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New data shows true cost of transport

The release of Australia's first Transport Affordability Index by the Australian Automobile Association (AAA) reveals the average Australian family is spending up to \$22,000 every year to get around.

Commissioned by the AAA and developed by SGS Economics & Planning, the Index will track transport affordability by analysing tax, tollways, public transport and finance costs as a proportion of average household income across states and territories.

AAA Chief Executive Michael Bradley said the index demonstrates just how much of the household budget is taken up by transport costs.

"The Index initially shows around 13 per cent of an average household budget in most capital cities is spent on transport, which is remarkable when you consider that electricity, water, and telecommunications costs account for only one to three per cent of income combined," Mr Bradley said.

"Australians know transport is expensive, but they might be surprised to know just how expensive. The average household will spend fourteen thousand dollars a year on transport in Hobart, but up to twenty-two thousand dollars a year if they live in Western Sydney."

The AAA commissioned this work so both consumers and policy makers can have a clear picture of exactly how much transport really costs, and how policy decisions at state and federal levels will affect household budgets over time.

The Index is based on the incomes and transport costs of a hypothetical household in each capital city that consists of a couple with children, two cars, and it assumes that one member of the family drives to work, while the other catches public transport.

Hypothetical suburbs were also chosen as they were middle to outer ring suburbs, had a relatively high population density, had access to public transport, and in Sydney, Melbourne and Brisbane, would require driving through toll roads to access the CBD. The Index's data baseline is quarter one (January to March) 2016.

The Index will be updated regularly by the AAA, and can be downloaded [here](#).

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Summary of findings:

- Sydney households continue to face the highest transport costs of any city in Australia both in dollar terms and as a percentage of household income, by a wide margin. For Q2 2016 a typical two-car Sydney household faced weekly transport costs of \$419 per week, ahead of Brisbane and Melbourne (at \$376 and \$348 per week respectively), even without taking parking costs into account.
- In contrast, in the higher income but lower density cities of Perth and Canberra, weekly transport costs for Q2 2016 for similar hypothetical households are lower at \$301 per week and \$300 per week respectively. Higher incomes in these capitals also mean transport is more affordable.
- Brisbane has the highest cost of public transport incurred by the hypothetical family analysed in the Index, followed by Perth and Sydney.
- Across all capital cities the highest cost for households was the car loan payment of the new car. This cost was followed by fuel, public transport, registration, and licencing. However, where tolls were present, they constituted the second highest cost in Sydney, and third highest in Melbourne. The exceptions to these trends were Brisbane — where public transport was the second highest cost (a higher cost than fuel); Hobart and Darwin, where car maintenance and servicing recorded higher costs than registration and licencing.
- The cost of servicing both cars in Darwin is almost 40 per cent higher than Melbourne - in large part due to servicing costs associated with older cars and the cost of tyres.
- Fuel costs demonstrated the greatest variability over the period as the cost of petrol increased by around \$4 per week in many states. The exception to this trend was in Darwin, Hobart and Canberra, where prices either stayed static or decreased. Adelaide recorded the lowest petrol prices in both quarters while the highest prices were experienced in Hobart.

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