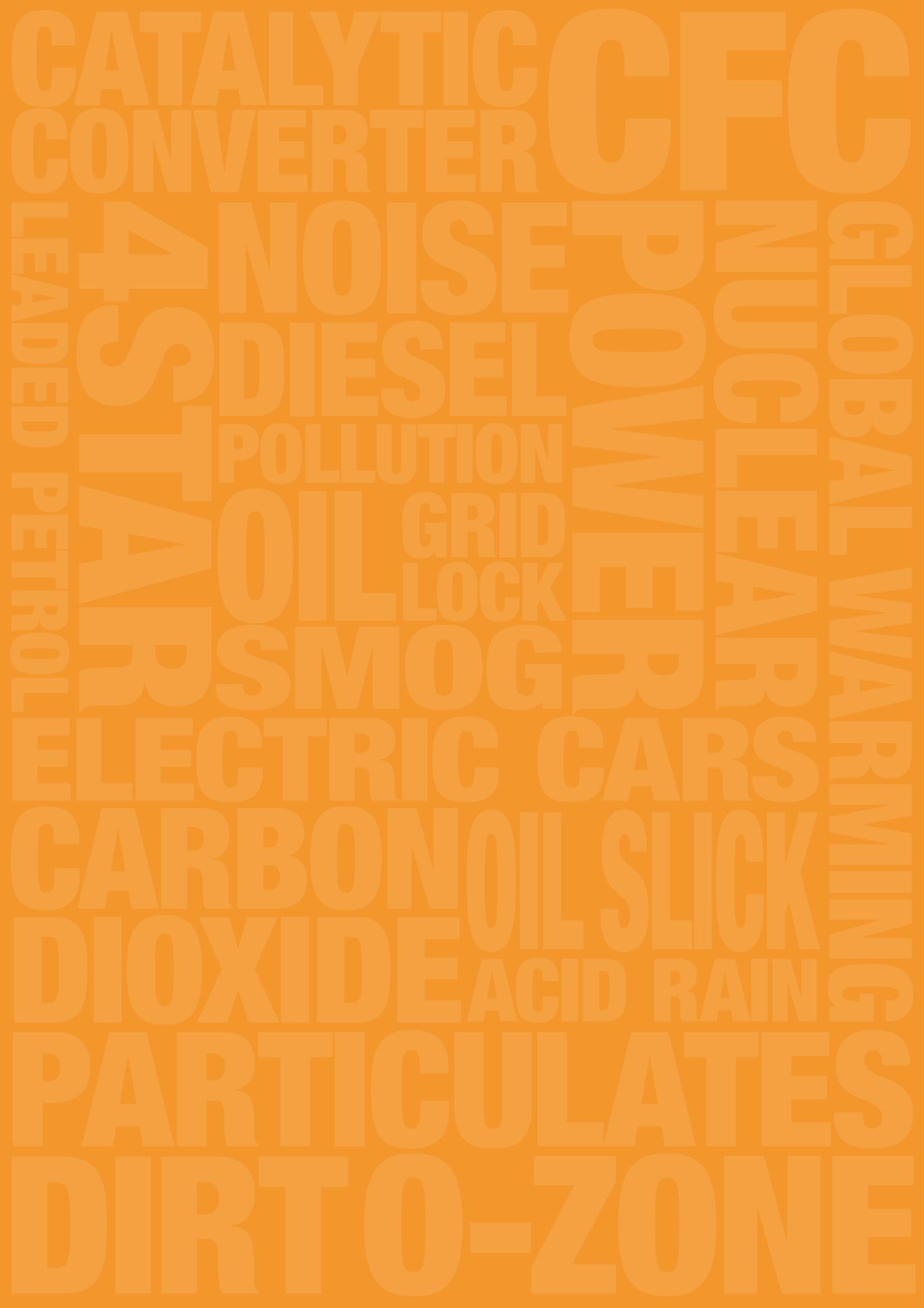
RAC
Report on
Motoring
2008

Report Three

20

Years of Motoring
Environment

RAC



Introduction

In celebration of its twentieth year, three special RAC Reports on Motoring¹ have been produced. The first provided a definitive picture of how motoring in Britain has changed over the last 20 years. The second gave an insight into how technology has transformed the face of motoring and the changes we may see in the future.

This third and final Report focuses on the environment and seeks to stimulate the debate on how to make motoring more sustainable.

Drawing on new research amongst Britain's motorists and a range of other sources including Government data, this Report provides an analysis of the environmental debate, including motorists' perspectives now, and what they think should be done for the future.

¹ The RAC Report on Motoring started life 20 years ago as the LEX Report on Motoring. The name changed in 2000 following the sale of RAC Motoring Service to Lex Services plc. For clarity, all previous versions are consistently referred to as the RAC Report on Motoring.

Foreword



Stephen Joseph
Executive Director,
Campaign for Better Transport

This Report gives real grounds for optimism. It shows that compared with 20 years ago a sizeable and growing proportion of motorists are concerned about the environmental impact of cars and motoring. They are willing to take action to reduce this impact.

However, it is not so simple. The Report also shows confusion about the impact of motoring on climate change and local air pollution - and about appropriate responses.

There are important lessons here for all those dealing with motorists - car makers and retailers, motoring groups and the Government.

First, many of the actions that will help the environment will also save motorists money, especially in fuel. Since the Report shows how much this matters to motorists, simple messages from all those communicating with motorists about ways of saving money - coupled with "and by the way this will make air breathable and save the planet" might go down better than messages that sound like they are asking motorists to make sacrifices to help the environment.

Second, the choice to be green has got to be made the easiest and cheapest choice. The car industry needs to play its part here, reinforced by Government action if necessary. Good information on fuel economy and environmental impacts, easily available, backed by strong tax signals will help. Government has a clear role here in terms of regulation on car makers, motoring taxation, the price of public transport and the ease with which options that the Report shows have wide support (less car use and more walking and cycling for local journeys) can actually be adopted.

We know from a number of initiatives - school and workplace travel plans, sustainable travel towns - that when presented with new travel options people do reduce their car use and change the way they travel. This Report makes the case for spreading such easy and cheap initiatives so that more people have real choice in how they travel.

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Executive summary

This Report reveals how motorists feel about the environment and the way it has changed motoring during the first 20 years of the Report on Motoring. It questions their acceptance of incentives and penalties, discusses whether our current car use is sustainable and what could be done to reduce dependence.

There are a series of key highlights and findings in the Report, which are described here:

↘ 77% of motorists would consider purchasing an environmentally friendly car if the tax incentives were better – up from 66% since 2007.

↘ Motorists say they want education and training on what really matters and makes a difference to driving in an environmentally friendly way.

- The cost of motoring is currently of much greater concern to drivers than its impact on the environment. The debate in motorists' minds is more about the pound in their pocket rather than saving the planet. Almost half of motorists tell us that increases in the cost of fuel have been the single biggest influence on changing their driving behaviour. How this change is sustained once the economic climate improves is a key challenge for Government.
- Although drivers say that using their car for short journeys is 'bad', they are still doing it. Four of the top six rated 'greener driving behaviours' are amongst the least frequently practiced.
- Nearly three in four motorists (72%) say that improvement in public transport is needed now if car dependency is to reduce.
- Two in three agreed that taxing a vehicle on the basis of its CO₂ emissions is – in principle – a good thing. However, motorists' understanding of the emissions generated by different fuels is somewhat confused.
- Historically Governments placed the responsibility for resolving environmental issues firmly at the door of manufacturers. Drivers could carry on as before. Now, the responsibility needs to be shared, with motorists, manufacturers and Government all having a contribution to make.

↘ Greener driving

For the purpose of this Report, RAC has used the phrase 'greener driving' and 'environmentally-friendly' driving. We recognise that driving has an impact on the environment, and the emphasis for this Report is how to make it more sustainable.

What has had the greatest impact in making cars more environmentally friendly over the past 20 years?

- Top three motorists' views (in order)
- ↘ more fuel efficient engines
 - ↘ unleaded petrol
 - ↘ catalytic converters and low CO₂ emission fuels such as bio-diesel; gas

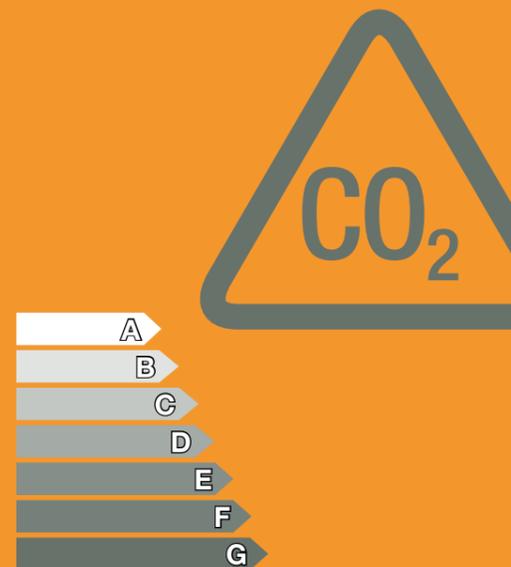


The main changes that need to happen **now**, in order to have a *major* impact in making motoring more environmentally friendly 20 years from now are:

- Top three answers (in order)
- ↘ develop technology that makes engines even more efficient and less polluting
 - ↘ improvement of/investment in public transport
 - ↘ investment in alternative fuels (bio-diesel/electric)

What influences buying a more environmentally friendly car?

- Top three motorists' influencers (in order)
- ↘ incentives for buying a low CO₂ emission car
 - ↘ more information on cars' CO₂ emission levels
 - ↘ reduction in cost of alternative fuels: bio-fuels; LPG, CNG





I can't even tell you what my car does to the gallon. I just put petrol in it and drive it around. And I don't know if it does 30, 60, or I don't know what...

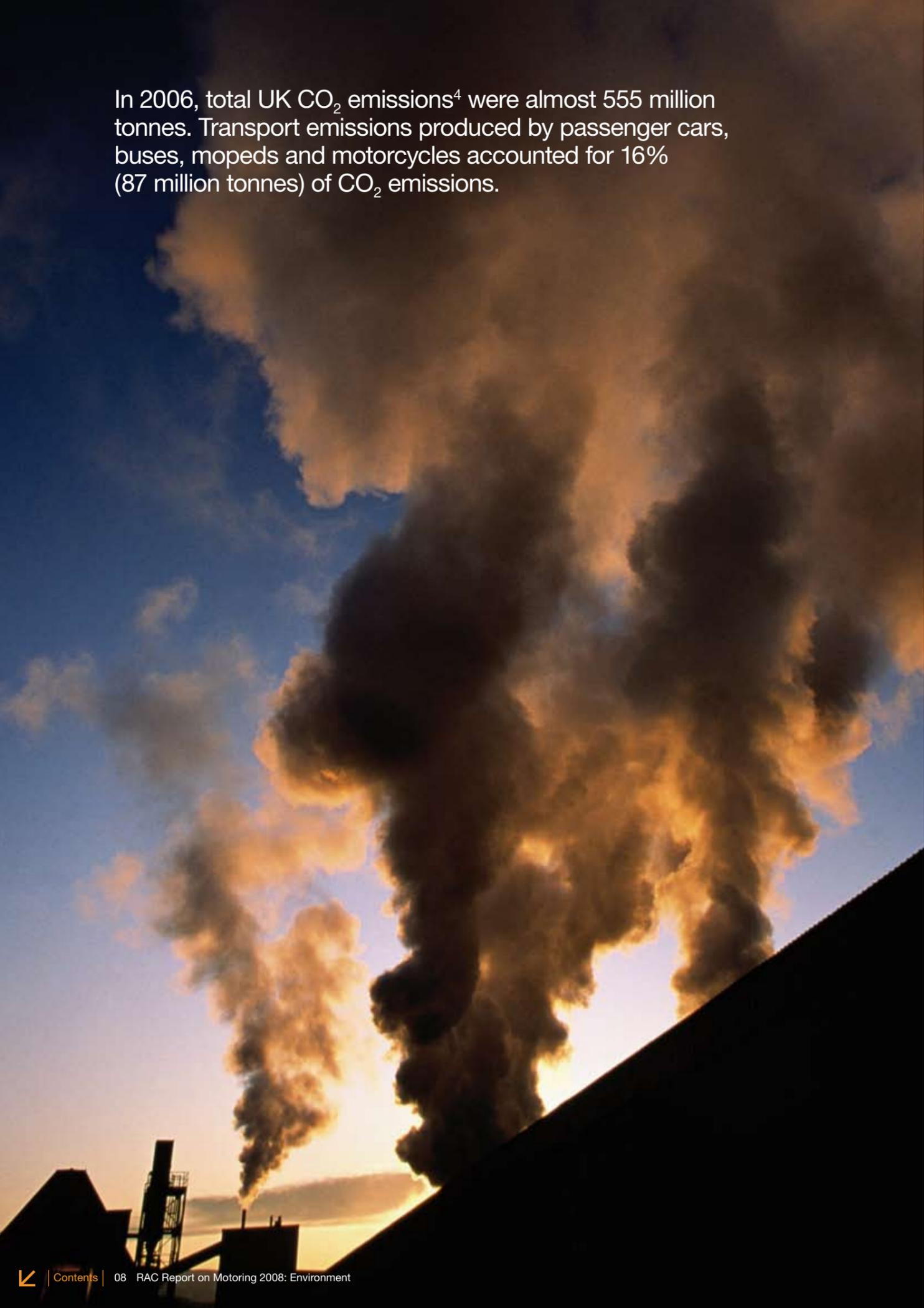
**Jenny, motorist from
Lincolnshire**

”

Chapter One

The environment and motorists

In the first RAC Report on Motoring in 1988, the environmental focus was on pollution, and the need to make engines cleaner. The solution to reducing pollution from cars was simple: the Government directed car manufacturers to clean up their act. In the 1990's our attention shifted to conserving limited resources and the need to recycle. Since the turn of the century, more fundamental concerns about global warming and the increasingly urgent need to reduce CO₂ emissions have emerged.



In 2006, total UK CO₂ emissions⁴ were almost 555 million tonnes. Transport emissions produced by passenger cars, buses, mopeds and motorcycles accounted for 16% (87 million tonnes) of CO₂ emissions.

Twenty years of environmental debate

Mankind's impact on the environment has been the subject of debate for decades.

But reducing CO₂ emissions is not so easy. The recent volatility in oil prices has brought into sharp focus our dependence on oil and the need to find viable alternatives.

Put this alongside consumers' fears about the credit crunch as well as the recession, and it is not surprising that many people are starting to ask questions about the future of motoring. So, have we now reached a crossroads in terms of motoring and our relationship with the car? Will things ever go back to the way they were even just two or three years ago? And if not, how does our dependence on our cars, our habits and our attitudes to motoring need to change?

Twenty years ago, the issue that was uppermost in people's and legislators' minds was the impact of vehicle pollution. Cars then were noisier and dirtier; and they emitted a wide range of toxins. Lead and particulates were of particular concern due to their detrimental effects on health.

In fact, in the survey conducted for the 1989 RAC Report on Motoring, 81% of drivers thought that exhaust fumes represented a 'serious' threat to the environment. There was a sense that we had to find a way to stop polluting.

EU directives created a series of ever more stringent emissions targets for vehicle manufacturers, beginning in 1996, with further increments in 2000, 2005 and 2010. And as manufacturers produced more cars able to run on 'unleaded', leaded fuel was phased out of general sale by 2000.

In the 2007 Budget, the Government commissioned Professor Julia King to carry out an independent review of vehicle and fuel technologies. The report set down a 25 year plan for reducing the carbon emissions produced by road transport and in particular cars. The King Review of Low Carbon Cars was published in two stages, the first set out the potential for reducing CO₂ emissions from road transport in the short, medium and long term². The second part picked up on the challenges faced by society in producing more efficient vehicles, cleaner fuels and smarter consumer choices³. The report also highlighted the importance of setting a long-term direction for policy that has CO₂ at its heart.

Global warming and the challenge to curb CO₂ emissions

In 2006, total UK CO₂ emissions⁴ were almost 555 million tonnes. Transport emissions produced by passenger cars, buses, mopeds and motorcycles accounted for 16% (87 million tonnes) of CO₂ emissions.

In October 2008, the Government made a commitment to reduce CO₂ emissions by 80% by 2050⁵. The impact of travel on the environment is also being addressed through policies focusing on the fossil carbon content of fuel, the fuel efficiency of vehicles, more environmentally friendly forms of transport and the inclusion of transport in emissions trading schemes.

²The King Review of Low Carbon Cars, Part one: the potential for CO₂ reduction, October 2007 reduction, October 2007.

³The King Review of Low Carbon Cars, Part two: recommendations for action, March 2008.

⁴Source - <http://www.energysavingtrust.org.uk/Your-impact-on-climate-change/How-we-contribute-to-climate-change>

⁵Committee on Climate Change, Press Release, 6 October 2008

81%

of drivers thought that exhaust fumes represented a 'serious' threat to the environment in 1989.

“ Years ago people walked to work. But nowadays, lots of people work on big industrial parks. And therefore they have to drive to work. There is no bus that goes down there. So I think people are being forced into driving. And to say we are not green, it isn't a choice. It's because you don't have an alternative

**Fay, motorist
from Lincolnshire**

”

Chapter Two **Motorists' perspectives on the environment**

The environmental burden has shifted away from solely manufacturers to placing some responsibility on motorists, both in terms of their purchasing decisions and also their driving behaviours.

But how well do motorists understand the impact they are having? Do they understand what they can do to make a difference and how does this compare to other aspects of their lives? How realistic is it for them to make more significant changes quickly?

Are motorists really concerned about the environment?

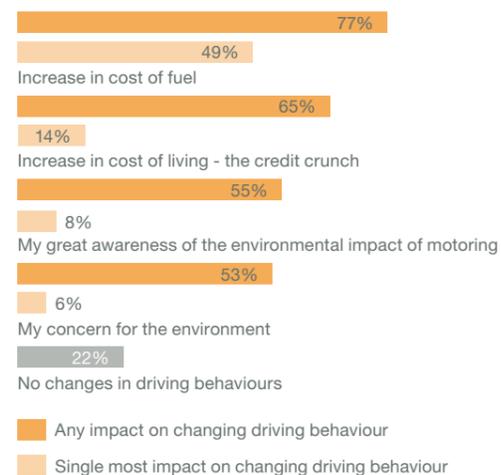
RAC's research shows the cost of motoring is currently of much greater concern to drivers than its impact on the environment.

Almost half of motorists said increases in the cost of fuel have been the single biggest influence changing their driving behaviour. In comparison, just 6% had changed as a result of concern for the environment. (Fig.1) In addition, more than eight in ten (81%) of motorists are now most concerned about the cost of owning and running a car, up from 74% in 2007. The debate in motorist minds is more about the pound in their pocket rather than saving the planet.

Most believe they are an 'easy target' for generating Government revenues. This is probably reinforced by the fact that £45bn⁶ a year is generated by cars and motorists, but only £7.5bn is reinvested back into the road network.

Motorists were asked to choose which issues had caused them to change their driving behaviour and then which was the single most influential issue.

Fig.1 Changes in driving behaviour due to the following



The recent fluctuation in fuel prices and the credit crunch are catalysing a change in driving behaviours to save fuel, this has resulted in motorists being more conscious of how they drive – and as a result they are driving in a more environmentally friendly manner.

The key question now is how to capitalise on this and make sure this new green driving behaviour is continued once the economic situation improves. Action must also be taken to engage the significant minority (22%), who say that they have as yet made no changes in their driving behaviours.



6% said the single biggest impact on their driving behaviour is their concern for the environment



49% said the single biggest impact on their driving behaviour is the increase in the cost of fuel

While cost is their biggest priority, motorists say their willingness to consider green motoring is increasing. In 2008, 77% of drivers would now buy a more environmentally friendly car if the tax incentives were better, up from 66% in 2007.

Over half of motorists (56%) today are also much more likely to say they would carefully consider CO₂ emissions when buying their next car, up from 37% in 2007.

There is a significant difference in perspective between rural and urban motorists. Rural dwelling motorists are more receptive to considering a 'green' car, but are less able to adjust their lifestyle to being without a car, than are urbanites. (See Fig.3). Since their inability to do without a car is linked to gaps in public transport the need to improve alternative modes of transport, especially in the countryside, is once again highlighted.

Fig.2 Issues that are of concern to motorists 2007 vs 2008

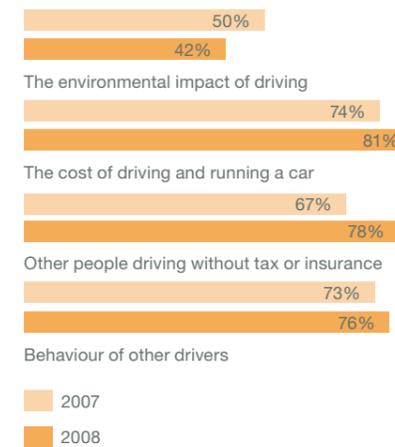


Fig.3 Percentage of people who agreed to the following environmental aspects in motoring.

Statement	Rural (%)	Urban (%)
I would find it very difficult to adjust my lifestyle to being without a car	88	67
CO ₂ emissions are something I consider carefully when buying a car	56	45
Cars with very high emissions are not sustainable	81	66
In today's motoring world it is not realistic to take account of environmental issues	58	43

However the evidence from our new research is that 'doing more' is increasingly contingent on people perceiving improvements in the public transport system.

⁶ Source: Road Users Alliance (2007) Road File 2007/2008

RAC calls for

Increased parking provision at railway stations and further incentivising take-up of park and ride schemes, which show the car can be seen as part of the integrated package. While there will always be some reliance on the car, transport options need to be integrated to ensure people can make personalised choices which are simple, easy and affordable.

Choices and alternatives

If motorists are to change their behaviour, they have three alternatives – change their mode of transport (walk, cycle, public transport), buy a more environmentally friendly car, or re-order their lives to reduce their reliance on their car.

Faced with this, motorists are very clear about what they think needs to happen, and where the responsibility for stimulating change lies.

The latest survey shows that people would find it very difficult to change their lifestyle without a car, reflecting findings from surveys conducted in 2006, 2007 and earlier in 2008.

Finding ways of influencing behaviours in the face of significant barriers to change will be no easy task.

Nearly three in four motorists (72%) say improvement in public transport is needed now if car dependency is to reduce. And the demand for improvement is growing at a fast rate. The proportion of people who say they would use public transport if it were 'better' has increased from 48% in 2007, to 68% in 2008.

There is a lack of consensus amongst drivers about whether 'Most people in cars could use public transport instead', with as many agreeing as disagreeing. The reality is that few areas around the country have anything that approaches an integrated and comprehensive public transport system (combining railway, underground, bus, tram and/or river travel), which is capable of offering a viable alternative to the car.

Outside of towns and cities, and with the number of smaller, local shops in decline, many people simply do not have sufficient access to the range of local services they need to enable them to use their car less. And even fewer have a public transport service that could be used to commute.

↘ RAC calls for

Clear direction from Government on greener motoring. It needs to be a simple and affordable solution. In addition, messaging needs to hook motorists by showing them the money they can save and in the process reduce their CO₂ emissions.

“ I don't want to go down to the supermarket, get four bags of shopping, stand at the bus stop, get on a bus and not get a seat, then have to walk ten minutes at the other end. No. I get in my car, drive down there and park in the car park. ”

Dave, motorist from Greater London

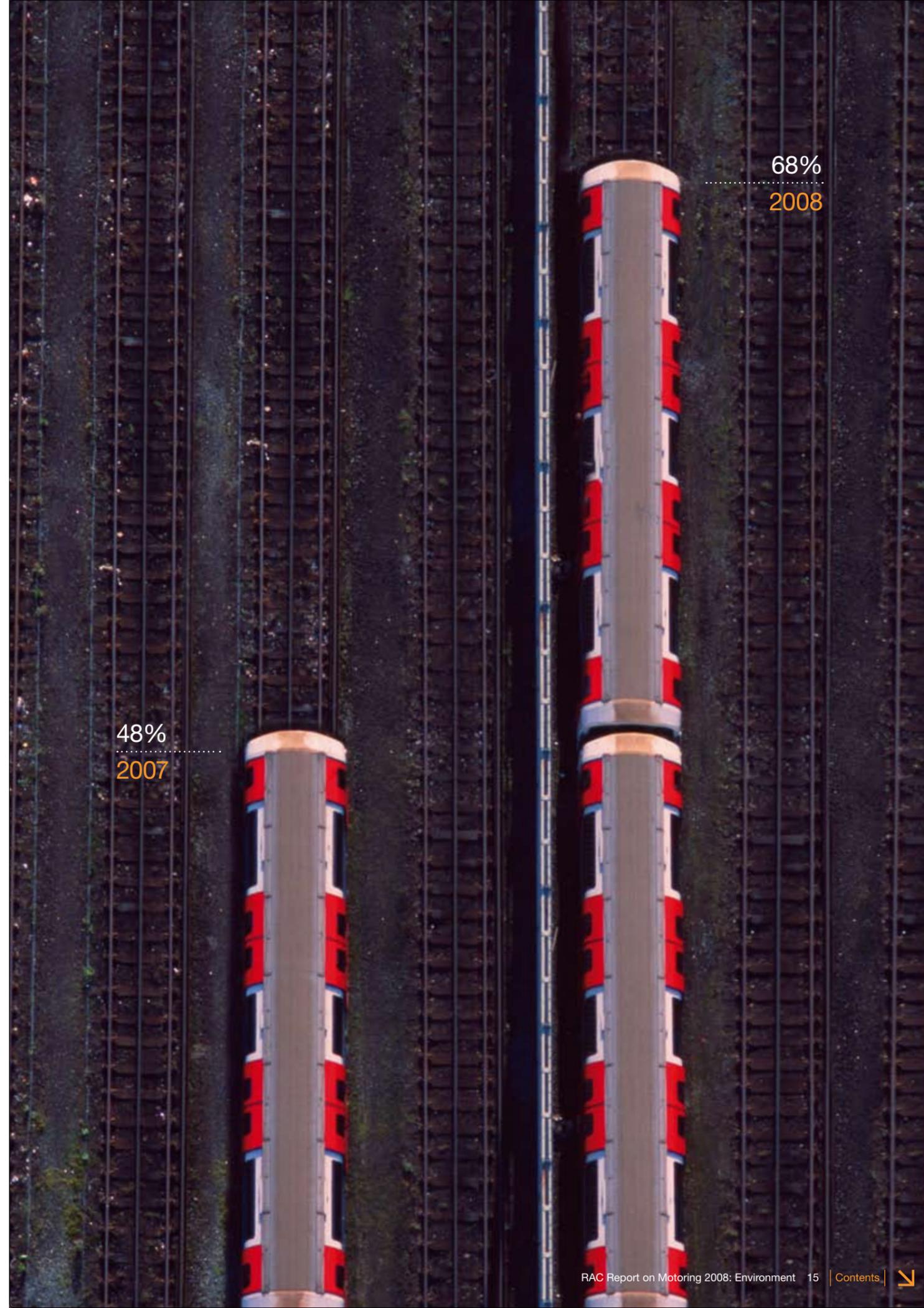


Fig.4 ↙
The percentage of motorists who said they'd use public transport if it was 'better'

Do today's motorists know how to be 'green' in their driving?

Most motorists recognise the environment is an issue that can't be ignored, and that they are being asked to play a part in helping reduce our impact on it. Mostly, they think this is fair.

However, they lack confidence in their understanding of the issue, leaving them unsure of their options for change.

The latest RAC survey asked motorists to assess the degree to which different aspects of motoring impact on the environment. Whilst a deliberate simplification of a complex subject, the results provide valuable insight into the motorist's mindset (Fig.5).

At a basic level, two thirds of motorists are confident that the size of a car's engine has a major impact on the environment, and also recognise the way the car is driven makes a difference.

They further appreciate the fuel a car uses has a part to play, although they lack a precise understanding of exactly what this means environmentally.

CO₂ emissions from different fuels

The findings show drivers' understanding of the CO₂ emissions generated by different fuels is somewhat confused and simplistic: petrol and diesel being generally 'bad' whilst other options are 'less bad'.

In fact, only half of motorists feel confident that they understand the differences in CO₂ emissions between different fuel types. (Fig.6)

Diesel cars emit more CO₂ than petrol cars per litre of fuel burned, but use fewer litres of fuel to travel a given distance. The overall impact is that diesels typically emit less CO₂ per kilometre than petrol cars⁷. The problem is that this is not immediately clear to drivers.

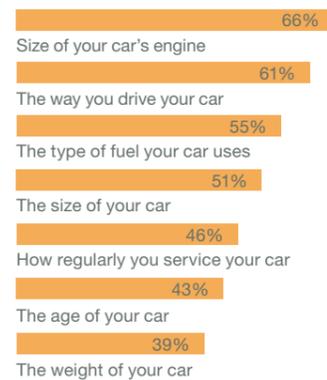
There is also confusion over other types of fuels, with drivers failing to realise that CO₂ emissions from CNG or LPG are no better than those from petrol or diesel engines.

More fundamentally, a significant minority thinks neither petrol nor diesel has any, or only a minor impact on the environment (27% and 36% for petrol and diesel respectively). And a further one in ten (9% for petrol and 10% for diesel) is unable to say if either has any impact.

It is a confusing picture, compounded by the lack of clear guidance from experts, and there is currently no clear-cut answer on what is greener, petrol or diesel.

Fig.5 Impact on environment (percentage major impact)

To what extent do you think the following impact on the environment?

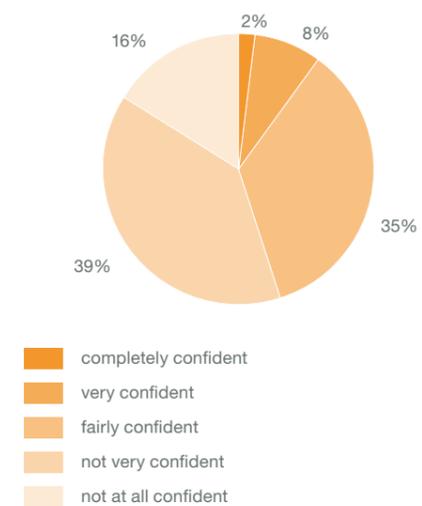


Greener driving

The majority of drivers have a degree of confidence that they know how to be a 'greener' driver. However, a fifth of those surveyed did not, with female drivers in the main being less confident than men.

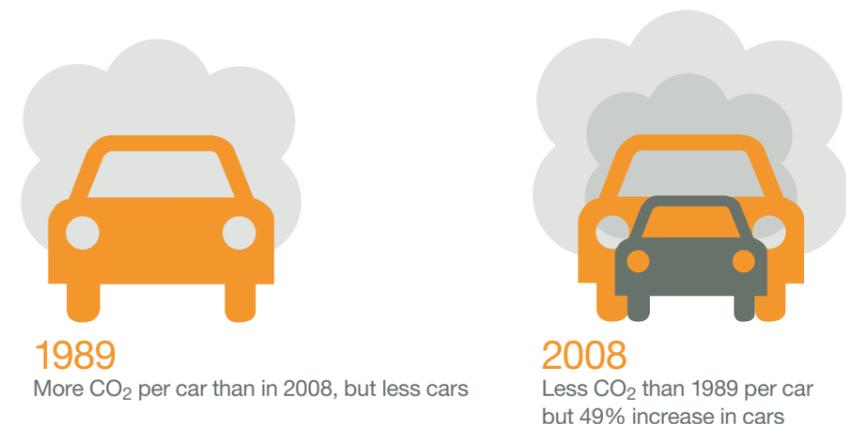
Fig.6 Understanding the differences in fuels

How confident are you that you know and understand the differences in the levels of CO₂ emissions between different fuels such as petrol, diesel, natural gas, bio-fuels and electric?



While today's cars are cleaner than ever before – and emit less CO₂ than 20 years ago – the fact that in 2008 there are 49% more cars on the road than there were in 1989 has resulted in an increase in the total amount of CO₂ being emitted by cars⁸.

Fig.7 The amount of CO₂ produced by cars vs. the amount of cars in 1989 compared to 2008.



But it is hard for anyone, including motorists, to make a change if they cannot easily measure what they are trying to change in the first place. The drivers surveyed said information is highly valued – 78% of motorists in the survey felt fitting cars with CO₂ meters would have a positive impact on making driving more environmentally friendly in 20 years time.

Currently, few cars give any form of 'real time' reading of CO₂ emissions. Some cars have mpg read-outs, either as an average for the journey, or in real time, or both. But these default to zero when a car is stationary. European cars read out fuel consumption in litres per 100km, which, when a car is stationary defaults to litres per hour, so the driver always knows how much fuel is being used at any time.

⁷ Source: Friends of the Earth – Driving Change March 2008

⁸ Source – Defra data taken from commission for integrated Transport Report Transport and Climate Change 2007

RAC calls for

Driver training and re-education courses for motorists on 'how to be green'. This has already started with the greener driving element of the driving test, which is welcomed by RAC. It is important that if we are to affect behavioural change, we need to ensure the behaviour is seen as a natural reaction to the driving process starting right from the first time a motorist sits behind the wheel of a car. But how do we affect those drivers who have already passed? Through our research, we understand the average driver passed their test 24 years ago.

Fuel efficiency calculators to be built as standard in all new cars.

So how 'green' are Britain's drivers?

Motorists do understand there are certain driving behaviours which have an impact on the environment. But this does not always translate into the driving behaviour they practice on a regular basis.

With the recent volatility in oil prices causing instability in the price of fuel, people have started taking steps to offset the impact of driving on their household budgets. This has coincided with an increasingly regular focus on environmental issues in the mainstream media. This combination of events presents an opportunity, to create a permanent change in behaviour.

When it comes to how often we use our cars these days, two in three drivers say they now use their car less than before. Drivers who claim to be 'dark green' are more likely to use their car less: 72% of them compared to only 58% for 'light green' drivers. Beyond this, how 'green' a driver believes him or herself to be, has a direct impact on their perspective on what is, or is not, environmentally unfriendly driving.

Four of the top six rated 'good green driving behaviours' are amongst the least frequently practiced. So although drivers say that using their car for short journeys is 'bad', they are still doing it. They are much more likely to be taking other – less inconvenient – steps to reduce their driving impact, for example by avoiding over-revving and driving more smoothly.

And where they have changed their driving style, or habits, it's clear that they are not doing it out of principle. In 2008, only 42% of motorists said they were most concerned about the environmental impact of driving – a drop of 8% in a year. This reinforces the message that people are becoming greener because of economic not environmental reasons.

Fig.8 Positive driving behaviours according to motorists and how frequently they are adopted

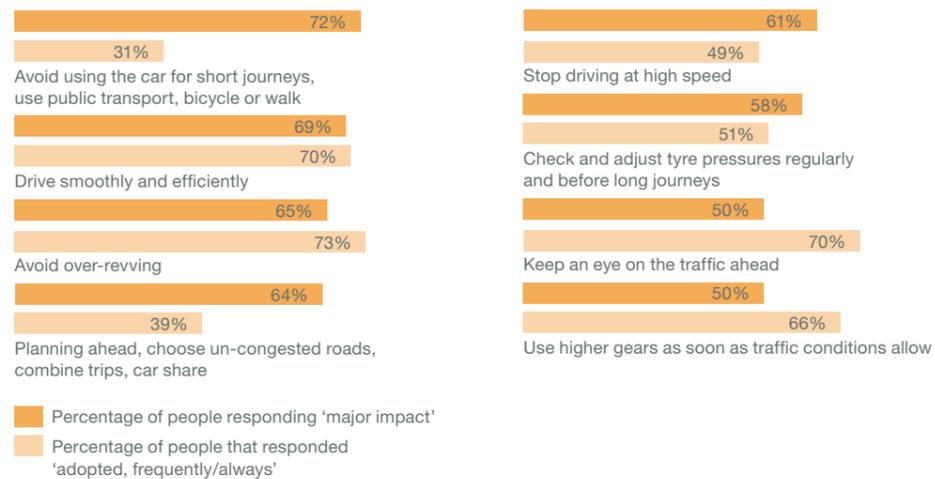
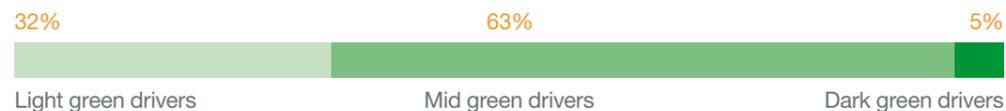


Fig.9 'Green' drivers

To what extent do you believe you are a 'green' driver?



Although drivers say that using their car for short journeys is 'bad', they are still doing it.



Are we greener in other aspects of our lives?

Alongside air travel, the car is environmental campaigners' most high profile target for change. In a broader context, how does the environment rank in consumers' understanding, attitudes and behaviours?

Campaigns to encourage people to reduce their energy consumption have been on-going for some time. From the 'Save it' campaign of the 1980s to the 'Are you doing your bit?' campaign running from 1998 to 2002, Government initiatives over the past 20 years have targeted a range of areas including energy efficiency, waste, water usage as well as transport.

As a result, some 'green' behaviours are more widely understood and practiced than others, not least because some are easier to do than others. We have, for example, become accustomed to the convenience of recycling at home and our local council collecting bottles, tins and paper from our door, instead of having to take them to the local recycling centre ourselves.

RAC's research found that from a list of 12 'green' activities – including household recycling, energy saving and reducing food waste – half of motorists claim to regularly practice between 10-12 of them, whilst a further two in five (39%) practice between six to nine. (Fig.10)

This means the vast majority of motorists already do something to offset their impact on the environment - and not always things that save them money.

Using the car less comes well down the list, but from the driver's point of view do they really have a choice when it comes to their cars, even if they have a desire to be greener? If we are to see a significant shift in motoring behaviours, will the alternatives need to be as easy to use or to do as, say, recycling has become?

Fig.10 Environmentally friendly behaviour - wider context



“I think it's what you get used to, isn't it? A few years ago when the recycling bags came in, it was like, I'm not going to separate. You've got to separate tins, and you've got to separate cardboard and newspapers. Whereas you just do it so automatically now. You get used to it.”

Alan, motorist from Leicestershire



“ It’s like any green issue.
If there is a financial
incentive, people do it.
James, motorist
from Greater London ”



Chapter Three Environmental policies – impact on and concerns of the motorist

Motorists, Government and manufacturers all agree some kind of change is needed. It is now a question of what this change is, how it is implemented and by whom.

Government campaigns have changed the vast majority of motorists’ attitudes to drink driving. Now they need to help change attitudes on greener driving behaviour.

Trying to convince people to be ‘greener’ drivers is a far more complex challenge because there is no ‘one size fits all’ solution, or a simple answer.



What will drive change?

Environmental campaigners believe that for ‘green’ taxation to work and secure public support it must include a mix of both incentives and disincentives, to enable the general public to perceive it as ‘revenue neutral’.

Motorists recognise that taxation has a part to play and claim to be influenced by both financial incentives and financial penalties. The latest survey shows that the most impactful incentives are those which encourage the purchase of a low CO₂ emission car (90%) and those which reduce the cost of alternative fuels (79%).

The most impactful penalties according to motorists surveyed are increasing road tax for high CO₂ emission cars (78%), and increasing the cost of fuel (petrol/diesel) at the pump (78%).

Motorists clearly believe things do need to change now in order to ensure driving is more environmentally friendly – and sustainable – over the next 20 years. They also agree that existing levels of car usage are not sustainable.

In fact, 69% of motorists surveyed think that in 20 years time it will be socially unacceptable to drive a high fuel consumption car of any type.

Growing numbers of drivers claim they will take into account CO₂ emissions when considering their next choice of car: 56% in our latest survey compared to 49% as recently as April/May of this year. But again it is a question of motivation – whether this interest in CO₂ emissions is because of lower taxation and better fuel economy, or actual concerns over the impact on the environment. RAC believes it is the former.

A sizeable majority (82%) would consider a more environmentally friendly car. However, most would still choose to remain with a petrol or diesel engine – opting for a more fuel efficient car (53%), or one emitting less CO₂ (46%).

Alternative fuel cars are, for the time being, still a minority choice, with hybrid the more popular option (29%) compared to electric cars (7%). Why this should be so is unclear, but is probably a combination of restricted choice, concerns over range and performance or a general lack of knowledge. Again, this lack of knowledge is compounded by the fact that there is no clear guidance as to the relative pros and cons of the different types of environmentally efficient cars. No-one, including the experts, is able to agree which option is best because there are so many parts to the environmental equation that a definitive answer is beyond the motorist’s grasp.

▾ RAC calls for

An overhaul of the motoring tax system. At present, we believe every new tax or reform of the tax system that comes into force is simply a sticking plaster over the problem. A review of the long-term challenges ahead is required in order to find a more permanent solution.

“They’ve all got their problems. Even an electric one you’ve got to charge it up, and that comes from the power station, which pollutes. So if you’re looking at it as a green planet saving issue, it’s difficult to choose really.”

Mike, motorist from Greater London

▾ An electric car fuel symbol indicating a charging point found at an underground car park in Bristol.

Labelling and better information

Helping people to understand their choices is important. Efficiency labelling is one way of doing this.

Our survey found that awareness of the white goods and household electrical equipment labelling scheme was far higher than for the equivalent emissions labelling on new cars. (Fig.12)

But whilst new cars must specify emissions, the use of labelling is not mandatory and was only introduced on a voluntary basis three years ago. It is therefore not surprising that awareness of this scheme is lower.

The difference in awareness between new and second-hand buyers is significant, with half the number of second-hand buyers aware of the scheme compared to new buyers (8% vs. 16%). When shown an example of the label, 41% of new buyers had either seen or heard of it, compared to only 27% of second-hand buyers.

Fig.11 Trusted sources of information

Who would you trust to provide you with information on being a 'greener'/more environmentally friendly driver?

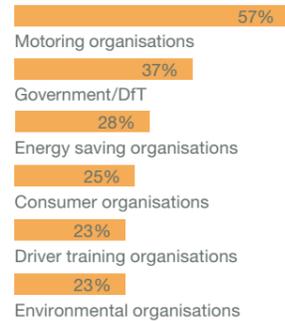
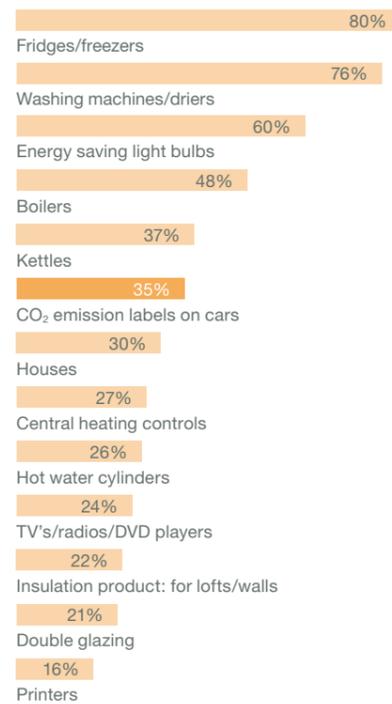


Fig.12 Awareness of energy efficiency labelling



RAC calls for

Information on model-specific emissions should be effectively communicated to all motorists. RAC believes this can be achieved by using the fuel efficiency label on all MOT certificates or tax discs - not only are all motorists required to have these items, but it would provide an annual reminder of how efficient their car is.



A typical fuel efficiency label found commonly on new cars in showrooms.

Taxes and charges on motorists

The Government announced changes to the current Vehicle Excise Duty (VED) system in 2008 as a direct response to the need to reduce emissions from cars. These will not come into full effect until 1 April 2009.

Awareness of these changes is low, and understanding of the exact detail of the new scheme and how it will impact owners is even lower.

Motorists responding to questions on the new VED scheme were given the following information in advance:

In the 2008 Budget, the Chancellor announced a change to the car road tax bands (also known as Vehicle Excise Duty/VED ratings). From 2009/10 six new bands will be introduced. If your car is registered after 1 March 2001, there will be a series of car road tax bands (A-M), which will be based on fuel type and emission levels.*

* This information is correct at the time of going to print.

Just over half of motorists (54%) are aware that the existing road tax/VED bands A-G are based on cars' existing emission levels. Fewer (37%) are aware these bands are changing and even fewer, one in five, understand about the new VED bands (18%). Rather than being an issue with which they are engaged, road tax is something which motorists clearly feel is 'done unto' them. They were also evenly split over whether backdating the tax was fair or not, adding to the view that they have little control over road tax.

Despite this, and based on the explanation they were given, eight in 10 agreed that when buying their next car they would refer to the new road tax/VED bands to choose a more tax friendly car, and two in three agreed taxing a vehicle on the basis of its emissions is – in principle – a good thing.

It is not only large luxury or sports car drivers who will pay more for VED. Increases in VED rates will affect motorists who are driving medium sized cars, for example a Ford Focus or Vauxhall Astra. Virtually every petrol-engined car in this 'lower medium' category, the second largest segment in the market⁹ will pay a higher rate of VED with only the smaller engined diesel derivatives paying less.

In addition one of the problems with the new VED bandings is that it does little to affect the purchasing decisions of those who can afford the high-emitting cars that are at the top-end range of the market. It can be argued that even the highest levels of the VED rates proposed, will do little to alter their choice or decision.

Although the changes to the VED scheme were introduced as part of an overall strategy to reduce car emissions, the Government's own data suggests that the latest round of changes is only likely to reduce emissions by 0.16Mt CO₂¹⁰ against total emissions from private vehicles of 17.7Mt CO₂¹¹ – an overall reduction of just under 1%. Such admissions can only increase motorists' cynicism towards the changes in VED and reinforce their view that such taxes are only designed to raise revenue.

⁹ Source: SMMT Motor Industry facts 2008

¹⁰ Source: House of Commons Environmental Audit Committee: Vehicle Excise Duty as an environmental tax 22 July 2008

¹¹ Source: Advice to Government from the Commission for Integrated Transport 2007

➤ RAC calls for

The Government to include an information leaflet to explain the changes with tax disc reminders in 2009 – to ensure that every UK car owner receives the information.

The Government to scrap current plans to backdate the VED charged on vehicles registered post-March 2001. We believe there are more effective ways of influencing motorists' behaviour and purchasing decisions.

The Government to implement a car-scrappage scheme – whereby motorists who drive the most polluting cars are paid an incentive, for example £1,000, to scrap it.

"It's probably the fairer way to do it. Because if you can't afford an expensive car, you buy a smaller car, so therefore you're paying less."

Hugh, motorist from Greater London



"If you've got a big family of six or seven people, you're being penalised for having a big family. I could have got a smaller car and we could have used both cars on each journey. Instead, it's just one people carrier. I do feel you're being penalised."

Barry, motorist from Lincolnshire



"I didn't know anything about those bands. I just thought there were two, one for a little engine, one for a big one."

Emma, motorist from Derbyshire



"I mean, I think it's silly, they think you're going to buy a car, for £25,000 or £30,000 plus, and someone's going to say to me, 'do you know you can save £40?' and I'll say, 'cancel the Bentley!' It's not going to happen!"

David, motorist from Greater London



"You can't let people make a decision and then afterwards punish them for that decision, if you give people the information, even if it's ludicrously difficult to understand, and then say these are the consequences that's one thing, but if you let people in a free market economy make decisions, and then afterwards say, 'that was a bad decision, now I've decided I'm going to punish you for it,' that should be illegal."

Peter, motorist from Greater London



Changes to VED bands

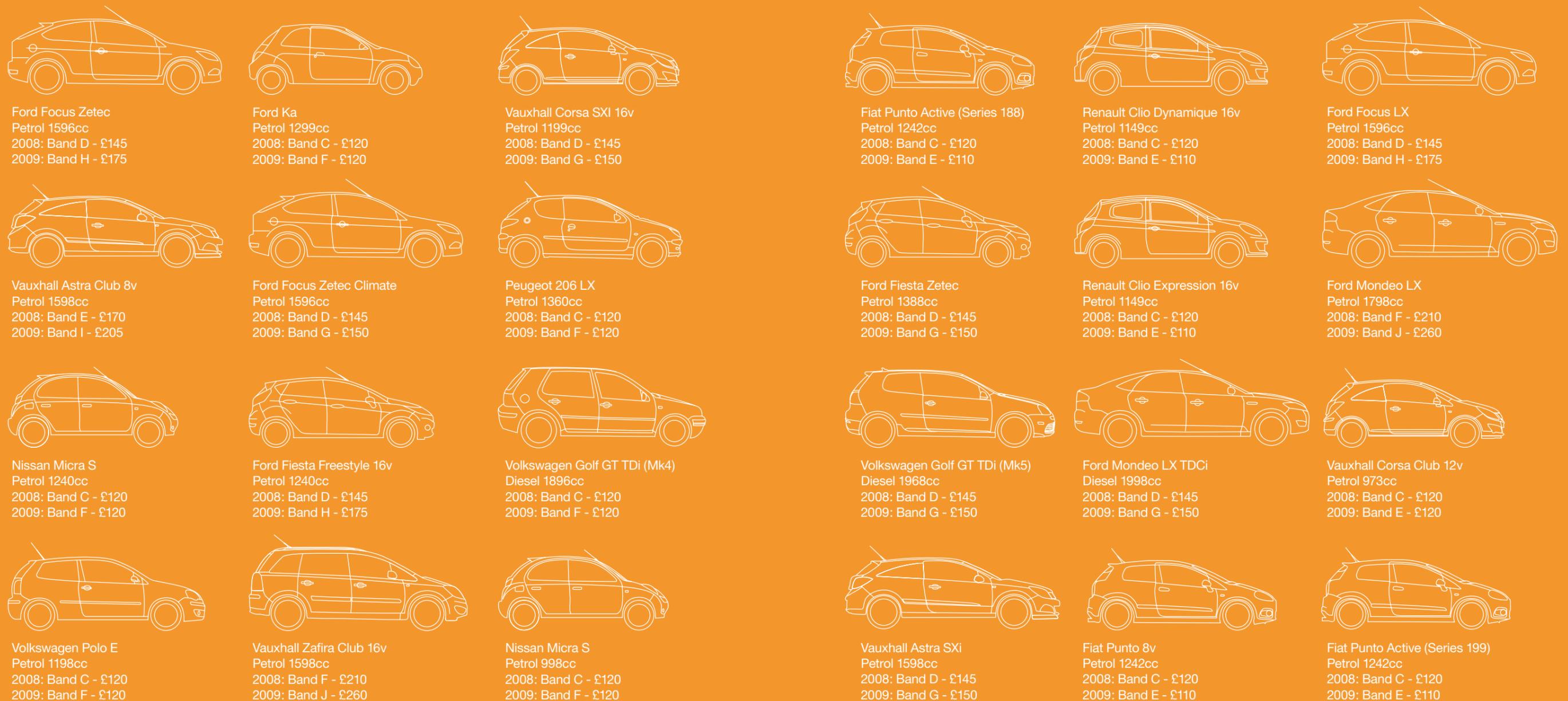
As this chart shows, it's not just the 'gas guzzling' cars that are affected, or high-performance 'status symbols'.

People with large families who need to carry more than 4 passengers, disabled drivers, small businesses and farmers to name a few will pay a higher VED rate for their vehicles.

The alternative is to have a smaller car and repeat the journey several times or use two cars – giving larger overall emissions.

For this group of motorists, transporting their passengers in one car could be argued to be the most environmentally friendly way of doing it.

Fig.13 24 most popular cars in Britain and how their VED ratings will change*



* This information is correct at the time of going to print and reflects the announcement made in the 2008 budget

Conclusion

For change to happen, the responsibility needs to be shared - with motorists, manufacturers and Government all having a contribution to make.

We have seen car ownership grow exponentially over 20 years. Today, ownership of a motorcar is seen as evermore essential to modern living, giving individuals and families a freedom of which they are highly protective. At the same time, drivers know that change has to happen if vehicle emissions are to be reduced to the levels that are believed to be sustainable.

RAC believes we need to encourage drivers to start thinking about both their driving behaviour behind the wheel and the car they are driving.

Motorists

While the Government concentrates on public awareness, transport policy and fiscal measures to encourage change, there are steps motorists can take to reduce the environmental impact of their driving.

Motorists feel if they were trained to drive in a more fuel efficient or environmentally friendly way, then this would have a major impact on making driving more sustainable in the future.

Ultimately though, there is a limit as to how far drivers can afford to go, and they have made it clear it all depends on how much it will cost them. So whilst there is an acceptance of the need to act, there is also a very strong sense that the average British motorist feels they are already paying enough. For many, buying a green car, for example, is simply beyond their means. For most therefore, it's a question of being greener, rather than being green.

Employers have a vital role to play in creating the conditions that enable employees to be greener. Over half of all car emissions are the result of people commuting to or in the course of their work.

With the need to reduce emissions becoming ever more critical, working from home may yet become seen as a socially responsible, rather than an unusual thing to do.

There are some examples such as where car parking is only available to those who have shared a car to work, others where companies have collected employees by bus.

Manufacturers

Manufacturers are working on a range of options for the future but there appears to be little agreement over what is, or could be, the solution. Each manufacturer is concentrating on what they believe will be the right answer, which may also give them competitive advantage.

But, just as there is a lack of unanimity in the scientific world about what needs to be done to stop global warming, so there is a lack of unanimity amongst vehicle manufacturers as to which route will yield the best result.

Historically, global manufacturers have been unable to agree about whether diesel or petrol is 'better', with European manufacturers seeing diesel far more favourably than their American and Japanese counterparts.

Manufacturers will have to provide the technical solutions for the future. The King Report was very clear on this. Even though these may not yet exist, the hope is that by the time oil runs out viable alternatives will have been developed.

Government

It is clear that whilst environmental issues remain important to motorists, for now they have been replaced by financial concerns.

This is understandable at a time when motorists are faced with so much pressure on their household budgets. It is therefore imperative, when delivering the environmental message, we ensure it is related to the financial impact it will have on households.

Motorists call on Government to strike the right balance between incentives and penalties, and to ensure that any new green taxes should be revenue neutral. RAC is calling for an overhaul of the motoring tax system. At present, we believe every new tax or reform of the tax system that comes into force is simply a sticking plaster over the problem. A review of the long-term challenges ahead is required in order to find a more permanent solution.

What about alternative modes of transport? RAC has regularly called for greater investment in public transport, and in questioning the sustainability of our current car use, this has never been more important. The Government needs to provide an upfront fully integrated transport system, before it can expect motorists to seriously consider using it. RAC believes this can work as a complement to the car, rather than simply instead of it. Motorists cannot comprehend life without their cars, and why should they? Rather than thinking of cars and public transport as separate, we need to start thinking about them as a joined up entity.

Motorists also believe Government has a role to play in providing better driving test training – and post driving test training – on how to drive in a more fuel efficient and environmentally friendly way.

For motorists to be 'greener drivers', they need access to straightforward, actionable information, which is specific to their individual circumstances, from trustworthy sources.

Appendix A About this Report.

The research for the Report was carried out for RAC by Quadrangle. A total of 1,040 motorists shared their views on motoring in 2008 and how it has changed since 1988 in an online survey during August and September 2008.

Quadrangle also undertook four focus group discussions amongst particular groups of motorists, representing the following key motorists types:

- Drivers, aged 17-44 years old
- Drivers, aged 45 years old and over
- Rural drivers
- Urban drivers

The Report was prepared under the overall editorial control of Tracey Crouch, Head of UK Public Affairs, and has been guided by the expert contributions of the 2008 RAC Report on Motoring Advisory Panel that was chaired by David Bizley, Director of Technical.

The Report was written for RAC by Alison Hand and Guy Masters and edited by Rosanna Spero.

The Report was designed for RAC by Curious and printed by Williams Lea.

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Appendix B About the research.

Research methodology

This Report is based on a large-scale quantitative internet survey and desk research conducted by Quadrangle on behalf of RAC.

For the internet survey, Quadrangle interviewed 1,040 British motorists (defined as currently having a valid driving license and driving at least once a month). The survey was completed during August and September 2008.

The sample was nationally representative on age, gender, socio-economic groups and region. The number of company car drivers was boosted, and as such weighting factors have been applied to restore the overall sample to be nationally representative of households with company cars. The sample was also weighted for market representation of new versus second-hand car ownership.

In addition, Quadrangle also undertook four focus groups with motorists, in order to explore in-depth the issues arising from the quantitative survey findings. The groups were undertaken to generate understanding of the differences between younger and older motorists and urban or rural dwelling drivers.

Quadrangle also undertook desk research, using all previous available RAC Reports on Motoring from 1988 – 2008*, and data in the public domain published by the Department for Transport and the Office for National Statistics.

* Until 1999, the reports were called 'The Lex Report on Motoring' and from 2000 'RAC Report on Motoring'.

Statistical reliability

Any figure taken from a sample can never be taken as a precise indication of the actual figures for the total population being sampled. The figures shown are an estimate, within a small margin of error, of the actual figures. The error margin varies with the sample size – the larger the sample is, the lower the error will be. It also varies with the proportions answering so the error is lower for a 90/10 result than for a 50/50 result.

In order to illustrate the use of varying sample sizes and their affect on the statistical significance of results, the table below outlines the degree of statistical error broadly associated with different sample sizes from the car drivers' survey. For example, from a sample of 1,000, if 50% answered in a particular way, we would be 95% confident that the true range is between 47% and 53%.

Sample size	Percentage error 90/10	result 50/50 result
2,000	+/-2	+/-3
1,000	+/-2	+/-3
800	+/-2	+/-3
600	+/-2	+/-4
400	+/-3	+/-5
200	+/-4	+/-7
100	+/-5	+/-10

Company overview

RAC

With around seven million members, RAC is one of the UK's most progressive motoring organisations, providing services for both private and business motorists. Whether it's roadside assistance, car insurance or up-to-the-minute traffic and travel information – RAC provides the motorist with peace of mind.

Aviva bought RAC in May 2005. The acquisition brings together RAC's powerful brand and customer base with the expertise and leading position in motor insurance of Norwich Union Insurance (part of Aviva).

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