



TRANSPORT AFFORDABILITY INDEX



Australian
Automobile
Association



SGS
Economics
& Planning

Report - June 2017



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Foreword

Transport Affordability Index: June 2017

Since its launch in August 2016, the Australian Automobile Association's (AAA) Transport Affordability Index has become an important tool for policy makers, media and members of the public wishing to understand the financial pressures faced by Australian households in relation to land transport costs.

The AAA has worked to improve the Index so that it provides a more comprehensive picture of land transport costs across Australia. Beginning with the June 2017 quarter, the Index will track not only the movements in transport costs in our capital cities, but also the costs faced by Australians living in our regions.

The Transport Affordability Index for the June 2017 quarter finds that the average Australian metropolitan household is now paying \$17,292 on transport costs. This accounts for 13.4 per cent of household income, down from 13.6 per cent in the previous quarter.

By comparison, regional Australian households on average spent \$13,863, accounting for 11.7 per cent of household income.

Sydney was the only capital city in which costs continued to rise, with the average household now spending \$22,268 per year on transport (up from \$22,223 in the previous quarter). At the other end of the spectrum, Hobart families saw their transport costs fall from \$14,838 to \$14,781.

The overall reduction in average costs in capital cities was driven by decreased new car costs linked to end of financial year sales and lower interest rates, decreases in registration and CTP costs in New South Wales and Queensland, and a decrease in fuel costs for all cities except Hobart. These decreases were partially offset by increases in insurance, car servicing and toll costs. Public transport costs remained the same over the quarter, however many jurisdictions have flagged increases from 1 July that will be included in the next edition of the Index.

Of the new regional centres included in the Index, households in Geelong paid the most at \$14,430 per annum whilst those in Wagga Wagga paid the least at \$13,258 per annum.

Key differences between transport costs faced by metropolitan and regional households are driven by the fact that the Index assumes that the regional household:

- on average, travels further than the city household;
- pays more for petrol than the city household by up to 12 cents a litre in some locations;
- on average, earns almost \$200 per week less than their city counterparts;
- pays less for registration and insurance due to lower premiums; and
- doesn't pay for public transport and tolls due to low or no availability in regional areas.

The data within this report reinforces that transport is a significant and unavoidable cost to households and that these cost pressures must be considered by governments at all levels when formulating policy.



Michael Bradley

Chief Executive
Australian Automobile Association



Section One

Overview

The Australian Automobile Association (AAA) commissioned SGS Economics and Planning (SGS) to design and develop the Transport Affordability Index. Initially the Index analysed only the capital cities across Australia, however as of June 2017 the Index now includes a regional household in every state and territory except the Australian Capital Territory. It provides a snapshot of the costs of transport for typical households in Australia. This Index is regularly updated to show how transport costs move over time relative to incomes. The baseline is quarter one (January to March) 2016 for the city households and quarter two (April to June 2017) for the regional households.

The characteristics of the household reflect the most common or average characteristics of the population. In some cases, household characteristics have been chosen to ensure some typical transport costs are well illustrated, while still being representative. The hypothetical household is largely identical to allow for ready comparison. Assumptions have varied slightly when comparing the regional and city family, namely the regional family travels further, does not use public transport due to low service levels and does not drive through tolls. The incomes earned in the regional household are also, on average, less than the city household.

The Index includes a full range of costs families face when they own a car as well as public transport costs. Broadly these fall into two categories: upfront costs and ongoing costs. Upfront costs include purchase costs for a new vehicle such as interest payments, registration, stamp duty, compulsory third party (CTP) insurance, driver's licences and comprehensive car insurance. Ongoing costs are those which increase the more the vehicle is driven, namely fuel costs, tolls and car maintenance. Public transport costs for an average commute to work are also captured as these are fixed costs to many families and make up a growing share of weekly expenses.

While the AAA recognises that vehicle depreciation represents a significant, often hidden, cost to families, this cost has not been included in the Index. The Index seeks to account for actual weekly transport cash flow for an average Australian household, covering costs that need to be factored into the weekly family budget; depreciation is not usually accounted for in this way. Similarly, parking costs have not been included in the Index due to the lack of consistent data available on the cost to regular parking users in the respective capital cities and the price variation that exists between CBDs and suburban locations.

Finally, the Index seeks to compare the affordability of household transport costs across Australia by comparing them with an estimate of the median weekly income of the hypothetical household. Total household transport costs in each city are compared with the average income of a typical family in that city, as a way to illustrate the proportion of income spent on transport-related costs.

As the Index is updated over time, a clearer picture will emerge of which household transport costs are putting pressure on the budget of a typical Australian family, which may differ across Australia's capital cities. The Index will allow the AAA to assess the impact of proposed government policies on the average weekly budget. The analysis is presented in a timely, easy to understand format. Families will also be better informed about how their decisions around transport affect their overall household budgets.

The hypothetical household

The hypothetical household is a couple with children, the most common type of household in Australia according to the 2016 census. The couple consists of a 38 year old woman and a 36 year old man, which are the average ages for men and women in Australia. They live in a detached house and have two cars. Both are employed.

City household

In each city, the hypothetical household is assumed to live in middle to outer ring suburbs that have relatively high population density, good access to public transport, and in the case of the Sydney, Melbourne and Brisbane households, the family uses toll roads to access the CBD.

A typical Australian passenger vehicle is driven 13,800 kilometres per year, and is 9.8 years old. Correspondingly, for the city household, the model assumes that the household's two motor vehicles are driven 15,000 and 10,000 kilometres per year. The car that drives 10,000 kilometres per year is assumed to be ten years old and owned outright. The car that drives 15,000 kilometres per year is assumed to be a near-new vehicle and financed with a car loan. In addition, one member of the household is assumed to travel by public transport into the CBD and home again, five days per week.

Regional household

The regional locations chosen for analyses were selected as they have populations of over 10,000 people, have relatively dense population (at the SA2 ABS level), have ages similar to the average ages in the hypothetical household, have a reasonable proportion of detached housing and have a substantial proportion of couple family households with children. Due to its small size and a lack of discernible differences in costs between suburbs, a second location for the ACT has not been included.

The regional locations included for comparison include:

- Wagga Wagga
- Geelong
- Townsville
- Bunbury
- Mount Gambier
- Launceston
- Alice Springs

The underlying assumptions for the regional household are largely the same as for the city household, however vehicle use and household income have been adjusted. In addition, the Index assumes that regional households do not use public transport due to low usage rates and service provision. Due to the absence of toll roads in all regional locations, this cost has also been excluded.

The method of calculating the car usage for each regional location has been based on BITRE 2015 data that analysed the average commuting distance for each centre based on size and location.¹ These estimated commuting distances were divided by the average commuting distance of the capital city in that jurisdiction. This ratio was then multiplied by the car use distance of the master household to estimate the car use for the hypothetical household in regional cities.

Using the BITRE assumptions, all regional households travelled further than their city counterparts except in Townsville and Wagga Wagga. In these locations, the cities are smaller than the capital city and too far for people to commute to the capital for work or leisure. Households in Townsville and Wagga Wagga may also drive less during the week to get to work, run errands and get to social activities. By comparison, people in Geelong travel more because they are close enough to Melbourne to commute regularly for work or leisure, so total distances travelled are greater.

The incomes used for the regional locations have been calculated as a proportion of the average income for the figures used for the capital cities, using data from the 2011 Census.² For example, the household income of a couple family with children in Wagga Wagga was 92.57% of that of the average NSW income for a couple family with children. The Index has therefore calculated the income for Wagga Wagga as 92.57% of the master city household's income. All regional households reported less weekly earnings than their city counterparts except Townsville and Launceston.

Further information on the methodology and assumptions used to generate the AAA's Transport Affordability Index can be found in SGS Economics' final report on the AAA's website.

Section Two

Summary of Results

Household total weekly transport costs

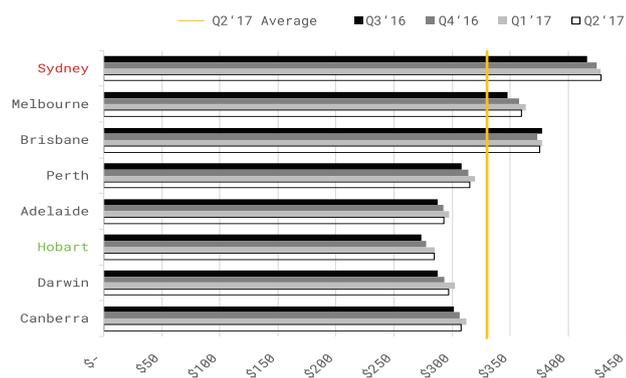
The fifth edition of the Transport Affordability Index, which for the first time includes a regional location in each state and territory (excluding the Australian Capital Territory due to its small size) finds that overall, national average transport costs in the capital cities have reduced by a small margin in all locations except Sydney.

While only one quarter of data is available for each regional location added to the Index this quarter, it is clear that Australians in regional locations face lower transport costs, mainly due to the family not incurring tolls and public transport fares.

The regional household also incurs lower insurance premiums, often by several hundred dollars a year, and lower registration costs in New South Wales, Victoria and South Australia. Regional families do, however, face higher fuel costs due to higher average kilometres driven and higher fuel prices.

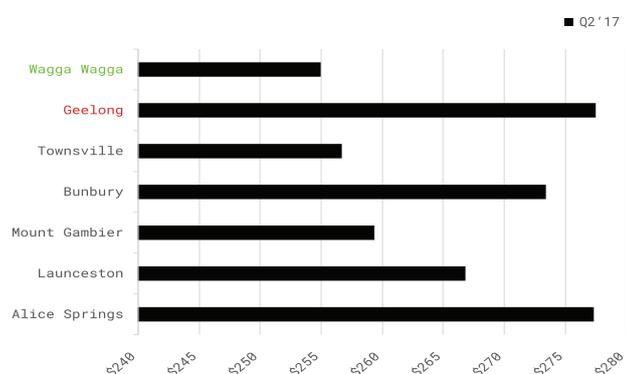
Sydney households continue to face, by a significant margin, the highest household transport costs of any capital city in Australia, both in dollar terms and as a percentage of household income. Geelong ranked the most expensive regional location out of all regional households analysed, closely followed by Alice Springs and Bunbury.

Capital cities



City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	\$416.41	\$424.04	\$427.36	\$428.24	1
Melbourne	\$347.23	\$357.21	\$362.97	\$359.92	3
Brisbane	\$377.21	\$373.26	\$377.20	\$374.85	2
Perth	\$308.43	\$313.84	\$319.94	\$315.46	4
Adelaide	\$287.12	\$292.58	\$297.12	\$293.06	7
Hobart	\$273.02	\$277.67	\$285.34	\$284.25	8
Darwin	\$287.74	\$293.28	\$301.94	\$296.98	6
Canberra	\$301.85	\$306.12	\$312.57	\$307.86	5
Capital Average	\$324.88	\$329.75	\$335.55	\$332.58	

Regional



City	Q3	Q4	Q1	Q2	Q2 Ranking
Wagga Wagga	-	-	-	\$254.96	7
Geelong	-	-	-	\$277.50	1
Townsville	-	-	-	\$256.72	6
Bunbury	-	-	-	\$273.42	3
Mount Gambier	-	-	-	\$259.39	5
Launceston	-	-	-	\$266.84	4
Alice Springs	-	-	-	\$277.31	2
Regional Average	-	-	-	\$266.59	

Household total annual transport costs

Nationally, the annual cost of transport for the city household decreased marginally over the quarter by \$155. The largest decreases occurred in Darwin and Canberra due to lower fuel costs. The only exception was Sydney which recorded an increase in costs of almost \$46. No historical data is available for the regional households, other than the current quarter, however these costs will be tracked over future updates to the Index.

While the Index does not seek to analyse all motoring taxes and charges, it does include fuel excise, registration, CTP and licensing.

These alone cost the average two car family around \$2,703 a year, an increase on the previous quarter due to a slight increase in litres of fuel purchased by the city household. The increase in litres purchased was due to fuel efficiency rates declining in the most recent ABS Motor Vehicle Census.

The regional household pays more in fuel excise due to the additional kilometres driven, however pays less for registration and CTP in some states and territories. This results in the regional household paying less taxes and charges than the city household.

Capital cities

City	Q1	Q2	Change	Q2 Ranking
Sydney	\$22,222.81	\$22,268.40	\$45.59	1
Melbourne	\$18,874.36	\$18,716.03	-\$158.33	3
Brisbane	\$19,614.42	\$19,492.44	-\$121.98	2
Perth	\$16,637.03	\$16,403.73	-\$233.30	4
Adelaide	\$15,450.16	\$15,239.22	-\$210.94	7
Hobart	\$14,837.62	\$14,781.08	-\$56.53	8
Darwin	\$15,700.86	\$15,442.94	-\$257.92	6
Canberra	\$16,253.39	\$16,008.94	-\$244.46	5
Capital Average	\$17,448.83	\$17,294.10	-\$154.73	

Capital cities average taxes	Q1 2017	Q2 2017	Change
Fuel excise	\$1,034.58	\$1,054.63	\$20.05
Registration, CTP and licensing	\$1,657.61	\$1,648.57	-\$9.04
HOUSEHOLD TOTAL	\$2,692.19	\$2,703.20	\$11.01

Regional

City	Q1	Q2	Change	Q2 Ranking
Wagga Wagga	-	\$13,257.70	-	7
Geelong	-	\$14,429.97	-	1
Townsville	-	\$13,349.47	-	6
Bunbury	-	\$14,217.69	-	3
Mount Gambier	-	\$13,488.08	-	5
Launceston	-	\$13,875.76	-	4
Alice Springs	-	\$14,420.10	-	2
Regional Average	-	\$13,862.68	-	

Regional average taxes	Q1 2017	Q2 2017	Change
Fuel excise	-	\$1,170.29	-
Registration, CTP and licensing	-	\$1,473.84	-
HOUSEHOLD TOTAL	-	\$2,644.13	-

Household Average weekly expenses

In the three most expensive cities, Sydney, Brisbane and Melbourne, tolls contribute heavily to the weekly transport costs of families. Without tolls, Melbourne would be overtaken by Perth as the third most expensive city for transport, while Sydney and Brisbane would nevertheless remain at the top of the rankings.

Lower income, lower density cities such as Darwin, Adelaide and Hobart have relatively low transport costs. In these cities, public transport, driver's licence fees and vehicle registration are all relatively less expensive.

As highlighted previously, there was a slight decrease in costs for the average city household over the quarter, the first reduction since the June 2016 quarter. The decrease in costs were mainly due to car loan payments and fuel. Fuel reduced across the quarter in all capital cities except Hobart. In summary, the expenses that contributed to the decrease included:

- car loan payments – due to end of financial year sales for new car purchases and lower interest rates;
- registration and CTP - due to costs decreasing marginally in New South Wales and Queensland; and
- fuel - however only marginally by around \$1 per week or \$48 per year.

The decrease in costs were offset slightly by an increase in costs for:

- comprehensive insurance – due to premiums increasing in Sydney, Brisbane and Darwin;
- licencing - due to a small increase in driver's licence fees in Melbourne;
- servicing and tyres - due to a couple of the top 10 selling vehicles increasing fixed price servicing; and
- tolls – due to prices increasing in Sydney and Melbourne.

Public transport costs remained the same for all cities over the quarter, however many price increases have been flagged to come into effect from 1 July 2017 and will be included in the next version of the Index. Road side assistance costs also remained constant over the quarter.

When comparing expenses faced by the regional and city household a few key differences are apparent. Regional households pay more for fuel on average due to the household travelling further and paying higher fuel prices than their city counterparts. However, other costs faced by the regional household are significantly less expensive.

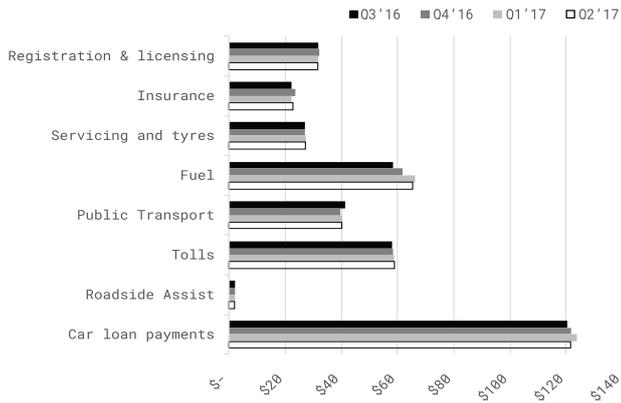
Comprehensive insurance is cheaper by several hundreds of dollars in some states and territories due to lower premiums in regional areas.

Registration and CTP is significantly cheaper in South Australia due to regional and metro pricing structures, while CTP is cheaper in New South Wales and Victoria due to lower insurance premiums in regional locations. In other jurisdictions registration and CTP remains the same for regional families.

Lastly, regional households don't incur expensive tolls. Due to a lack of suitable services in many areas analysed, it is also assumed they don't use public transport.

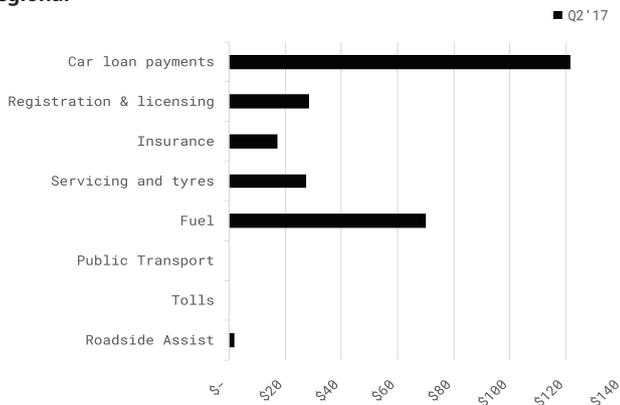
The Index assumes, for the regional household, that the cost of buying a car, including purchase costs and finance, remain the same as the city household as well as costs incurred for road side assistance. It is also assumed that similar cars are driven in the regional household so fuel efficiency and fuel mix assumptions remain the same.

Capital cities



Expenses	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$120.53	\$121.76	\$123.91	\$121.48	1
Registration & licensing	\$31.68	\$31.93	\$31.88	\$31.70	5
Insurance	\$22.37	\$23.58	\$22.26	\$22.63	7
Servicing and tyres	\$27.08	\$27.12	\$27.18	\$27.28	6
Fuel	\$58.32	\$61.83	\$66.17	\$65.24	2
Public Transport	\$41.20	\$39.72	\$40.17	\$40.17	4
Tolls	\$57.97	\$58.23	\$58.73	\$58.95	3
Roadside Assist	\$1.96	\$1.96	\$1.96	\$1.96	8

Regional



Expenses	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	-	-	-	\$121.38	1
Registration & licensing	-	-	-	\$28.34	3
Insurance	-	-	-	\$17.23	5
Servicing and tyres	-	-	-	\$27.49	4
Fuel	-	-	-	\$70.21	2
Public Transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	-	-	\$1.94	6

Household total transport costs as share of income

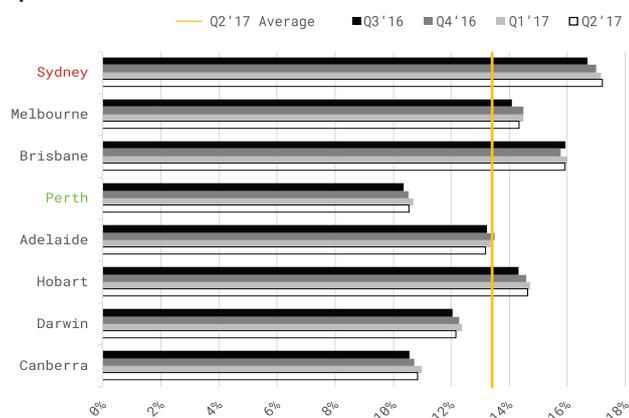
The average cost of transport as a percentage of income for the city household reduced slightly over the quarter from 13.6 per cent to 13.4 per cent. The average regional household faces a slightly reduced rate at 11.7 per cent due to the lower costs faced by the household. This is despite the fact that the regional household, on average, earn almost \$200 per week less than their city counterparts.

Households in Alice Springs and Mount Gambier, earn significantly less per week than their city counterparts by around \$400 and \$260 respectively. However, not all regional households earn less than their city counterparts, households in Townsville and Launceston earn slightly more than the city average.

Higher incomes in certain regional and city locations results in transport being more affordable, while the inverse is true in other locations. For example, although Hobart has the least expensive total transport costs, when this cost is scaled by average household income, Hobart becomes the third most expensive city. This is also true for regional households in Alice Springs, Launceston and Mount Gambier that ranked the highest for cost of the regional locations analysed. Households in Alice Springs and Mount Gambier were also the only locations to have a higher cost as a share of income than their city counterparts.

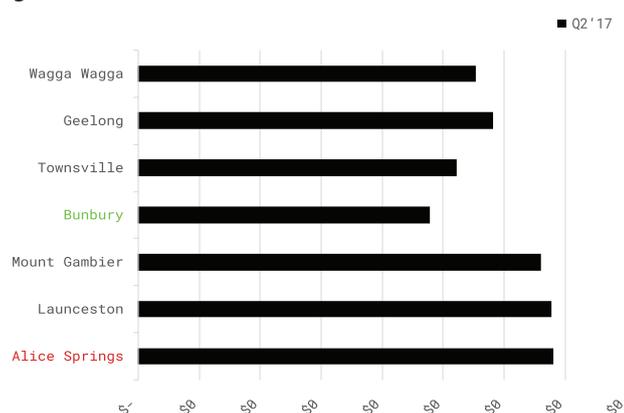
In higher income locations of Townsville and Bunbury, transport costs take the lowest share of total income compared to other locations, at 10.4 and 9.5 per cent respectively. These figures are significant when compared to costs in Sydney, where 17.2 per cent of income is spent on transport.

Capital cities



City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	16.68%	16.99%	17.16%	17.19%	1
Melbourne	14.08%	14.48%	14.47%	14.35%	4
Brisbane	15.94%	15.78%	16.01%	15.91%	2
Perth	10.35%	10.54%	10.68%	10.54%	8
Adelaide	13.23%	13.48%	13.38%	13.20%	5
Hobart	14.33%	14.57%	14.70%	14.65%	3
Darwin	12.05%	12.28%	12.36%	12.16%	6
Canberra	10.56%	10.71%	10.99%	10.83%	7
Capital Average	13.40%	13.60%	13.56%	13.44%	

Regional



City	Q3	Q4	Q1	Q2	Q2 Ranking
Wagga Wagga	-	-	-	11.06%	5
Geelong	-	-	-	11.62%	4
Townsville	-	-	-	10.44%	6
Bunbury	-	-	-	9.55%	7
Mount Gambier	-	-	-	13.22%	3
Launceston	-	-	-	13.55%	2
Alice Springs	-	-	-	13.62%	1
Regional Average	-	-	-	11.67%	

Section Three

Detailed Results

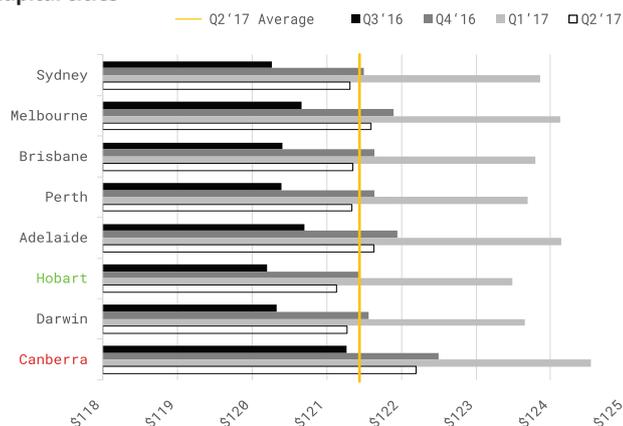
Household weekly car loan payment costs

The cost of a new car fell by around \$500 over the quarter due to end of financial year sales; car loan interest rates were also lower over the quarter. Consequently, there was a decrease in the cost of loan repayments for the new car of almost \$126 per year for both the regional and city household.

Hobart was the cheapest city to take out a loan for a new car due to relatively low upfront purchase costs, but only marginally. While, Canberra and Adelaide have slightly higher costs of servicing a car loan due to higher upfront purchasing costs. Sydney and Melbourne recorded the highest decrease over the quarter in this category, with costs decreasing by over \$132 a year. The rankings of the cities remained unchanged over the quarter.

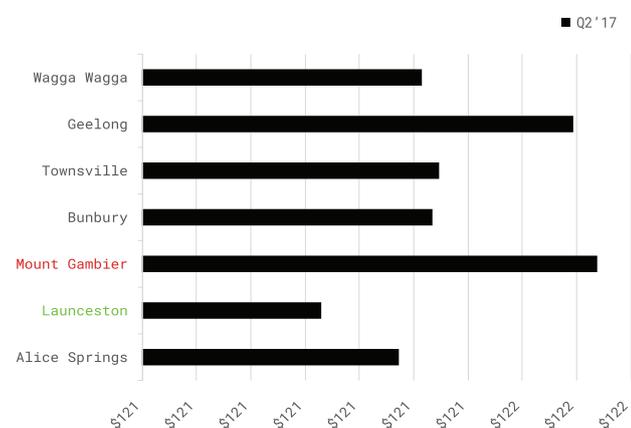
The regional household incurred the same costs in this category due to assumptions around interest rates and new car purchase costs remaining the same in both regional and city locations.

Capital cities



City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	\$120.27	\$121.49	\$123.86	\$121.31	6
Melbourne	\$120.66	\$121.89	\$124.13	\$121.59	3
Brisbane	\$120.41	\$121.64	\$123.80	\$121.35	4
Perth	\$120.40	\$121.64	\$123.69	\$121.33	5
Adelaide	\$120.71	\$121.94	\$124.14	\$121.64	2
Hobart	\$120.21	\$121.44	\$123.48	\$121.13	8
Darwin	\$120.33	\$121.56	\$123.66	\$121.27	7
Canberra	\$121.27	\$122.50	\$124.54	\$122.19	1
Capital Average	\$120.53	\$121.76	\$123.91	\$121.48	

Regional



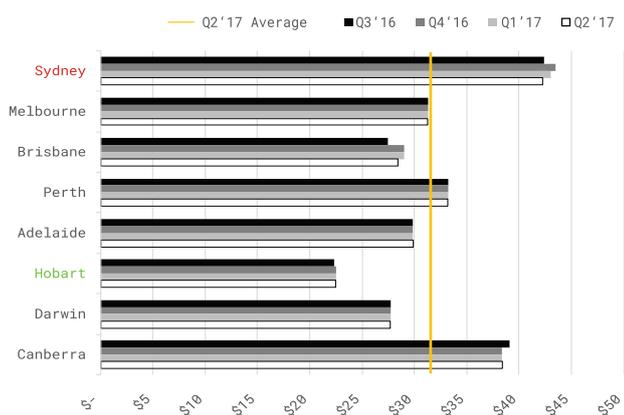
City	Q3	Q4	Q1	Q2	Q2 Ranking
Wagga Wagga	-	-	-	\$121.31	5
Geelong	-	-	-	\$121.59	2
Townsville	-	-	-	\$121.35	3
Bunbury	-	-	-	\$121.33	4
Mount Gambier	-	-	-	\$121.64	1
Launceston	-	-	-	\$121.13	7
Alice Springs	-	-	-	\$121.27	6
Regional Average	-	-	-	\$121.38	

Household weekly registration, CTP & licence costs

Sydney remains the city with the highest vehicle registration, Compulsory Third Party (CTP) insurance and driver's licensing costs, even though costs fell slightly this quarter. Sydney CTP costs increased slightly for the new car and reduced slightly for the old car over the quarter. Brisbane also recorded a slight decrease of about \$16 per year in registration costs for both the new and used car. All other cities remained constant over the quarter.

Hobart is around \$20 per week less expensive than Sydney in this category. Annually, the difference between Sydney and Hobart is well over \$1,000 for the household (which has two cars and two licensed drivers).

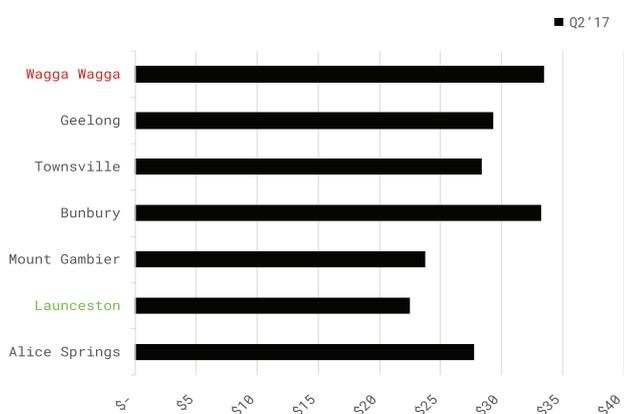
Capital cities



When comparing the regional household, registration and CTP is significantly cheaper in South Australia by around \$160 due to regional and metro pricing structures. CTP insurance is cheaper in New South Wales due to lower insurance premiums saving the regional family almost \$120 per year. Victoria has marginally cheaper CTP, while in other jurisdictions registration and CTP remain the same for the regional family.

City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	\$42.39	\$43.49	\$43.03	\$42.24	1
Melbourne	\$31.28	\$31.28	\$31.28	\$31.30	4
Brisbane	\$27.50	\$29.00	\$29.00	\$28.38	6
Perth	\$33.23	\$33.23	\$33.23	\$33.23	3
Adelaide	\$29.85	\$29.85	\$29.85	\$29.85	5
Hobart	\$22.32	\$22.49	\$22.49	\$22.49	8
Darwin	\$27.69	\$27.73	\$27.73	\$27.73	7
Canberra	\$39.14	\$38.41	\$38.41	\$38.41	2
Capital Average	\$31.68	\$31.93	\$31.88	\$31.70	

Regional

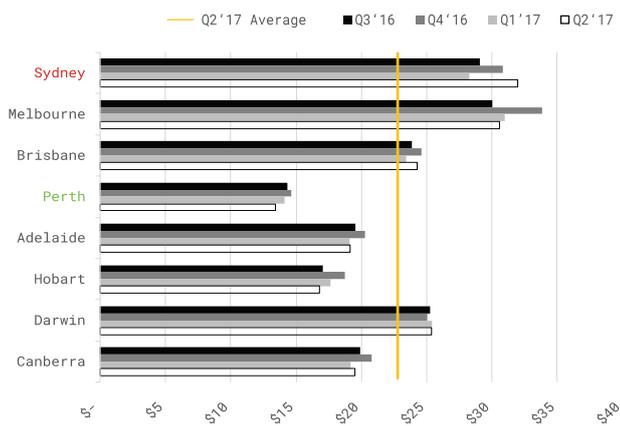


City	Q3	Q4	Q1	Q2	Q2 Ranking
Wagga Wagga	-	-	-	\$33.52	1
Geelong	-	-	-	\$29.32	3
Townsville	-	-	-	\$28.38	4
Bunbury	-	-	-	\$33.23	2
Mount Gambier	-	-	-	\$23.73	6
Launceston	-	-	-	\$22.49	7
Alice Springs	-	-	-	\$27.73	5
Regional Average	-	-	-	\$28.34	

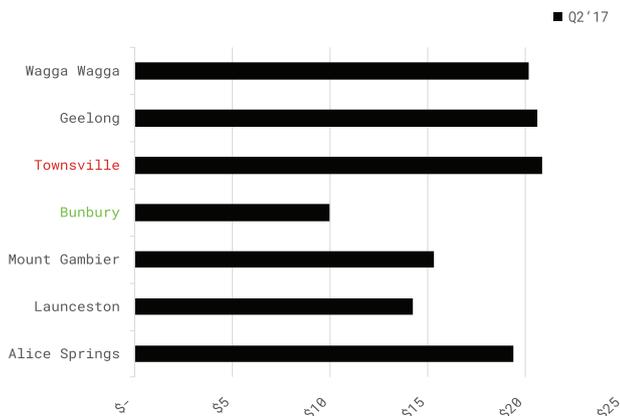
Household weekly comprehensive insurance costs

The average weekly cost of comprehensive car insurance for both the new and older car increased slightly over the quarter for the city household. Insurance in Brisbane, Sydney and Darwin increased, while all other jurisdictions recorded decreases. Sydney recorded the largest increase in insurance costs which moved it's ranking from the second most expensive to the most expensive jurisdiction for insurance. Perth remains the cheapest city to insure a car, at less than half the Sydney cost. The Perth hypothetical family saves almost \$970 a year when compared to the same family in Sydney for insuring both cars.

Capital cities



Regional



When comparing households in the regions, premiums were significantly cheaper for comprehensive insurance. The largest difference recorded between city and regional households was in Wagga Wagga and Geelong where families could save around \$250 per annum for insuring the same new car. Households in Alice Springs saved around \$200 while all other jurisdictions had cheaper premiums of between \$70 and \$90 per annum. Townsville recorded the highest insurance costs while Bunbury recorded the cheapest for the regional household.

City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	\$29.06	\$30.83	\$28.29	\$32.00	↑1
Melbourne	\$30.02	\$33.80	\$30.99	\$30.54	↓2
Brisbane	\$23.90	\$24.56	\$23.42	\$24.29	4
Perth	\$14.32	\$14.62	\$14.09	\$13.41	8
Adelaide	\$19.56	\$20.27	\$19.13	\$19.13	6
Hobart	\$17.02	\$18.73	\$17.61	\$16.80	7
Darwin	\$25.24	\$25.01	\$25.37	\$25.36	3
Canberra	\$19.89	\$20.82	\$19.18	\$19.52	5
Capital Average	\$22.37	\$23.58	\$22.26	\$22.63	

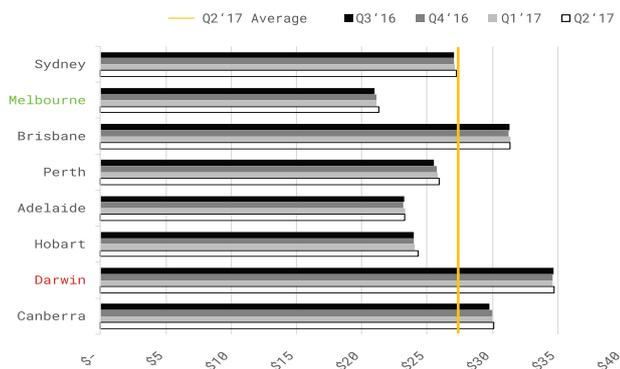
City	Q3	Q4	Q1	Q2	Q2 Ranking
Wagga Wagga	-	-	-	\$20.19	3
Geelong	-	-	-	\$20.61	2
Townsville	-	-	-	\$20.87	1
Bunbury	-	-	-	\$9.97	7
Mount Gambier	-	-	-	\$15.31	5
Launceston	-	-	-	\$14.27	6
Alice Springs	-	-	-	\$19.38	4
Regional Average	-	-	-	\$17.23	

Household total weekly servicing and tyre costs

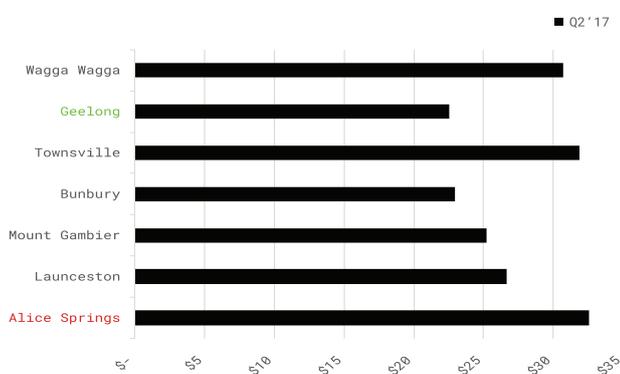
The maintenance cost of running both the new and older vehicle, which includes regular car servicing and the purchase of new tyres, increased marginally over the quarter in line with inflation. The cost of servicing the new car is the same across both the regional and city locations, as these costs are based on the manufacturers' servicing schedule. Several manufacturers increased their fixed priced servicing which also contributed to the increase in costs for this category.

Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey.³ As such, most of the variation in the cost between regional and city households can be explained by the cost of tyres and the maintenance cost of the older car.

Capital cities



Regional



The cost of servicing both cars in Darwin is significantly higher than Melbourne. This is due to the older car's servicing costs and the cost of tyres. Ranking between the cities remained unchanged over the quarter.

Servicing and maintaining both cars in the regional location is only slightly more expensive than the city, with Alice Springs being the most expensive regional city and Geelong being the cheapest consistent with their capital city counterparts.

City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	\$27.07	\$27.07	\$27.13	\$27.24	4
Melbourne	\$21.00	\$21.10	\$21.14	\$21.31	8
Brisbane	\$31.29	\$31.22	\$31.37	\$31.36	2
Perth	\$25.55	\$25.77	\$25.81	\$25.92	5
Adelaide	\$23.28	\$23.18	\$23.30	\$23.26	7
Hobart	\$23.96	\$24.01	\$24.08	\$24.34	6
Darwin	\$34.69	\$34.62	\$34.63	\$34.74	1
Canberra	\$29.76	\$29.98	\$29.97	\$30.09	3
Capital Average	\$27.08	\$27.12	\$27.18	\$27.28	

City	Q3	Q4	Q1	Q2	Q2 Ranking
Wagga Wagga	-	-	-	\$30.74	3
Geelong	-	-	-	\$22.51	7
Townsville	-	-	-	\$31.87	2
Bunbury	-	-	-	\$22.94	6
Mount Gambier	-	-	-	\$25.24	5
Launceston	-	-	-	\$26.62	4
Alice Springs	-	-	-	\$32.53	1
Regional Average	-	-	-	\$27.49	

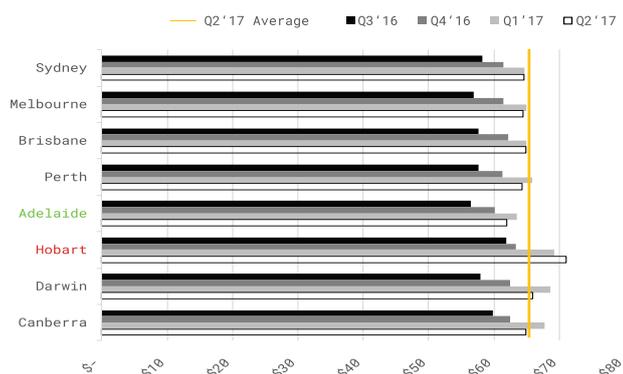
Household weekly fuel costs

Over the quarter there was a reduction of about \$1 per week (or \$48 per year) in fuel prices in the cities. Fuel in Canberra decreased the most over the quarter, by almost \$147 per year, followed closely by Darwin (\$139). Hobart recorded an increase of around \$2 per week or \$94 per year and was the only city to record an increase in this cost category.

Adelaide continued to record the lowest petrol prices while Hobart remained the most expensive city for both petrol and diesel. If Hobart households could access the prices available in the cheapest city, Adelaide, then the household would save around \$474 per year. Sydney and Brisbane increased their ranking over the quarter while Perth dropped to seventh.

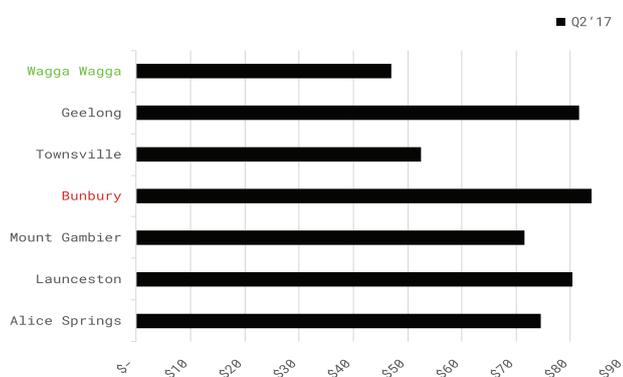
Although regional households incur greater fuel costs because they drive further on average, they also face higher prices. The regional household paid more for petrol in every state compared to the capital city except Townsville, while higher prices for diesel were recorded in Geelong, Launceston and Alice Springs.

Capital cities



City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	\$58.26	\$61.40	\$64.62	\$64.53	↑5
Melbourne	\$56.94	\$61.40	\$64.90	\$64.45	6
Brisbane	\$57.68	\$62.19	\$64.97	\$64.83	↑4
Perth	\$57.63	\$61.26	\$65.82	\$64.25	↓7
Adelaide	\$56.46	\$60.07	\$63.43	\$61.92	8
Hobart	\$61.86	\$63.35	\$69.23	\$71.04	1
Darwin	\$57.88	\$62.45	\$68.65	\$65.98	2
Canberra	\$59.88	\$62.50	\$67.76	\$64.94	3
Capital Average	\$58.32	\$61.83	\$66.17	\$65.24	

Regional



City	Q3	Q4	Q1	Q2	Q2 Ranking
Wagga Wagga	-	-	-	\$47.07	7
Geelong	-	-	-	\$81.54	2
Townsville	-	-	-	\$52.54	6
Bunbury	-	-	-	\$83.94	1
Mount Gambier	-	-	-	\$71.60	5
Launceston	-	-	-	\$80.28	3
Alice Springs	-	-	-	\$74.50	4
Regional Average	-	-	-	\$70.21	

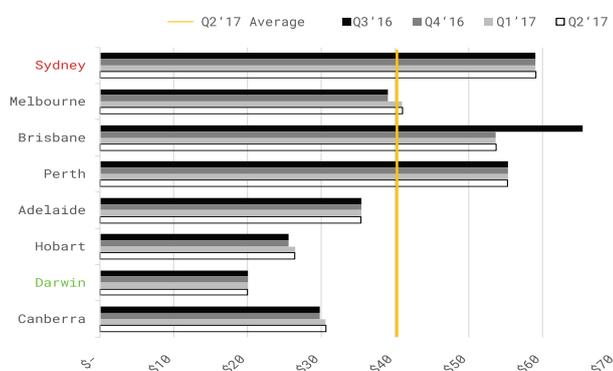
Household weekly public transport costs

Public transport costs remained the same over the quarter, however many jurisdictions have flagged increases from 1 July that will be included in the next edition of the Index. As such, the rankings remain unchanged from the previous quarter.

Sydney remains the most expensive city for public transport while Darwin remains the cheapest.

It is assumed that the regional households do not incur public transport costs; this is due to a lack of reliable services and low usage rates in the regional locations analysed.

Capital cities



City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	\$59.04	\$59.04	\$59.04	\$59.04	1
Melbourne	\$39.00	\$39.00	\$41.00	\$41.00	4
Brisbane	\$65.43	\$53.64	\$53.64	\$53.64	3
Perth	\$55.30	\$55.30	\$55.30	\$55.30	2
Adelaide	\$35.40	\$35.40	\$35.40	\$35.40	5
Hobart	\$25.60	\$25.60	\$26.40	\$26.40	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$29.80	\$29.80	\$30.60	\$30.60	6
Capital Average	\$41.20	\$39.72	\$40.17	\$40.17	

Household weekly costs of toll roads

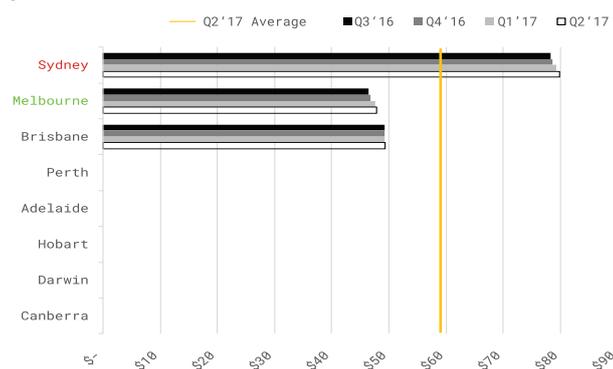
Both Sydney and Melbourne recorded a slight increase in tolls, as prices are updated on a quarterly basis for those cities. In Brisbane, on the other hand, tolls have remained at \$49.30 per week for the city household.

The Index assumes toll roads are used by one member of the household every weekday in Melbourne and Brisbane. Tolls are the third highest cost in Melbourne, behind car loan repayments and fuel, while tolls are the fourth highest cost in Brisbane, behind car loan payments, fuel and public transport. These rankings have remained unchanged since the previous quarter.

In Sydney, the Index assumes that one member of the family uses toll roads only two days per week to travel to central Sydney due to the high cost of the tolls and the availability of alternate routes. Although only a relatively low use of toll roads has been assumed for Sydney, these nevertheless outweigh the cost of fuel over the week.

It is not assumed that the regional household incurs regular toll costs due to an absence of toll roads in the regional locations analysed.

Capital cities



City	Q3	Q4	Q1	Q2	Q2 Ranking
Sydney	\$78.20	\$78.60	\$79.28	\$79.76	1
Melbourne	\$46.40	\$46.80	\$47.60	\$47.80	3
Brisbane	\$49.30	\$49.30	\$49.30	\$49.30	2
Perth	\$0.00	\$0.00	\$0.00	\$0.00	-
Adelaide	\$0.00	\$0.00	\$0.00	\$0.00	-
Hobart	\$0.00	\$0.00	\$0.00	\$0.00	-
Darwin	\$0.00	\$0.00	\$0.00	\$0.00	-
Canberra	\$0.00	\$0.00	\$0.00	\$0.00	-
Capital Average	\$57.97	\$58.23	\$58.73	\$58.95	

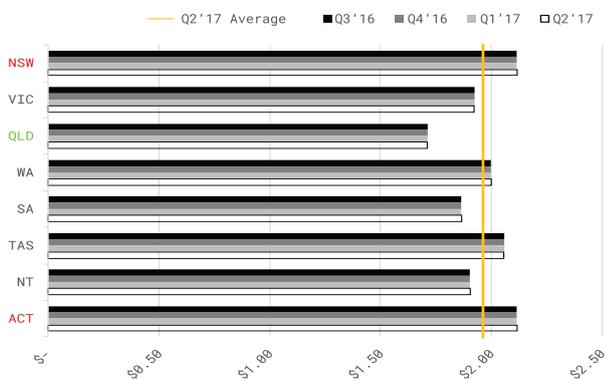
Household weekly costs of roadside assistance

Road side assistance costs remained constant over the quarter and are a very small component of total transport costs.

The highest ongoing cost is in Sydney and Canberra at \$110 per year, while the lowest is Brisbane at \$89 per year⁴.

The regional household faces the same costs as the city household as roadside assistance providers offer standard state-wide pricing.

States



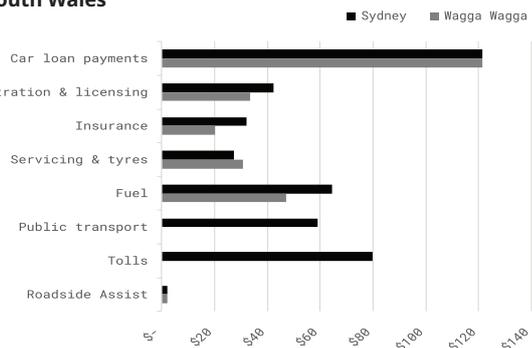
State	Q3	Q4	Q1	Q2	Q2 Ranking
NSW	\$2.12	\$2.12	\$2.12	\$2.12	1
VIC	\$1.92	\$1.92	\$1.92	\$1.92	4
QLD	\$1.71	\$1.71	\$1.71	\$1.71	7
WA	\$2.00	\$2.00	\$2.00	\$2.00	3
SA	\$1.87	\$1.87	\$1.87	\$1.87	6
TAS	\$2.06	\$2.06	\$2.06	\$2.06	2
NT	\$1.90	\$1.90	\$1.90	\$1.90	5
ACT	\$2.12	\$2.12	\$2.12	\$2.12	1
National Average	\$1.96	\$1.96	\$1.96	\$1.96	

Section Four

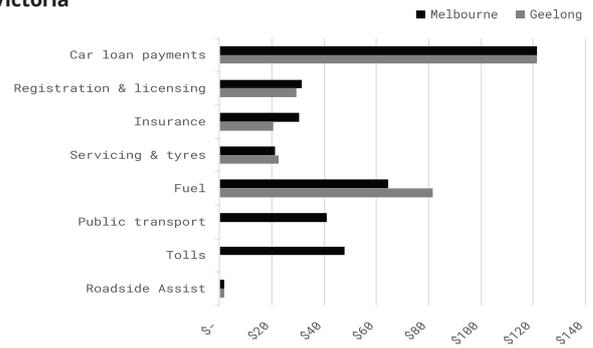
State by State Comparison

City vs Regional comparison by state

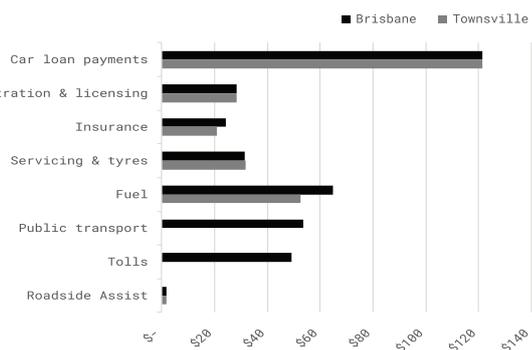
New South Wales



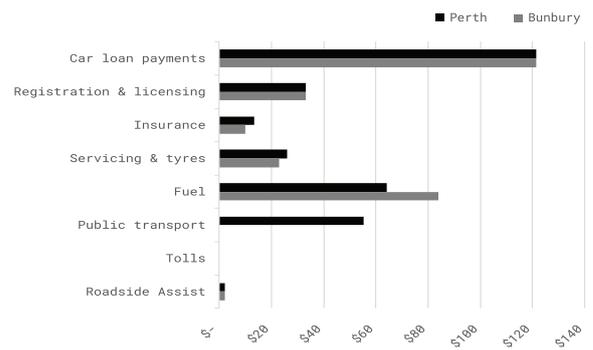
Victoria



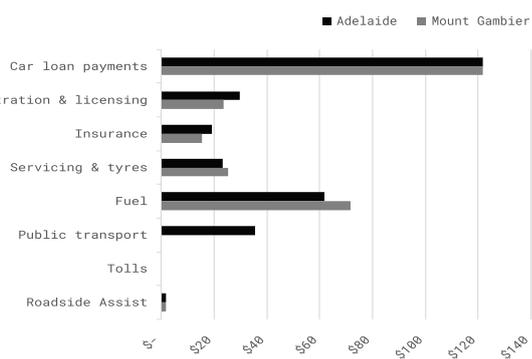
Queensland



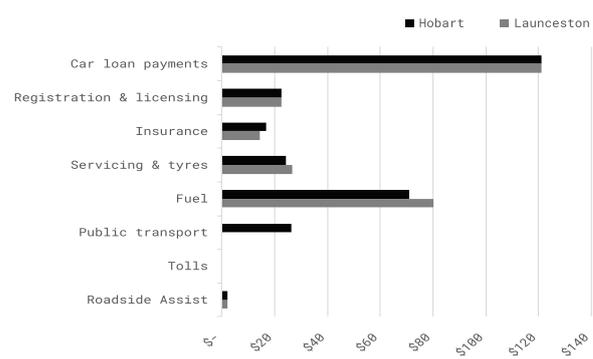
Western Australia



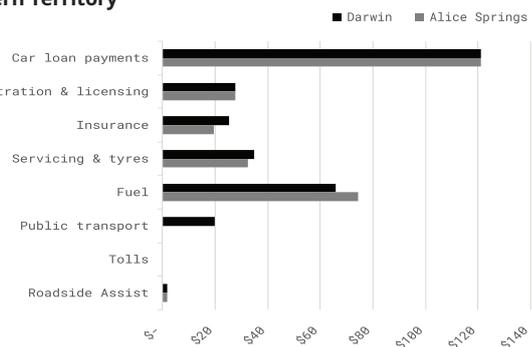
South Australia



Tasmania



Northern Territory



New South Wales weekly costs of transport

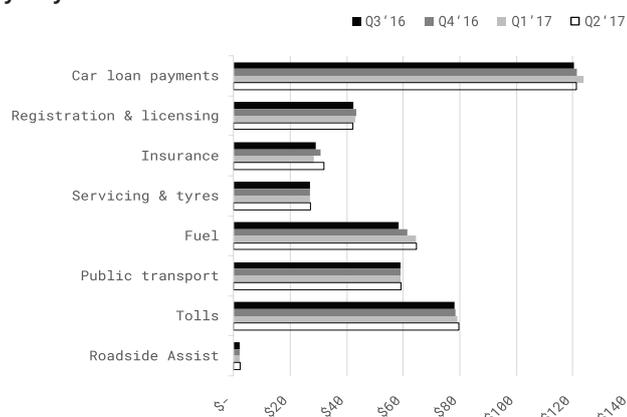
Sydney is the most expensive capital city in Australia, both in terms of total dollars (\$22,268 per year) and as a percentage of average income in that city (17.2 per cent).

Sydney was also the only city to record an increase in cost over the quarter. Costs increased by almost \$46 per year. The rise was driven primarily by an increase in costs related to insurance and tolls. Decreases were recorded in car loan payments, registration and CTP, licencing and fuel. The ranking of expenses for the Sydney hypothetical household remained unchanged over the quarter.

Sydney costs are the highest in Australia in the categories of public transport, registration and licensing, tolls, insurance and road side assistance. In contrast, car loan payments and the cost of fuel are relatively low in Sydney, which reflects its competitive loan and fuel market.

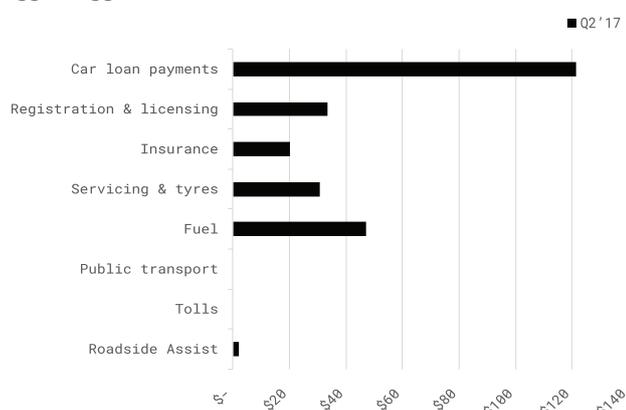
The household in Wagga Wagga faces lower costs than the Sydney household at \$13,258 due to lower costs for fuel, insurance and registration and licencing. The household does not incur any costs for tolls and public transport due to low levels of usage in regional areas. As a percentage of income Wagga Wagga spends less on transport at 11.1 per cent. The household incurs slightly lower fuel costs as BITRE data suggests that the family travels slightly less than city household. This is despite the household paying higher prices for petrol, generally more than 8 cents a litre.

Sydney



Sydney	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$120.27	\$121.49	\$123.86	\$121.31	1
Registration & licensing	\$42.39	\$43.49	\$43.03	\$42.24	5
Insurance	\$29.06	\$30.83	\$28.29	\$32.00	6
Servicing & tyres	\$27.07	\$27.07	\$27.13	\$27.24	7
Fuel	\$58.26	\$61.40	\$64.62	\$64.53	3
Public transport	\$59.04	\$59.04	\$59.04	\$59.04	4
Tolls	\$78.20	\$78.60	\$79.28	\$79.76	2
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	8
TOTAL	\$416.41	\$424.04	\$427.36	\$428.24	

Wagga Wagga



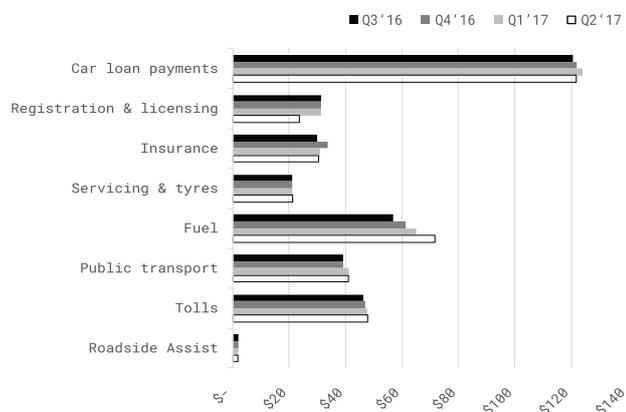
Wagga Wagga	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	-	-	-	\$121.31	1
Registration & licensing	-	-	-	\$33.52	3
Insurance	-	-	-	\$20.19	5
Servicing & tyres	-	-	-	\$30.74	4
Fuel	-	-	-	\$47.07	2
Public transport	-	-	-	\$0.00	-
Tolls	-	-	-	\$0.00	-
Roadside Assist	-	-	-	\$2.12	6
TOTAL	-	-	-	\$254.96	

Victoria weekly costs of transport

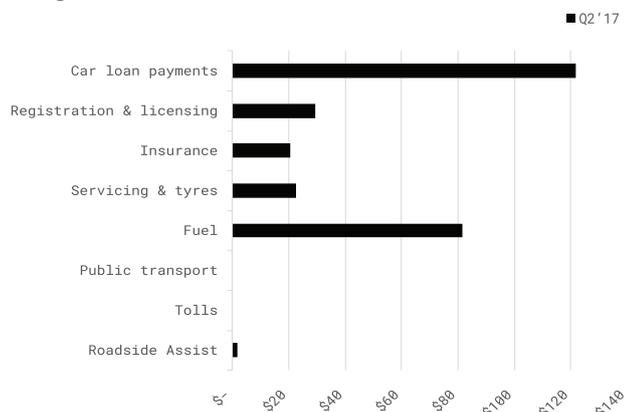
For the second quarter of 2017, Melbourne had the third highest total transport costs at \$18,716 per year, which equates to 14.3 per cent of average income in that city. In terms of total dollars, Melbourne ranks third most expensive. Yet when average income is considered, Melbourne becomes slightly more affordable and ranks fourth.

Melbourne recorded a yearly decrease of \$158 in transport costs over the quarter. The decrease can be attributed to falling costs in the categories of car loan payments, insurance and fuel.

Melbourne



Geelong



While Melbourne didn't rank the most expensive for any particular cost category this quarter, Melbourne was the second highest city for insurance, the third highest city for car loans and had the fourth highest costs for registration and licensing, roadside assistance and public transport. On the other hand, Melbourne recorded relatively low costs for fuel, and for servicing and tyres. Out of the three cities that charge tolls, the average family also has the least expensive toll costs.

Lower total transport costs were recorded in Geelong at \$14,430 due to lower costs for tolls, public transport, insurance and registration and licensing. As a percentage of income Geelong spends less on transport at 11.6 per cent. Fuel was more expensive for the Geelong household due to greater distances travelled and higher costs for petrol per litre. Like other regional cities, Geelong's most expensive costs were car loan repayments, fuel and registration and licensing.

Melbourne	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$120.66	\$121.89	\$124.13	\$121.59	1
Registration & licensing	\$31.28	\$31.28	\$31.28	\$31.30	5
Insurance	\$30.02	\$33.80	\$30.99	\$30.54	6
Servicing & tyres	\$21.00	\$21.10	\$21.14	\$21.31	7
Fuel	\$56.94	\$61.40	\$64.90	\$64.45	2
Public transport	\$39.00	\$39.00	\$41.00	\$41.00	4
Tolls	\$46.40	\$46.80	\$47.60	\$47.80	3
Roadside Assist	\$1.92	\$1.92	\$1.92	\$1.92	8
TOTAL	\$347.23	\$357.21	\$362.97	\$359.92	

Geelong	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	-	-	-	\$121.59	1
Registration & licensing	-	-	-	\$29.32	3
Insurance	-	-	-	\$20.61	5
Servicing & tyres	-	-	-	\$22.51	4
Fuel	-	-	-	\$81.54	2
Public transport	-	-	-	\$0.00	-
Tolls	-	-	-	\$0.00	-
Roadside Assist	-	-	-	\$1.92	6
TOTAL	-	-	-	\$277.50	

Queensland weekly costs of transport

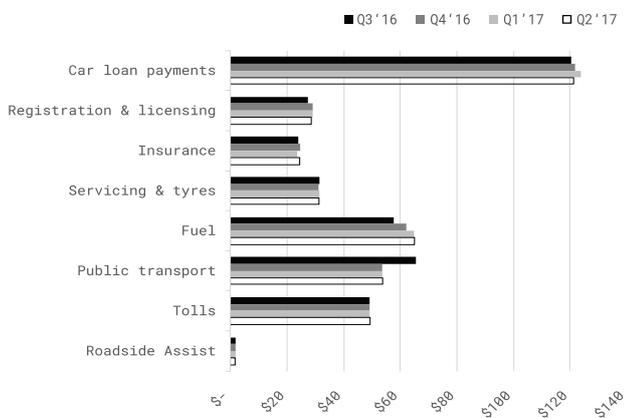
For the second quarter of 2017, Brisbane had the second highest overall cost of transport, both in total dollar terms (\$19,492 per year) and as a percentage of income (15.9 per cent).

Over the quarter, the total yearly cost to the household decreased by \$122 due to decreases in car loan repayments, registration and licensing and fuel. Insurance costs increased but all other categories remained the same. The reduction in car loan repayments was the biggest contributor at around \$127 per year.

Brisbane remains the second highest cost capital city for servicing and tyres, and for tolls. In contrast, the Brisbane household incurs relatively low costs for registration and licensing, where it ranks third most affordable nationally. The ranking of expenses for the Brisbane household remained unchanged over the quarter.

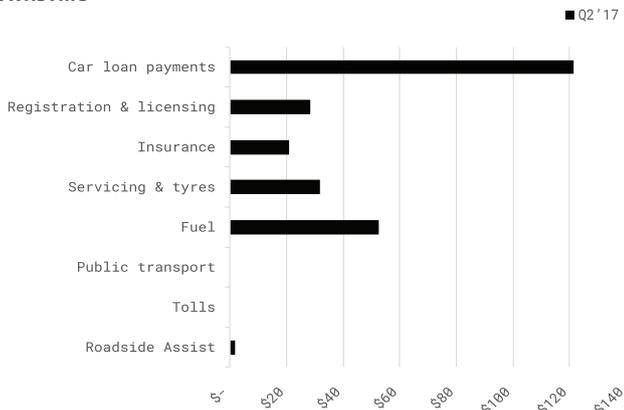
The household in Townsville faces lower costs than the Brisbane household at \$13,349 due to lower costs for fuel and insurance. The household does not incur any costs for tolls and public transport due to low levels of usage in regional areas. As a percentage of income Townsville spends less on transport at 10.4 per cent. The household incurs slightly lower fuel costs as BITRE data suggests that the family travels slightly less than the city household. Townsville's ranking of expenses differs slightly than other regional centres as servicing and tyres is more expensive than registration and licensing.

Brisbane



Brisbane	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$120.41	\$121.64	\$123.80	\$121.35	1
Registration & licensing	\$27.50	\$29.00	\$29.00	\$28.38	6
Insurance	\$23.90	\$24.56	\$23.42	\$24.29	7
Servicing & tyres	\$31.29	\$31.22	\$31.37	\$31.36	5
Fuel	\$57.68	\$62.19	\$64.97	\$64.83	2
Public transport	\$65.43	\$53.64	\$53.64	\$53.64	3
Tolls	\$49.30	\$49.30	\$49.30	\$49.30	4
Roadside Assist	\$1.71	\$1.71	\$1.71	\$1.71	8
TOTAL	\$377.21	\$373.26	\$377.20	\$374.85	

Townsville



Townsville	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	-	-	-	\$121.35	1
Registration & licensing	-	-	-	\$28.38	4
Insurance	-	-	-	\$20.87	5
Servicing & tyres	-	-	-	\$31.87	3
Fuel	-	-	-	\$52.54	2
Public transport	-	-	-	\$0.00	-
Tolls	-	-	-	\$0.00	-
Roadside Assist	-	-	-	\$1.71	6
TOTAL	-	-	-	\$256.72	

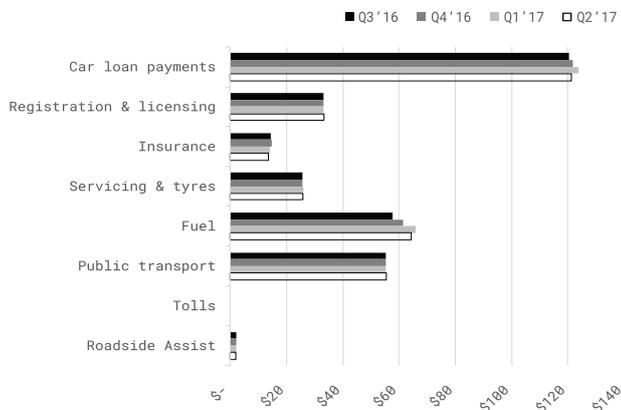
Western Australia weekly costs of transport

At \$16,404 per year, household transport costs for the Perth household rank fourth most expensive out of the eight capital cities. This figure represents 10.5 per cent of household income for the hypothetical household in Perth, compared with 17.2 per cent for Sydney (the most expensive city). Accounting for income, Perth is the most affordable capital city for household transport across Australia.

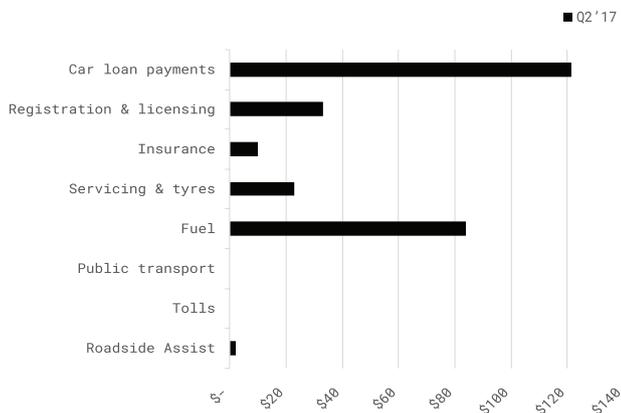
Across the quarter, yearly household transport costs in Perth decreased by \$233. The decrease was driven by decreases in the categories of car loan payments, insurance and fuel.

Perth is the second most expensive city for public transport, which costs the hypothetical household \$2,876 per year. In the category of registration and licensing, Perth ranks third. In contrast, Perth is the cheapest capital, by a long way, for insuring both family cars.

Perth



Bunbury



The ranking of expenses for the Perth household remained unchanged over the quarter.

The household in Bunbury faces lower costs than the Perth household at \$14,218 due to low or no costs incurred for insurance and public transport. The household does not incur costs for public transport due to low levels of usage in regional areas. As a percentage of income Bunbury spends less on transport at 9.5 per cent. Fuel was more expensive for the Bunbury household due to greater distances travelled and higher costs for petrol per litre. Like other regional cities, Bunbury's most expensive costs were car loan repayments, fuel and registration and licensing.

Perth	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$120.40	\$121.64	\$123.69	\$121.33	1
Registration & licensing	\$33.23	\$33.23	\$33.23	\$33.23	4
Insurance	\$14.32	\$14.62	\$14.09	\$13.41	6
Servicing & tyres	\$25.55	\$25.77	\$25.81	\$25.92	5
Fuel	\$57.63	\$61.26	\$65.82	\$64.25	2
Public transport	\$55.30	\$55.30	\$55.30	\$55.30	3
Tolls	\$0.00	\$0.00	\$0.00	\$0.00	8
Roadside Assist	\$2.00	\$2.00	\$2.00	\$2.00	7
TOTAL	\$308.43	\$313.84	\$319.94	\$315.46	

Bunbury	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	-	-	-	\$121.33	1
Registration & licensing	-	-	-	\$33.23	3
Insurance	-	-	-	\$9.97	5
Servicing & tyres	-	-	-	\$22.94	4
Fuel	-	-	-	\$83.94	2
Public transport	-	-	-	\$0.00	-
Tolls	-	-	-	\$0.00	-
Roadside Assist	-	-	-	\$2.00	6
TOTAL	-	-	-	\$273.42	

South Australia weekly costs of transport

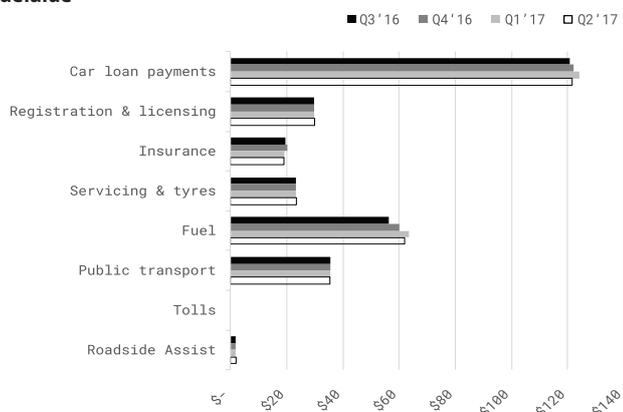
In total dollar terms, Adelaide has the second lowest household transport costs of the Australian capital cities. The \$15,239 paid yearly by the hypothetical Adelaide family is equivalent to 13.2 per cent of their income. This reflects the relatively low average earnings in Adelaide.

Across the quarter, yearly household transport costs in Adelaide decreased by \$211. The decrease was driven by lower costs in the categories of car loan payments and fuel. Car loan payments reduced by the largest amount, saving the family around \$130 per year. The ranking of expenses for the Adelaide household changed slightly over the quarter as servicing and tyres overtook registration and licensing as the fourth highest expense.

Adelaide was the second most expensive capital city for car loan repayments, but remained the cheapest place to fill two cars with fuel. It also recorded relatively low costs for registration and licensing, servicing and tyres, and insurance.

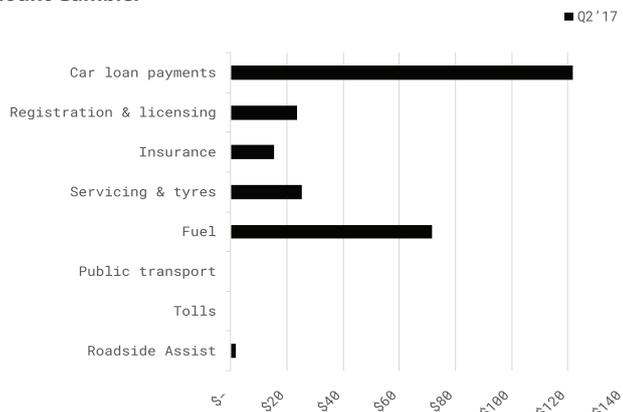
The household in Mount Gambier faces lower costs than the Adelaide household at \$13,488 due to lower costs for insurance and registration and licensing. The household does not incur any costs for public transport due to low levels of usage in regional areas. However, as a percentage of income Mount Gambier spends the same on transport at 13.2 per cent due to lower average earnings than Adelaide. Fuel was more expensive for the Mount Gambier household due to greater distances travelled and higher costs for petrol per litre. Like other regional cities, Mount Gambier's most expensive costs were car loan repayments, fuel, servicing and tyres and registration and licensing.

Adelaide



Adelaide	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$120.71	\$121.94	\$124.14	\$121.64	1
Registration & licensing	\$29.85	\$29.85	\$29.85	\$29.85	↓5
Insurance	\$19.56	\$20.27	\$19.13	\$19.13	6
Servicing & tyres	\$23.28	\$23.18	\$23.30	\$23.26	↑4
Fuel	\$56.46	\$60.07	\$63.43	\$61.92	2
Public transport	\$35.40	\$35.40	\$35.40	\$35.40	3
Tolls	\$0.00	\$0.00	\$0.00	\$0.00	8
Roadside Assist	\$1.87	\$1.87	\$1.87	\$1.87	7
TOTAL	\$287.12	\$292.58	\$297.12	\$293.06	

Mount Gambier



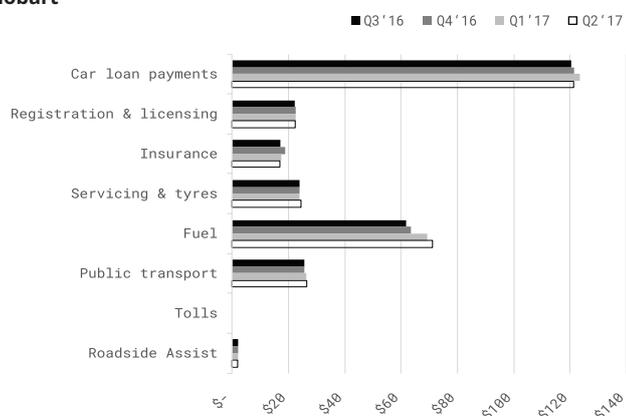
Mount Gambier	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	-	-	-	\$121.64	1
Registration & licensing	-	-	-	\$23.73	4
Insurance	-	-	-	\$15.31	5
Servicing & tyres	-	-	-	\$25.24	3
Fuel	-	-	-	\$71.60	2
Public transport	-	-	-	\$0.00	-
Tolls	-	-	-	\$0.00	-
Roadside Assist	-	-	-	\$1.87	6
TOTAL	-	-	-	\$259.39	

Tasmania weekly costs of transport

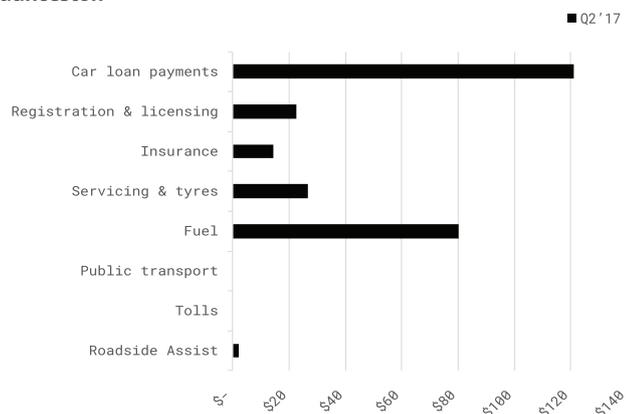
In total dollar terms, Hobart recorded the lowest household transport costs, nationally for capital cities. However, it also has the lowest average earnings of any capital city. The approximately \$14,781 paid yearly by the hypothetical household equates to 14.6 per cent as a share of income. Under this metric, Hobart ranks as the third most expensive capital city for household transport.

Across the quarter, yearly household transport costs in Hobart decreased by \$57. This was driven by decreased costs in the categories of car loan repayments and insurance. Hobart was the only city that recorded an increase in fuel over the quarter, costing the family around \$94 extra per year.

Hobart



Launceston



The ranking of expenses for the Hobart household remained unchanged over the quarter. Hobart was also the most expensive city again this quarter for fuel, however this was partially offset by relatively inexpensive costs for car loan repayments, registration and licencing, insurance and public transport.

The household in Launceston faces lower costs than the Hobart household at \$13,876 due to low or no costs incurred for insurance and public transport. The household does not incur any costs for public transport due to low levels of usage in regional areas. As a percentage of income Launceston spends less on transport at 13.5 per cent due to the lower costs and slightly higher average earnings. Fuel was more expensive for the Launceston household due to greater distances travelled and higher costs for petrol per litre. Like other regional cities, Launceston's most expensive costs were car loan repayments, fuel, servicing and tyres and registration and licensing.

	Hobart	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$120.21	\$121.44	\$123.48	\$121.13		1
Registration & licensing	\$22.32	\$22.49	\$22.49	\$22.49		5
Insurance	\$17.02	\$18.73	\$17.61	\$16.80		6
Servicing & tyres	\$23.96	\$24.01	\$24.08	\$24.34		4
Fuel	\$61.86	\$63.35	\$69.23	\$71.04		2
Public transport	\$25.60	\$25.60	\$26.40	\$26.40		3
Tolls	\$0.00	\$0.00	\$0.00	\$0.00		8
Roadside Assist	\$2.06	\$2.06	\$2.06	\$2.06		7
TOTAL	\$273.02	\$277.67	\$285.34	\$284.25		

	Launceston	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	-	-	-	\$121.13		1
Registration & licensing	-	-	-	\$22.49		4
Insurance	-	-	-	\$14.27		5
Servicing & tyres	-	-	-	\$26.62		3
Fuel	-	-	-	\$80.28		2
Public transport	-	-	-	\$0.00		-
Tolls	-	-	-	\$0.00		-
Roadside Assist	-	-	-	\$2.06		6
TOTAL	-	-	-	\$266.84		

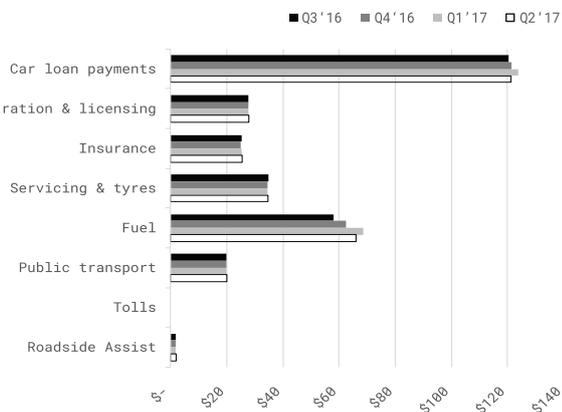
Northern Territory weekly costs of transport

The Darwin household spends \$15,443 per year on transport, which is equivalent to 12.2 per cent of household income. Under each metric, Darwin ranks as the third most affordable capital city for household transport in Australia.

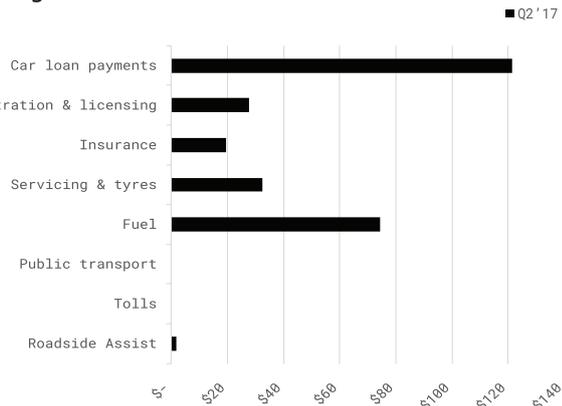
Over the quarter, costs decreased by \$258 per year, the largest decrease of any capital city. However, this was in comparison to a very large increase in costs in the previous quarter. The reduction was driven primarily by a decrease in fuel costs and car loan repayments. The ranking of expenses for the Darwin household remained unchanged over the quarter.

Darwin recorded the highest cost when compared to all capital cities in the category of servicing and tyres, reflecting high expenditure for tyres and servicing the old car. This may reflect the harsh driving environment experienced in Darwin. Darwin ranked the second most expensive city for fuel however has relatively low costs for registration and licensing and insurance. Darwin recorded the lowest public transport costs across capital cities.

Darwin



Alice Springs



The household in Alice Springs faces lower costs than the Darwin household at \$14,420 due to low or no costs incurred for insurance and public transport. The household does not incur any costs for public transport due to low levels of usage in regional areas. However, as a percentage of income Alice Springs spends more on transport at 13.6 per cent due to lower average earnings. Alice Springs is the only regional location to spend more on transport as a percentage of income than its city counterpart.

Fuel was more expensive for the Alice Springs household due to greater distances travelled and higher costs for petrol (by around 12 cents per litre). Like other regional cities, Alice Springs' most expensive costs were car loan repayments, fuel, servicing and tyres and registration and licensing.

Darwin	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$120.33	\$121.56	\$123.66	\$121.27	1
Registration & licensing	\$27.69	\$27.73	\$27.73	\$27.73	4
Insurance	\$25.24	\$25.01	\$25.37	\$25.36	5
Servicing & tyres	\$34.69	\$34.62	\$34.63	\$34.74	3
Fuel	\$57.88	\$62.45	\$68.65	\$65.98	2
Public transport	\$20.00	\$20.00	\$20.00	\$20.00	6
Tolls	\$0.00	\$0.00	\$0.00	\$0.00	8
Roadside Assist	\$1.90	\$1.90	\$1.90	\$1.90	7
TOTAL	\$287.74	\$293.28	\$301.94	\$296.98	

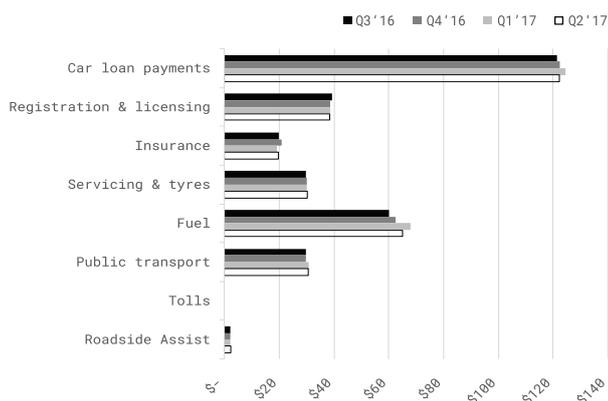
Alice Springs	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	-	-	-	\$121.27	1
Registration & licensing	-	-	-	\$27.73	4
Insurance	-	-	-	\$19.38	5
Servicing & tyres	-	-	-	\$32.53	3
Fuel	-	-	-	\$74.50	2
Public transport	-	-	-	\$0.00	-
Tolls	-	-	-	\$0.00	-
Roadside Assist	-	-	-	\$1.90	6
TOTAL	-	-	-	\$277.31	

ACT weekly costs of transport

In total dollar terms, Canberra has the fifth highest or fourth lowest household transport costs out of the Australian capital cities. The \$16,009 paid yearly by the hypothetical Canberra family is equivalent to 10.8 per cent of their income. Only Perth is more affordable than Canberra when income is taken into account.

Costs decreased by \$244 per year over the quarter as a result of decreases in car loan repayments, and fuel. Insurance and servicing and tyres increased slightly, while all other categories remained static. The ranking of expenses for the Canberra household remained unchanged over the quarter.

Canberra



Canberra was the most expensive capital city for car loan repayments due to the slightly higher cost of buying a car. It also recorded the second highest costs for registration and licensing, and third highest costs for fuel. Canberra has relatively affordable public transport which is the third most affordable in the country and costs \$498 per year less than the national average.

In relation to the regional location comparison, due to its small size and a lack of discernible differences in costs between suburbs, a second location for the ACT has not been included.

Canberra	Q3	Q4	Q1	Q2	Q2 Ranking
Car loan payments	\$121.27	\$122.50	\$124.54	\$122.19	1
Registration & licensing	\$39.14	\$38.41	\$38.41	\$38.41	3
Insurance	\$19.89	\$20.82	\$19.18	\$19.52	6
Servicing & tyres	\$29.76	\$29.98	\$29.97	\$30.09	5
Fuel	\$59.88	\$62.50	\$67.76	\$64.94	2
Public transport	\$29.80	\$29.80	\$30.60	\$30.60	4
Tolls	\$0.00	\$0.00	\$0.00	\$0.00	8
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	7
TOTAL	\$301.85	\$306.12	\$312.57	\$307.86	

Endnotes

¹ BITRE, 2015, 'Australia's Commuting Distance: Cities and Regions,' https://bitre.gov.au/publications/2015/files/is_073.pdf

² The relevant 2016 Census income data by family type is due to come out later in October 2017. This can be incorporated into this report when it becomes available, along with any adjustments to the model to reflect changes in income patterns.

³ ABS Household Expenditure Survey, 2009-10.

⁴ Road side assistance costs are based on the basic or standard package on offer by state and territory motoring clubs, however services included in Roadside Assistance packages vary from club to club.

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