



TRANSPORT AFFORDABILITY INDEX



Report - September 2017



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Foreword

Transport Affordability Index: September 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. It sets out the financial pressures faced by Australian households in relation to land transport costs, including impacts made by policy changes in each jurisdiction. The Transport Affordability Index for the September 2017 quarter has shown the cost of transport to the average metropolitan household would be \$17,485 per annum. This represented an increase of \$191 from the previous quarter and 14.1 per cent of household income on average - up from 13.4 per cent the previous quarter.

Regional Australia also experienced the same upward trend, with average costs rising to \$13,883, accounting for 12.2 per cent of average household income. Of the regional centres included in the Index, households in Geelong paid the most at \$14,839 per annum. Families in Townsville paid the least at \$12,865 per annum. This is only the second time that regional areas have been included in the report. The June 2017 release of the Index marked the first time the AAA included regions, in order to provide a more comprehensive picture of land transport costs across Australia.

The September 2017 quarter of the Index has continued past improvements by updating the model with 2016 census data and figures from the recently released Australian Bureau of Statistics (ABS) Household Expenditure and Income and Wealth surveys. The updates have had the largest impact on the data sets dealing with weekly incomes received by the household. Brisbane is now ranked the most expensive city for transport costs as a percentage of income, followed closely by Hobart. The other category that was significantly impacted by the data update was vehicle servicing and tyre costs with significant variance occurring between locations. The data update accounted for trends that may have occurred over the past five years between ABS Household Expenditure Survey (HES) releases.

Sydney has remained the most expensive city in terms of total cost, with households spending \$22,350 per year on transport. However, the emerald city now ranks third, once income is taken into consideration. Melbourne has become more expensive in terms of total dollars and is now the second most expensive city, surpassing Brisbane. All capital cities recorded an increase in total costs over the quarter except for Brisbane and Darwin. Brisbane and Darwin recorded a decrease in costs largely due to a downward revision of ABS HES data that determined the amount households spent on servicing and tyres. New car prices, insurance, registration and CTP, car maintenance, public transport and tolls all increased, on average, over the quarter, largely due to government fees and charges increasing from 1 July 2017. These costs were partially offset by a small decline in fuel prices over the quarter.

Bunbury has become the most expensive regional town for vehicle registration, CTP insurance and driver licensing cost. This was largely due to a government increase in registration fees in Western Australia from 1 July, 2017¹. In NSW fees decreased by around \$78 due to Green Slip prices being reduced ahead of the start of the government's Green Slip reforms². Geelong is the most expensive region in which to insure a new or used car. Canberra has become the most expensive city in Australia for vehicle servicing and buying tyres.

The increase in costs over the quarter, largely attributable to changes in government fees and charges, underscores the significant and unavoidable cost transport represents to household budgets. It is also a timely reminder of the importance of considering these cost pressures when governments at all levels formulate policy.



Michael Bradley

Chief Executive
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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.

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, comprehensive car insurance and road side assistance. 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 for the city household are also captured as these costs 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 the 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 regional centres.

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 in both the city and regional 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 and regions. The Index will allow the AAA to assess the impact of proposed government policies on the average weekly budget. 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

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 in some locations;
- on average, earns 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 low or no availability in regional areas.

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 city 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 location³. 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 2016 Census. For example, the household income of a couple family with children in Wagga Wagga was 91.25% of that of the average Sydney income for a couple family with children. The Index has therefore calculated the income for Wagga Wagga as 91.25% of the city household's income. Using this method, all regional households reported less weekly earnings than their city counterparts.

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

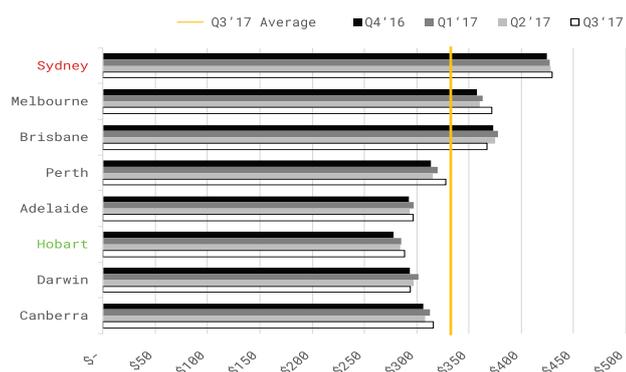
Overall, national average transport costs for both the regional and city household have increased, both in dollar terms and as a percentage of income.

Australians in regional locations face lower transport costs, mainly due to the family not incurring tolls and public transport fares but also lower insurance premiums, often by several hundred dollars a year. Registration and CTP is also lower for the regional family in New South Wales, Victoria and South Australia. Regional families on average do, however, face higher fuel costs due to higher kilometres driven and higher fuel prices.

Sydney households continue to face, by a significant margin, the highest total transport costs of any capital city in Australia at \$430 per week. Melbourne surpassed Brisbane and is now the second most expensive city for transport, while Adelaide increased to sixth place and Darwin dropped to seventh place.

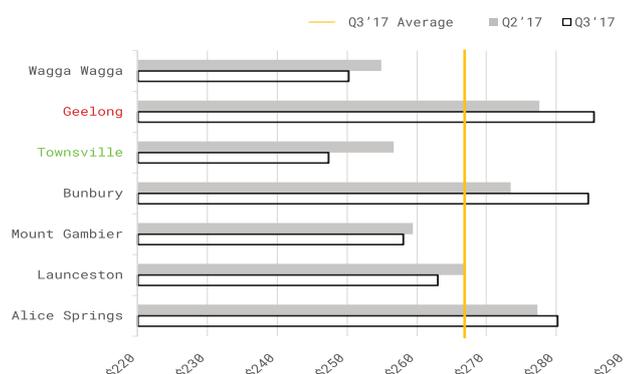
Geelong ranked the most expensive location out of all regional households at \$285 per week, closely followed by Bunbury and Alice Springs. Bunbury surpassed Alice Springs and is now the second most expensive regional city for transport, while Wagga Wagga increased to sixth place and Townsville dropped to seventh.

Capital cities



City	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	\$424.04	\$427.36	\$428.24	\$429.80	1
Melbourne	\$357.21	\$362.97	\$359.92	\$371.29	↑2
Brisbane	\$373.26	\$377.20	\$374.85	\$366.67	↓3
Perth	\$313.84	\$319.94	\$315.46	\$327.36	4
Adelaide	\$292.58	\$297.12	\$293.06	\$296.25	↑6
Hobart	\$277.67	\$285.34	\$284.25	\$288.49	8
Darwin	\$293.28	\$301.94	\$296.98	\$294.01	↓7
Canberra	\$306.12	\$312.57	\$307.86	\$316.15	5
Capital Average	\$329.75	\$335.55	\$332.58	\$336.25	

Regional



City	Q4	Q1	Q2	Q3	Q3 Ranking
Wagga Wagga	-	-	254.96	\$250.29	↑6
Geelong	-	-	\$277.50	\$285.37	1
Townsville	-	-	\$256.72	\$247.40	↓7
Bunbury	-	-	\$273.42	\$284.56	↑2
Mount Gambier	-	-	\$259.39	\$258.07	5
Launceston	-	-	\$266.84	\$263.00	4
Alice Springs	-	-	\$277.31	\$280.17	↓3
Regional Average	-	-	\$266.59	\$266.98	

Household total annual transport costs

The average annual cost of transport for the city household increased over the quarter by \$191. The largest increases occurred in Perth and Melbourne at \$619 and \$591 respectively. The only exceptions were Brisbane and Darwin where costs decreased.

For the regional household, the annual average cost of transport increased by \$20 per year over the quarter. The largest increases occurred in Bunbury and Geelong at \$579 and \$409 respectively. Wagga Wagga, Townsville, Mount Gambier and Launceston all recorded cost decreases, largely because of a revision down in ABS HES data that related to servicing and tyres.

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 \$2,731 for city households and \$2,673 for regional households. This represents an increase on the previous quarter of around \$30 due to an increase in the federal fuel excise rate and state motoring fees and charges.

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, on average, than the city household.

However due to the household driving more and paying the same state taxes as the city household, this trend does not apply in Bunbury, Launceston and Alice Springs. In these regional centres the household pays more motoring taxes than their city counterparts.

Capital cities

City	Q2	Q3	Change	Q3 Ranking
Sydney	\$22,268.40	\$22,349.84	\$81.44	1
Melbourne	\$18,716.03	\$19,306.85	\$590.82	↑2
Brisbane	\$19,492.44	\$19,066.86	-\$425.58	↓3
Perth	\$16,403.73	\$17,022.71	\$618.98	4
Adelaide	\$15,239.22	\$15,404.80	\$165.58	↑6
Hobart	\$14,781.08	\$15,001.63	\$220.54	8
Darwin	\$15,442.94	\$15,288.65	-\$154.29	↓7
Canberra	\$16,008.94	\$16,439.78	\$430.84	5
Capital Average	\$17,294.10	\$17,485.14	\$191.04	

Capital cities average taxes	Q2 2017	Q3 2017	Change
Fuel excise	\$1,054.63	\$1,059.89	\$5.26
Registration, CTP and licensing	\$1,648.57	\$1,671.37	\$22.80
HOUSEHOLD TOTAL	\$2,703.20	\$2,731.26	\$29.18

Regional

City	Q2	Q3	Change	Q3 Ranking
Wagga Wagga	\$13,257.70	\$13,015.16	-\$242.54	↑6
Geelong	\$14,429.97	\$14,839.34	\$409.37	1
Townsville	\$13,349.47	\$12,865.04	-\$484.42	↓7
Bunbury	\$14,217.69	\$14,797.14	\$579.45	↑2
Mount Gambier	\$13,488.08	\$13,419.79	-\$68.29	5
Launceston	\$13,875.76	\$13,675.84	-\$199.92	4
Alice Springs	\$14,420.10	\$14,568.66	\$148.56	↓3
Regional Average	\$13,862.68	\$13,883.00	\$20.32	

Regional average taxes	Q2 2017	Q3 2017	Change
Fuel excise	\$1,170.29	\$1,176.12	\$5.83
Registration, CTP and licensing	\$1,473.84	\$1,497.18	\$23.34
HOUSEHOLD TOTAL	\$2,644.13	\$2,673.31	\$29.18

Household Average weekly expenses

As highlighted previously, there was an increase in costs for the average city household over the quarter. The increase in cost was mainly due to:

- State governments increasing fees relating to registration, CTP, licensing and public transport from 1 July 2017;
- Car loan payments - due to an increase in new car prices following the cessation of end of financial year sales;
- Insurance – due to higher premiums applying than last quarter; and
- servicing and tyres – due to a revision in data following the release of the ABS HES.

The increase in costs was slightly offset by a decrease in fuel costs across the quarter due to lower fuel prices.

The same factors increased costs for the regional household, except for servicing and tyres, where the ABS HES update recorded a decrease, on average, for the regional household. This suggests that servicing has become more competitive in the regions since the last ABS HES was released five years ago.

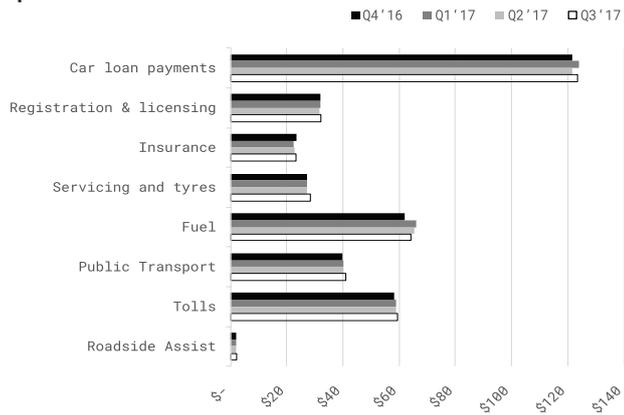
When comparing expenses faced by the regional and city household a

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;
- 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 \$326 cheaper in South Australia due to the government's regional and metro pricing structures, while CTP is \$432 cheaper in New South Wales and \$106 cheaper in Victoria due to lower CTP insurance premiums in regional locations, in all other jurisdictions registration and CTP remains the same for regional families;
- regional households don't incur expensive tolls; and
- due to a lack of suitable services in many areas analysed, it is also assumed they don't use public transport.

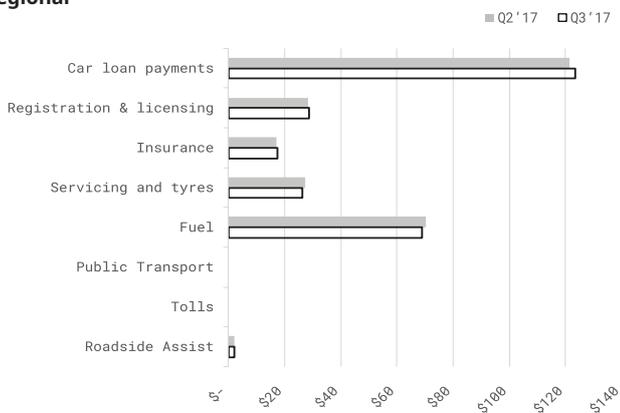
The Index assumes, for the regional household, that the cost of buying a car, including purchase costs and finance, remain the same as the city household as well as costs incurred for road side assistance. It is also assumed that similar cars are driven in the regional household so fuel efficiency and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

Capital cities



Expenses	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$121.76	\$123.91	\$121.48	\$123.39	1
Registration & licensing	\$31.93	\$31.88	\$31.70	\$32.14	5
Insurance	\$23.58	\$22.26	\$22.63	\$23.16	7
Servicing and tyres	\$27.12	\$27.18	\$27.28	\$28.29	6
Fuel	\$61.83	\$66.17	\$65.24	\$64.09	2
Public Transport	\$39.72	\$40.17	\$40.17	\$40.84	4
Tolls	\$58.23	\$58.73	\$58.95	\$59.56	3
Roadside Assist	\$1.96	\$1.96	\$1.96	\$2.00	8

Regional



Expenses	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	-	-	\$121.38	\$123.36	1
Registration & licensing	-	-	\$28.34	\$28.79	3
Insurance	-	-	\$17.23	\$17.58	5
Servicing and tyres	-	-	\$27.49	\$26.37	4
Fuel	-	-	\$70.21	\$68.89	2
Public Transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	-	\$1.94	\$1.99	6

Household total transport costs as share of income

This edition of the Index provides for a more accurate reflection of household income across Australia by including income data released in the October Census data release. Consequently, transport costs as a share of income have varied for many locations significantly.

Brisbane now ranks the most expensive city when income is taken into consideration, due to a revision down of weekly income, while Sydney has fallen to third place due to a revision up of weekly income. Perth also recorded a large variation due to a revision down of income, moving from the most affordable city to the fifth most expensive. Sydney and Adelaide were the only cities that recorded an increase in weekly earnings.

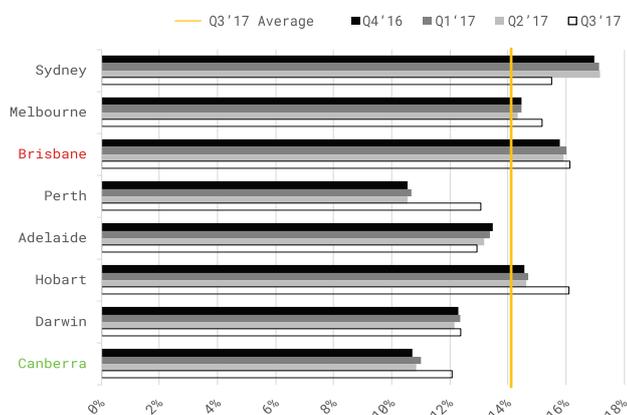
Perth and Launceston incurred the greatest increases of around 2.5 per cent due to a large revision down of incomes, while Sydney, Wagga Wagga and Alice Springs all recorded reductions of around 1-2 per cent due to incomes increasing.

The average cost of transport as a percentage of income for the city household increased over the quarter from 13.4 per cent to 14.1 per cent. The average regional household faces a rate at 12.2 per cent due to the lower costs faced by the household, despite the regional household, on average, earning almost \$200 per week less than their city counterparts.

Households in Mount Gambier and Wagga Wagga earn significant less per week than their city counterparts by around \$242 per week. Unlike the previous version of the Index, all regional households now earn less than their city counterparts.

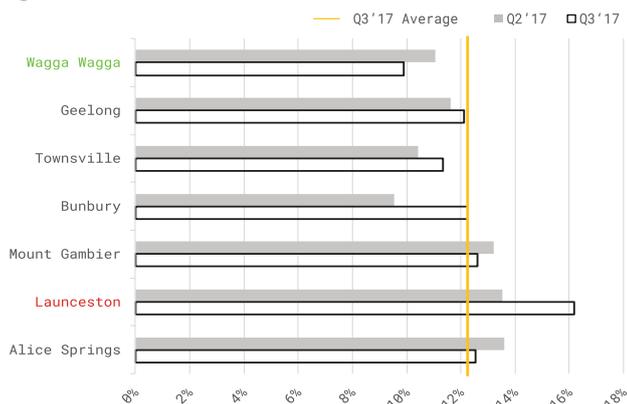
Higher incomes in certain regional and city locations results in transport being more affordable, while the inverse is true in other locations. For example, although Hobart has the least expensive total transport costs, when this cost is scaled by average household income, Hobart becomes the second most expensive city. This is also true for regional households in Launceston, Mount Gambier and Alice Springs.

Capital cities



City	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	16.99%	17.16%	17.19%	15.53%	↓3
Melbourne	14.48%	14.47%	14.35%	15.18%	4
Brisbane	15.78%	16.01%	15.91%	16.14%	↑1
Perth	10.54%	10.68%	10.54%	13.06%	↑5
Adelaide	13.48%	13.38%	13.20%	12.93%	↓6
Hobart	14.57%	14.70%	14.65%	16.12%	↑2
Darwin	12.28%	12.36%	12.16%	12.37%	↓7
Canberra	10.71%	10.99%	10.83%	12.08%	↓8
Capital Average	13.60%	13.56%	13.44%	14.11%	

Regional



City	Q4	Q1	Q2	Q3	Q3 Ranking
Wagga Wagga	-	-	11.06%	9.91%	↓7
Geelong	-	-	11.62%	12.12%	↓5
Townsville	-	-	10.44%	11.35%	6
Bunbury	-	-	9.55%	12.25%	↑4
Mount Gambier	-	-	13.22%	12.60%	↑2
Launceston	-	-	13.55%	16.19%	↑1
Alice Springs	-	-	13.62%	12.54%	↓3
Regional Average	-	-	11.67%	12.22%	



Section Three

Detailed Results

Household weekly car loan payment costs

The cost of a new car increased by over \$400 in the September 2017 quarter, while car loan interest rates remained constant. As a result, there was an increase in car loan payments of around \$99 a year for the city household and \$103 per year for the regional household.

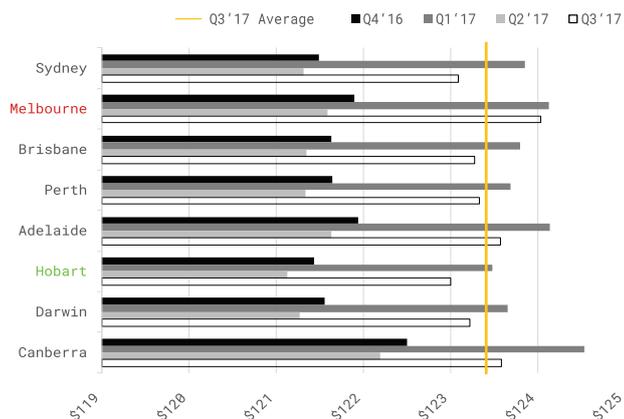
Hobart was the cheapest city to take out a loan for a new car due to relatively low upfront purchase costs, but only marginally. Households in Sydney had similar car loan payment costs to Hobart, however this was primarily due to relatively low interest rates.

Of the city households, Melbourne recorded the highest increase in car loan payment costs this quarter due to an increase in car prices, with costs increasing by around \$127 per year. This has resulted in a shift in rankings, as Melbourne tops the nation for the capital city with the highest car loan payment costs.

Canberra remained to be the second most expensive city for taking of a new car loan, followed by Adelaide.

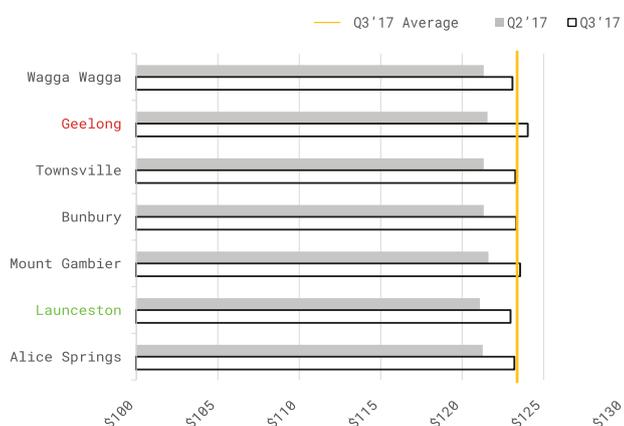
The regional household incurred the same costs in this category due to assumptions around interest rates and new car purchases costs remaining the same in both regional and city locations.

Capital cities



City	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	\$121.49	\$123.86	\$121.31	\$123.10	↓7
Melbourne	\$121.89	\$124.13	\$121.59	\$124.04	↑1
Brisbane	\$121.64	\$123.80	\$121.35	\$123.28	↓5
Perth	\$121.64	\$123.69	\$121.33	\$123.33	↑4
Adelaide	\$121.94	\$124.14	\$121.64	\$123.58	↓3
Hobart	\$121.44	\$123.48	\$121.13	\$123.00	8
Darwin	\$121.56	\$123.66	\$121.27	\$123.22	↑6
Canberra	\$122.50	\$124.54	\$122.19	\$123.59	↓2
Capital Average	\$121.76	\$123.91	\$121.48	\$123.39	

Regional



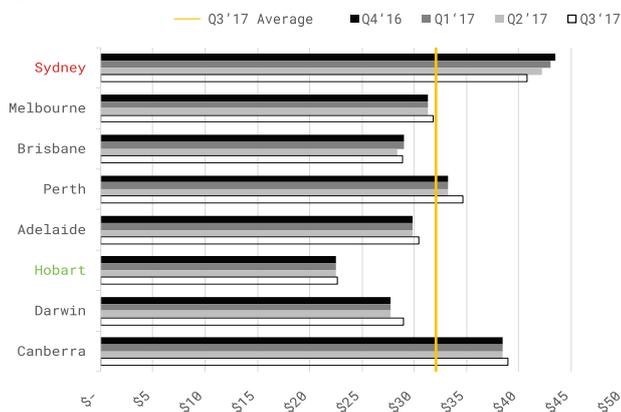
City	Q4	Q1	Q2	Q3	Q3 Ranking
Wagga Wagga	-	-	\$121.31	\$123.10	↓6
Geelong	-	-	\$121.59	\$124.04	↑1
Townsville	-	-	\$121.35	\$123.28	↓4
Bunbury	-	-	\$121.33	\$123.33	↑3
Mount Gambier	-	-	\$121.64	\$123.58	↓2
Launceston	-	-	\$121.13	\$123.00	7
Alice Springs	-	-	\$121.27	\$123.22	↑5
Regional Average	-	-	\$121.38	\$123.36	

Household weekly registration, CTP & licence costs

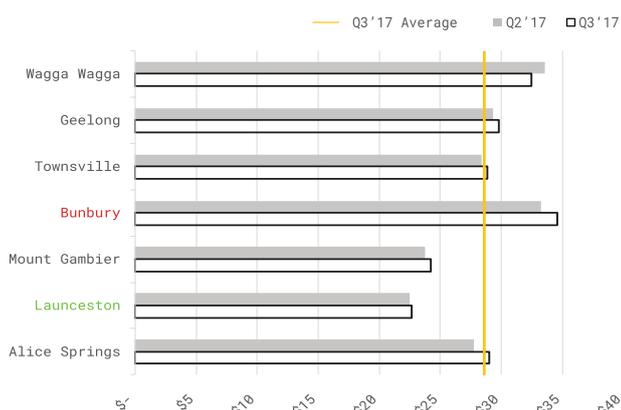
Sydney remains the city with the highest vehicle registration, CTP insurance and driver's licensing fees despite costs falling slightly this quarter. Sydney's vehicle registration costs decreased by around \$30 for the new vehicle and \$48 for the used vehicle, ahead of the government's reform of the Green Slips scheme in New South Wales. The reduction in prices, due to the upcoming reforms, saved the family, in total, around \$78 a year. Registration, CTP insurance and driver's licensing costs increased in all other cities, in line with scheduled state government increases. Perth recorded the highest increase due to the Western Australian government increasing vehicle licence charges by 5.5 per cent, motor injury insurance by 2.8 per cent and driver's licence fees by 1.7 per cent⁴. In total these increases have cost the family an additional \$72 per year.

Rankings have changed slightly this quarter, however Hobart remains the cheapest city for vehicle registration, CTP insurance and driver's licensing costs. Hobart is around \$18 per week less expensive than Sydney in vehicle registration, CTP insurance and driver's licensing cost. Annually, the difference between Sydney and Hobart is around \$941.

Capital cities



Regional



Regionally, Bunbury has become the most expensive in terms of vehicle registration, CTP insurance and driver's licensing costs. The change is due to Wagga Wagga's ranking falling this quarter due to the reduction in Green Slip prices, and fees and charges increasing in Bunbury. All other regions recorded a price increase this quarter. Launceston remains the cheapest region for vehicle registration, CTP insurance and driver's licensing costs. Launceston is around \$12 less expensive than Bunbury per week. Annually, the difference between Bunbury and Launceston is around \$622.

Registration, CTP and driver's licensing costs were significantly cheaper in regional locations compared to city locations for New South Wales, South Australia and Victoria. This is due to the differences in regional and metro pricing structures. Households in Wagga Wagga save around \$432 compared to the household in Sydney, Mount Gambier saves \$326 compared to Adelaide and the household in Geelong pays \$106 less than Melbourne. In the remaining jurisdictions, fees remained consistent across both capital cities and regional locations.

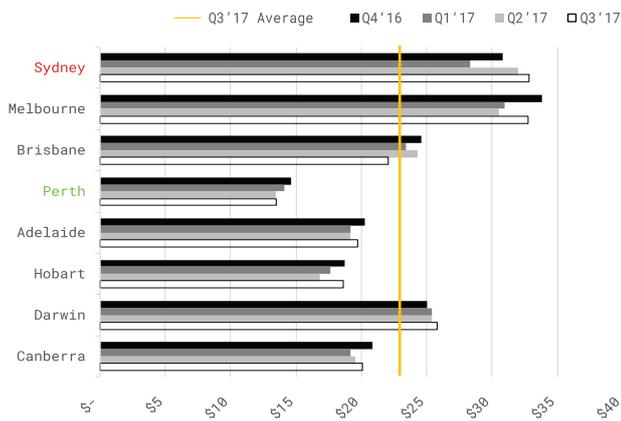
City	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	\$43.49	\$43.03	\$42.24	\$40.75	1
Melbourne	\$31.28	\$31.28	\$31.30	\$31.82	4
Brisbane	\$29.00	\$29.00	\$28.38	\$28.88	↓7
Perth	\$33.23	\$33.23	\$33.23	\$34.61	3
Adelaide	\$29.85	\$29.85	\$29.85	\$30.45	5
Hobart	\$22.49	\$22.49	\$22.49	\$22.65	8
Darwin	\$27.73	\$27.73	\$27.73	\$29.00	↑6
Canberra	\$38.41	\$38.41	\$38.41	\$38.97	2
Capital Average	\$31.93	\$31.88	\$31.70	\$32.14	

City	Q4	Q1	Q2	Q3	Q3 Ranking
Wagga Wagga	-	-	\$33.52	\$32.43	↓2
Geelong	-	-	\$29.32	\$29.79	3
Townsville	-	-	\$28.38	\$28.88	↓5
Bunbury	-	-	\$33.23	\$34.61	↑1
Mount Gambier	-	-	\$23.73	\$24.18	6
Launceston	-	-	\$22.49	\$22.65	7
Alice Springs	-	-	\$27.73	\$29.00	↑4
Regional Average	-	-	\$28.34	\$28.79	

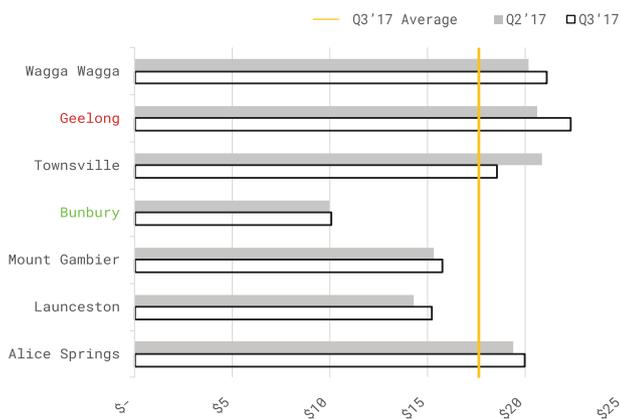
Household weekly comprehensive insurance costs

The average weekly cost of comprehensive car insurance for both the new and used vehicles, in the city household, increased over the quarter in all capital cities except Brisbane. Perth remains the cheapest city to insure a car, while Sydney remains to be the most expensive. Weekly, the difference between Perth and Sydney is around \$19. The Perth hypothetical family saves over \$1,000 a year when compared to the same family in Sydney.

Capital cities



Regional



In the regional household, comprehensive car insurance for both new and used vehicles increased across all regions, with the exception of Townsville. Geelong became the most expensive region to insure a new and used car this quarter overtaking Townsville, which dropped to fourth place. Bunbury remains the cheapest region to insure both new and used cars. Annually, the difference between Geelong and Bunbury is around \$635.

City	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	\$30.83	\$28.29	\$32.00	\$32.82	1
Melbourne	\$33.80	\$30.99	\$30.54	\$32.73	2
Brisbane	\$24.56	\$23.42	\$24.29	\$22.09	4
Perth	\$14.62	\$14.09	\$13.41	\$13.47	8
Adelaide	\$20.27	\$19.13	\$19.13	\$19.71	6
Hobart	\$18.73	\$17.61	\$16.80	\$18.63	7
Darwin	\$25.01	\$25.37	\$25.36	\$25.78	3
Canberra	\$20.82	\$19.18	\$19.52	\$20.06	5
Capital Average	\$23.58	\$22.26	\$22.63	\$23.16	

City	Q4	Q1	Q2	Q3	Q3 Ranking
Wagga Wagga	-	-	\$20.19	\$21.09	↑2
Geelong	-	-	\$20.61	\$22.32	↑1
Townsville	-	-	\$20.87	\$18.55	↓4
Bunbury	-	-	\$9.97	\$10.10	7
Mount Gambier	-	-	\$15.31	\$15.79	6
Launceston	-	-	\$14.27	\$15.24	5
Alice Springs	-	-	\$19.38	\$19.96	↑3
Regional Average	-	-	\$17.23	\$17.58	

Household total weekly servicing and tyre costs

The September 2017 edition of the Index has been updated to include new and improved information from the latest release of the ABS Household Expenditure Survey (HES). As a result, the Index reflects changes in costs that have occurred over the last five years and is now a more accurate reflection of the cost of vehicle servicing and tyres in each of the capital cities and regions. Following the ABS data update, there was an increase in maintenance costs, on average.

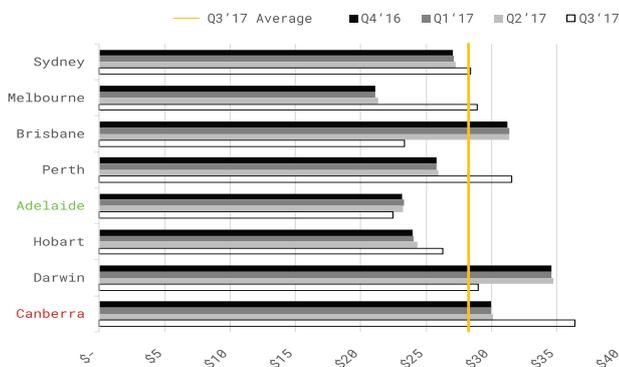
As noted in the previous Index, the cost of servicing the new car is the same across both regional and city locations, as these costs are based on the manufacturers' servicing schedule. Some manufacturers increased their fixed price servicing this quarter, which has contributed to a slight increase in the costs for this category.

The variation of the cost between regional and city households is therefore attributable to the differences in the cost of servicing the old car and the cost of tyres which are both sourced from the ABS HES and then updated with CPI each quarter.

Rankings have changed significantly this quarter due to the ABS data update. The cost of servicing the old vehicle has varied considerably across jurisdictions, while the cost of tyres has reduced slightly across most jurisdictions. Brisbane has gone from being the second most expensive city for running both new and used vehicles to the second cheapest. Similarly, Darwin has also experienced a significant reduction, which has subsequently moved its ranking down from first to third place. In contrast, Melbourne, Perth and Canberra have become more expensive.

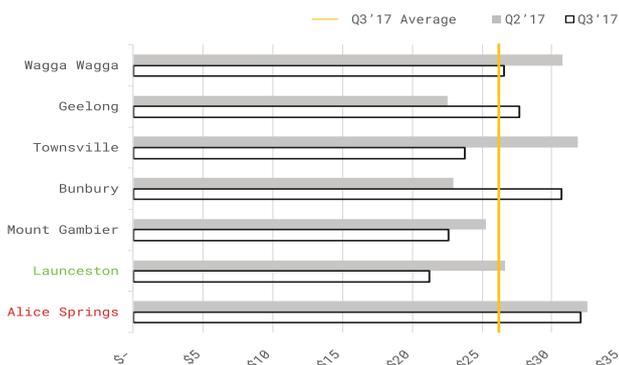
In regional locations, maintenance costs are generally cheaper. Alice Springs remained the most expensive, while Launceston became the most affordable. The remaining regional centres varied considerably, due to the revised cost of servicing and tyres in the HES, and most followed a similar pattern to capital cities in terms of cost changes. Townsville, Launceston, Mount Gambier and Wagga Wagga recorded a decrease in costs, while Geelong and Bunbury increased significantly.

Capital cities



City	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	\$27.07	\$27.13	\$27.24	\$28.39	↓5
Melbourne	\$21.10	\$21.14	\$21.31	\$28.88	↑4
Brisbane	\$31.22	\$31.37	\$31.36	\$23.32	↓7
Perth	\$25.77	\$25.81	\$25.92	\$31.56	↑2
Adelaide	\$23.18	\$23.30	\$23.26	\$22.48	↓8
Hobart	\$24.01	\$24.08	\$24.34	\$26.28	6
Darwin	\$34.62	\$34.63	\$34.74	\$29.00	↓3
Canberra	\$29.98	\$29.97	\$30.09	\$36.37	↑1
Capital Average	\$27.12	\$27.18	\$27.28	\$28.29	

Regional



City	Q4	Q1	Q2	Q3	Q3 Ranking
Wagga Wagga	-	-	\$30.74	\$26.61	↓4
Geelong	-	-	\$22.51	\$27.65	↑3
Townsville	-	-	\$31.87	\$23.78	↓5
Bunbury	-	-	\$22.94	\$30.71	↑2
Mount Gambier	-	-	\$25.24	\$22.57	↓6
Launceston	-	-	\$26.62	\$21.20	↓7
Alice Springs	-	-	\$32.53	\$32.07	1
Regional Average	-	-	\$27.49	\$26.37	

Household weekly fuel costs

There was a reduction of approximately \$1.15 per week in capital city fuel prices. The fuel price differential was greatest in Melbourne, where fuel prices decreased by about \$1.86 per week or around \$97 a year compared to the quarter before. Hobart remained the most expensive city this quarter for both petrol and diesel, followed by Darwin and Canberra. If Hobart households could access the prices available in the cheapest city, Adelaide, then the household would save around \$391 per year.

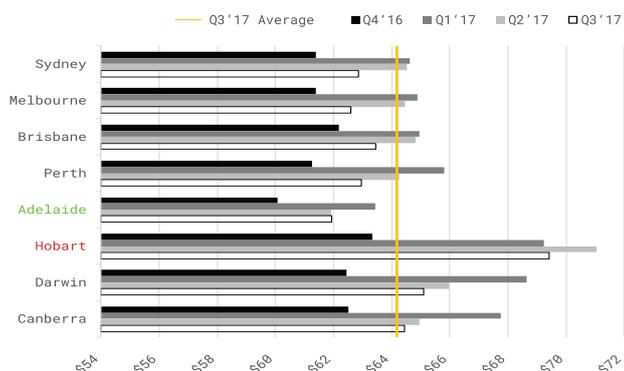
As noted in the previous Index, regional households generally incur greater fuel costs. This is because regional households drive further on average compared to city households and also face higher retail fuel prices.

The exception to this is Wagga Wagga and Townsville due to the household driving less total kilometres than their city counterparts. Townsville and Mount Gambier also faced slightly lower retail petrol prices than their city counterparts.

The regional household also paid more for diesel compared to city counterparts, notwithstanding Wagga Wagga, Townsville and Mount Gambier.

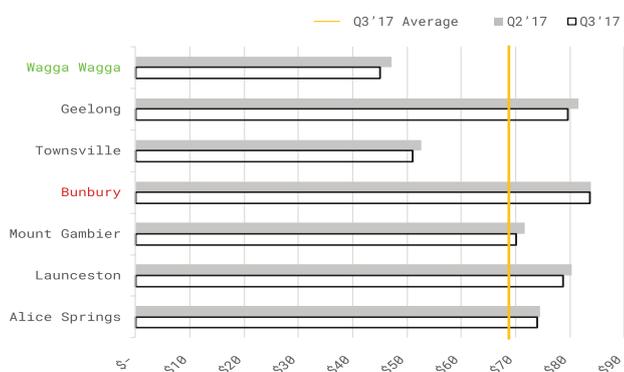
Rankings remained unchanged for regional households this quarter. Households in Bunbury incurred the highest cost for fuel, followed by Geelong and Launceston. Wagga Wagga was the cheapest region for fuel this quarter.

Capital cities



City	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	\$61.40	\$64.62	\$64.53	\$62.87	↓6
Melbourne	\$61.40	\$64.90	\$64.45	\$62.59	↓7
Brisbane	\$62.19	\$64.97	\$64.83	\$63.44	4
Perth	\$61.26	\$65.82	\$64.25	\$62.95	↑5
Adelaide	\$60.07	\$63.43	\$61.92	\$61.92	8
Hobart	\$63.35	\$69.23	\$71.04	\$69.44	1
Darwin	\$62.45	\$68.65	\$65.98	\$65.11	2
Canberra	\$62.50	\$67.76	\$64.94	\$64.44	3
Capital Average	\$61.83	\$66.17	\$65.24	\$64.09	

Regional



City	Q4	Q1	Q2	Q3	Q3 Ranking
Wagga Wagga	-	-	\$47.07	\$44.95	7
Geelong	-	-	\$81.54	\$79.56	2
Townsville	-	-	\$52.54	\$51.09	6
Bunbury	-	-	\$83.94	\$83.77	1
Mount Gambier	-	-	\$71.60	\$70.06	5
Launceston	-	-	\$80.28	\$78.81	3
Alice Springs	-	-	\$74.50	\$74.00	4
Regional Average	-	-	\$70.21	\$68.89	

Household weekly public transport costs

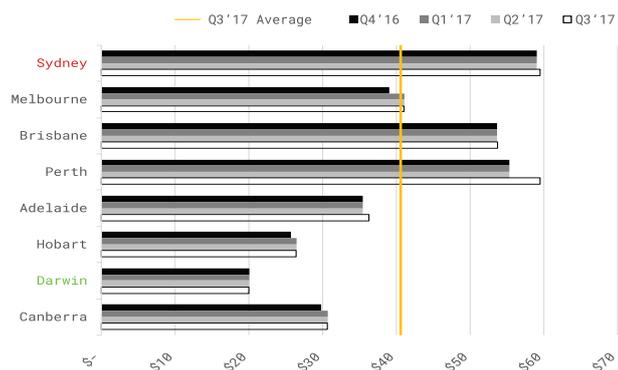
Public transport costs increased in Sydney, Perth and Adelaide for the quarter ending September 2017. The largest increase was found in Perth, where the family now pays an additional \$213 per year due to changes in public transport fares effective from 1 July 2017. Public transport costs remained constant in all other capital cities.

Despite recorded increases across some capital city households, rankings remained unchanged from the previous quarter.

Sydney remains the most expensive city for public transport while Darwin remains the cheapest. The Darwin hypothetical family saves over \$2,050 per year in public transport costs compared to the same family in Sydney.

It is assumed that the regional household does 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	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	\$59.04	\$59.04	\$59.04	\$59.49	1
Melbourne	\$39.00	\$41.00	\$41.00	\$41.00	4
Brisbane	\$53.64	\$53.64	\$53.64	\$53.64	3
Perth	\$55.30	\$55.30	\$55.30	\$59.40	2
Adelaide	\$35.40	\$35.40	\$35.40	\$36.20	5
Hobart	\$25.60	\$26.40	\$26.40	\$26.40	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$29.80	\$30.60	\$30.60	\$30.60	6
Capital Average	\$39.72	\$40.17	\$40.17	\$40.84	

Household weekly costs of toll roads

All cities with toll roads in operation, namely Sydney, Melbourne and Brisbane recorded a slight increase in tolls in the September 2017 quarter.

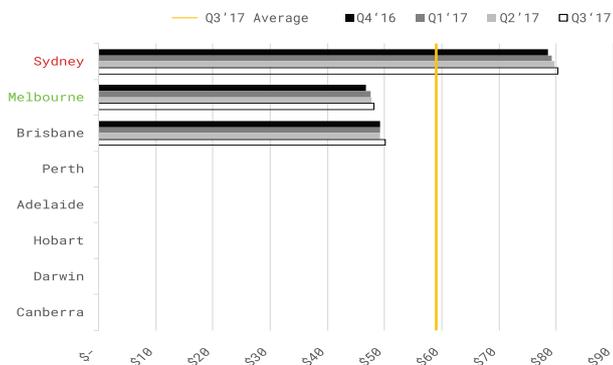
Toll road prices for Sydney and Melbourne tend to be updated on a quarterly basis, while prices in Brisbane are revised at the start of each financial year. The changes in toll road costs in Brisbane this quarter is consistent with the start of the 2017-18 financial year.

In Sydney, weekly toll road costs increased by a difference of 0.7 per cent compared to the quarter before. Households in Sydney incur the greatest costs for toll road usage, while households in Melbourne incur the least cost for toll road usage. The Melbourne hypothetical family pays around \$32 less per week on tolls compared to the same family in Sydney. Annually, this is a difference of about \$1,668.

Despite the increase in toll road costs, 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. The Index assumes toll roads are used by one member of the household every weekday in Melbourne and Brisbane. 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	Q4	Q1	Q2	Q3	Q3 Ranking
Sydney	\$78.60	\$79.28	\$79.76	\$80.28	1
Melbourne	\$46.80	\$47.60	\$47.80	\$48.20	3
Brisbane	\$49.30	\$49.30	\$49.30	\$50.20	2
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
Capital Average	\$58.23	\$58.73	\$58.95	\$59.56	

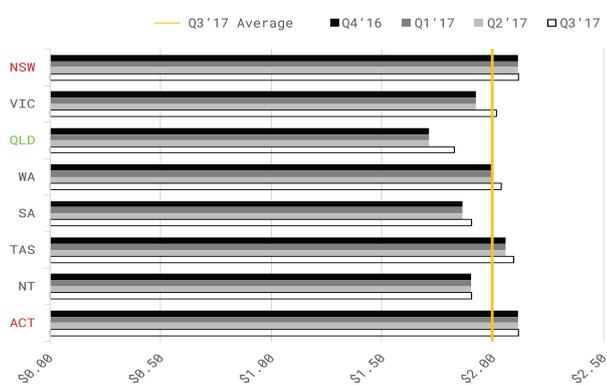
Household weekly costs of roadside assistance

Roadside assistance costs remained constant in Sydney, Canberra and Darwin over the quarter. The remaining capital cities recorded a slight price increase. The highest ongoing cost is in Sydney and Canberra at \$110 per year, while the lowest is in Brisbane at \$95 per year.

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.

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

States



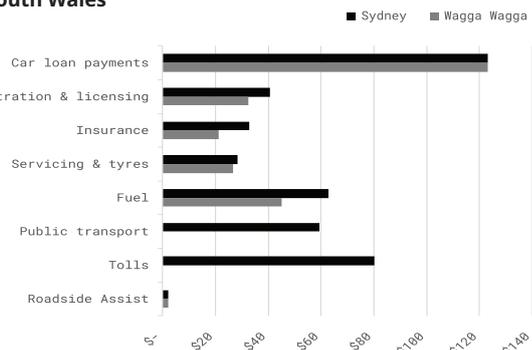
State	Q4	Q1	Q2	Q3	Q3 Ranking
NSW	\$2.12	\$2.12	\$2.12	\$2.12	1
VIC	\$1.92	\$1.92	\$1.92	\$2.02	4
QLD	\$1.71	\$1.71	\$1.71	\$1.83	↑6
WA	\$2.00	\$2.00	\$2.00	\$2.04	3
SA	\$1.87	\$1.87	\$1.87	\$1.90	↑5
TAS	\$2.06	\$2.06	\$2.06	\$2.10	2
NT	\$1.90	\$1.90	\$1.90	\$1.90	5
ACT	\$2.12	\$2.12	\$2.12	\$2.12	1
National Average	\$1.96	\$1.96	\$1.96	\$2.00	

Section Four

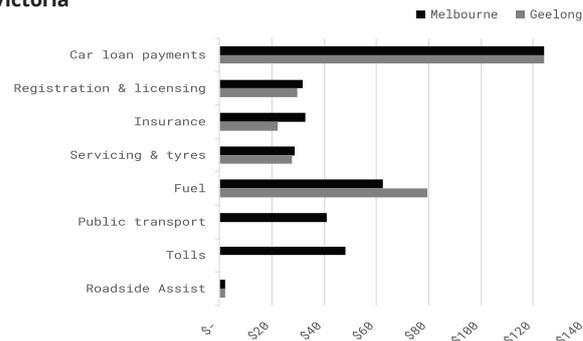
State by State Comparison

City vs Regional comparison by state

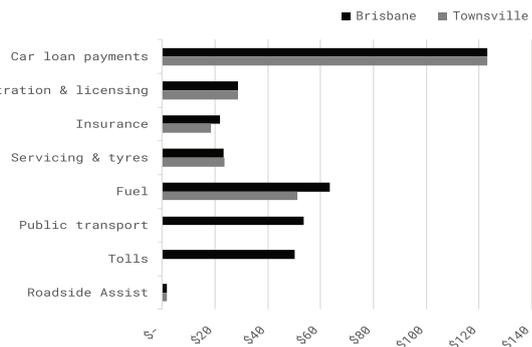
New South Wales



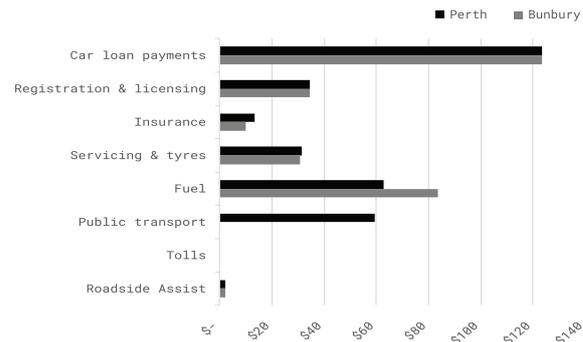
Victoria



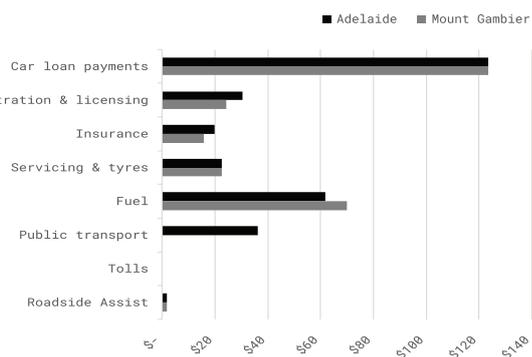
Queensland



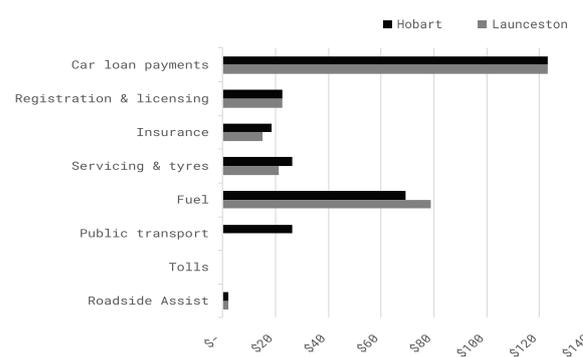
Western Australia



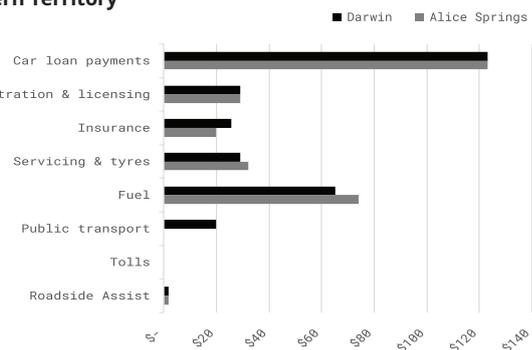
South Australia



Tasmania



Northern Territory



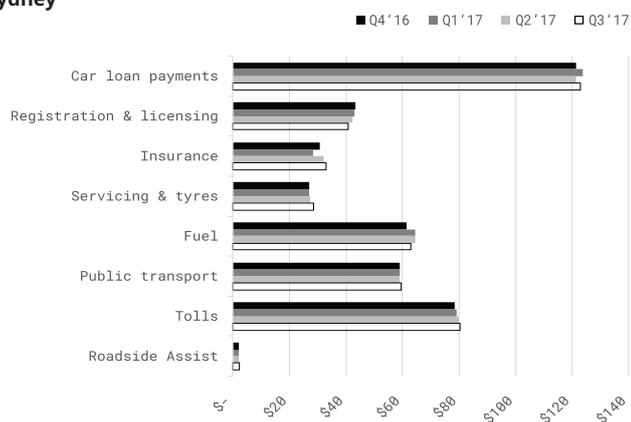
New South Wales weekly costs of transport

Sydney remains the most expensive capital city in Australia, in terms of total dollars (\$22,350) per year, however has become more affordable when transport is considered as a percentage of average income (15.5 per cent).

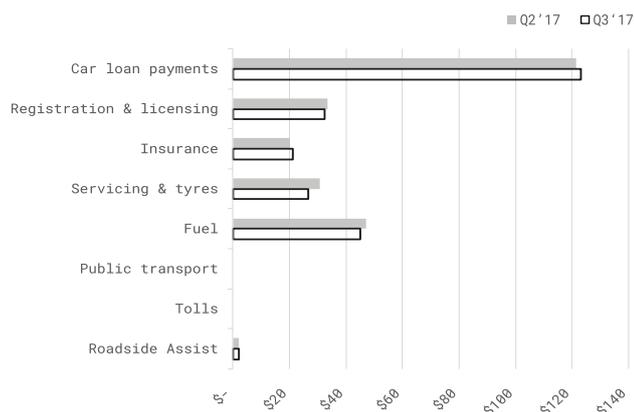
Costs increased for the September 2017 quarter by approximately \$81 per year. The cost of car loan payments, in particular, increased by a difference of \$93 per year for the city household. This was mainly due to an increase in the cost of purchasing a new vehicle since the last quarter. The cost of servicing and tyres also increased by around \$60 per year for the city household due to a revision of prices in the 2015-16 ABS Household Expenditure Survey (ABS HES). Other factors that increased this quarter were the cost of insurance, tolls and public transport.

There were a few cost categories that recorded decreases this quarter. The cost of fuel fell by \$87 per year for the household in Sydney. There was also a substantial reduction in CTP prices ahead of the New South Wales Government's Green Slip reforms, saving the family around \$78 per year.

Sydney



Wagga Wagga



Sydney costs are the highest in Australia in the categories of licensing, registration and CTP; comprehensive insurance; public transport; tolls; and roadside assistance. In contrast, car loan payments and cost of fuel remain relatively low in Sydney compared to other capital cities. This is mainly due to a competitive loan and fuel market.

The household in Wagga Wagga incurred lower costs of transport than the Sydney household at \$13,015 per year. Wagga Wagga is the most affordable region in Australia, when income is considered, with transport costs equivalent to 9.9 per cent of average income. The Wagga Wagga household faced similar trends in costs to Sydney with a decrease of about \$243 per year, however recorded a decrease in servicing tyres as opposed to an increase due to the ABS HES update, saving the family around \$215 per year. The household does not incur any costs for tolls and public transport due to low levels of usage in regional areas.

The household incurs slightly lower fuel costs than its city counterpart as BITRE data suggests that the family travels slightly less than the city household. This is despite the household paying higher prices for petrol, generally more than 5 cents per litre.

Sydney	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$121.49	\$123.86	\$121.31	\$123.10	1
Registration & licensing	\$43.49	\$43.03	\$42.24	\$40.75	5
Insurance	\$30.83	\$28.29	\$32.00	\$32.82	6
Servicing & tyres	\$27.07	\$27.13	\$27.24	\$28.39	7
Fuel	\$61.40	\$64.62	\$64.53	\$62.87	3
Public transport	\$59.04	\$59.04	\$59.04	\$59.49	4
Tolls	\$78.60	\$79.28	\$79.76	\$80.28	2
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	8
TOTAL	\$424.04	\$427.36	\$428.24	\$429.80	

Wagga Wagga	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	-	-	\$121.31	\$123.10	1
Registration & licensing	-	-	\$33.52	\$32.43	3
Insurance	-	-	\$20.19	\$21.09	5
Servicing & tyres	-	-	\$30.74	\$26.61	4
Fuel	-	-	\$47.07	\$44.95	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	-	\$2.12	\$2.12	6
TOTAL	-	-	\$254.96	\$250.29	

Victoria weekly costs of transport

In the September 2017 quarter, Melbourne became the second most expensive city for transport at \$19,307 per year, an increase on the previous quarter of \$591 per year. Transport costs, when expressed as a percentage of income were equivalent to 15.2 per cent.

The largest increase over the quarter relates to the cost of servicing and tyres at \$394 per year. The increase was in line with the release of the ABS HES and suggests that this cost category has increased considerably over the last five years. In addition, the cost of car loan payments and insurance have increased considerably since the last quarter. Other factors that increased this quarter were tolls, registration and licensing as well as costs of roadside assistance. The cost of fuel decreased slightly this quarter, while public transport fares remained constant.

Melbourne households incur the highest costs in Australia in the category of car loan payments, while cost of fuel remains relatively affordable compared to other capital cities. At yearly costs of \$14,839, Geelong is more affordable than its capital city counterpart, Melbourne. Despite this, Geelong is the most expensive location when compared to

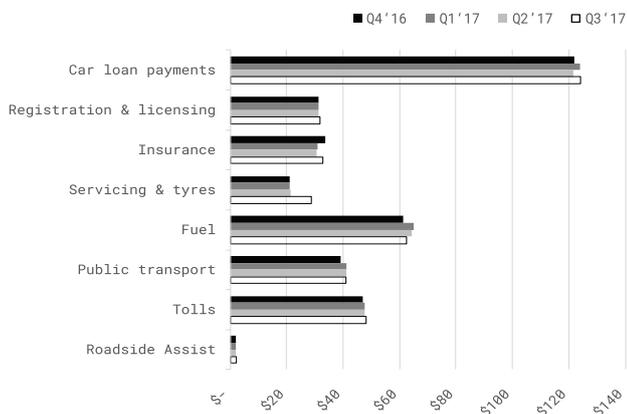
other regional centres in Australia. Geelong is slightly more affordable than other regional cities when income is taken into consideration, with transport costs equivalent to 12.1 per cent of average income.

The Geelong household recorded an increase of \$409 per year since the previous quarter. This is largely attributed to the increase in the cost of servicing and tyres as reported in the recent ABS HES. As a result of the changes, households in Geelong pay an additional \$267 per year in the cost of vehicle servicing and tyres.

The cost of fuel fell slightly over the quarter, however remains expensive compared to Melbourne. The difference in the costs incurred by the city and regional household is explained by the regional household travelling greater distances and subsequently paying higher costs for fuel.

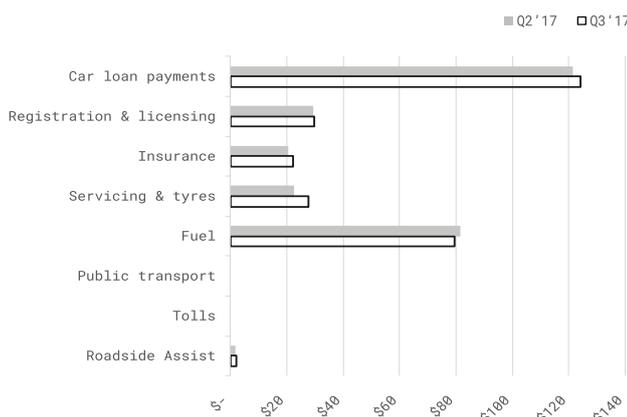
Regionally, Geelong is the most expensive location in Australia in terms of car loan payments and comprehensive insurance. Geelong also remains relatively expensive for fuel compared to other regions in Australia.

Melbourne



Melbourne	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$121.89	\$124.13	\$121.59	\$124.04	1
Registration & licensing	\$31.28	\$31.28	\$31.30	\$31.82	↓6
Insurance	\$33.80	\$30.99	\$30.54	\$32.73	↑5
Servicing & tyres	\$21.10	\$21.14	\$21.31	\$28.88	7
Fuel	\$61.40	\$64.90	\$64.45	\$62.59	2
Public transport	\$39.00	\$41.00	\$41.00	\$41.00	4
Tolls	\$46.80	\$47.60	\$47.80	\$48.20	3
Roadside Assist	\$1.92	\$1.92	\$1.92	\$2.02	8
TOTAL	\$357.21	\$362.97	\$359.92	\$371.29	

Geelong



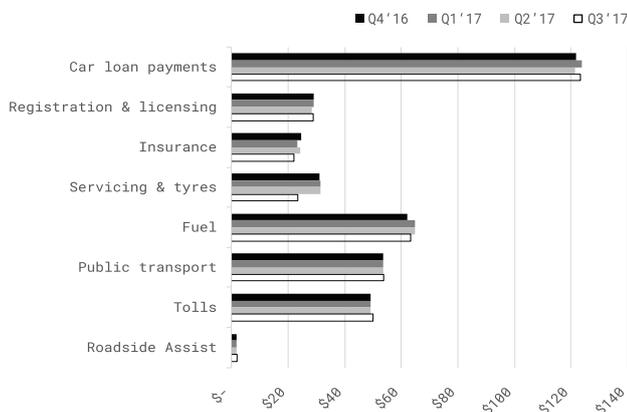
Geelong	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	-	-	\$121.59	\$124.04	1
Registration & licensing	-	-	\$29.32	\$29.79	3
Insurance	-	-	\$20.61	\$22.32	5
Servicing & tyres	-	-	\$22.51	\$27.65	4
Fuel	-	-	\$81.54	\$79.56	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	-	\$1.92	\$2.02	6
TOTAL	-	-	\$277.50	\$285.37	

Queensland weekly costs of transport

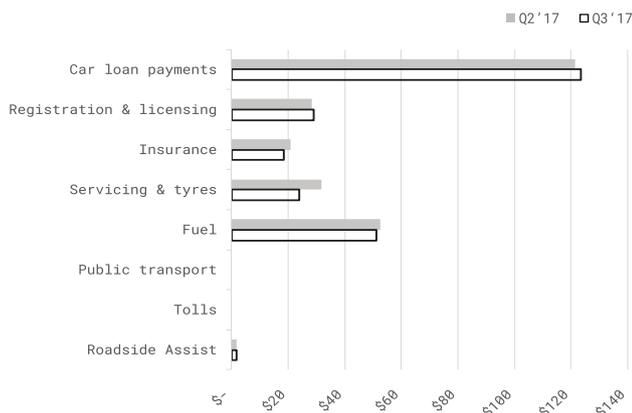
Brisbane had the third highest transport costs this quarter, equivalent to \$19,067 per year in total dollar terms, a decrease of \$426 over the quarter. While this represents a cost decrease from the previous quarter, Brisbane now surpasses Sydney as the most expensive city when average income is taken into consideration at 16.1 per cent.

This change was primarily due to the release of the ABS HES, which recorded a significant decrease in the cost of vehicle servicing and tyres for the Brisbane household. The cost of insurance, and fuel also fell this quarter, which attributes for the overall decrease in transport costs. Increases were recorded in car loan payments; registration and licensing fees; tolls and roadside assistance. Ranking of expenses for the Brisbane hypothetical household remain largely unchanged since the previous quarter, with the exception of registration and licensing, which has moved up by one ranking.

Brisbane



Townsville



The Townsville household pays \$12,865 per year in transport costs, a decrease of more than \$484 a year, which makes it the most affordable regional location in Australia. Townsville spends less than its capital city counterpart when transport costs are expressed as a percentage of average income (11.3 per cent). The cost trends in Townsville largely followed Brisbane, with the largest decrease recorded in the cost of vehicle servicing and tyres, as reported in the ABS HES. Car loan payments, registration and licensing, and roadside assistance costs increased in line with Brisbane.

The household does not incur any costs for tolls and public transport due to low levels of usage in regional areas. The household also incurs slightly lower fuel costs as BITRE data suggests that the family travels slightly less than the city household. Compared to other regions, Townsville is relatively inexpensive in terms of vehicle registration and licensing; vehicle servicing and tyres; fuel; and roadside assistance. The ranking of expenses for Townsville remained largely static this quarter, with the exception of servicing and tyres, which fell by one ranking due to substantially reduced costs.

Brisbane	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$121.64	\$123.80	\$121.35	\$123.28	1
Registration & licensing	\$29.00	\$29.00	\$28.38	\$28.88	↑5
Insurance	\$24.56	\$23.42	\$24.29	\$22.09	7
Servicing & tyres	\$31.22	\$31.37	\$31.36	\$23.32	↓6
Fuel	\$62.19	\$64.97	\$64.83	\$63.44	2
Public transport	\$53.64	\$53.64	\$53.64	\$53.64	3
Tolls	\$49.30	\$49.30	\$49.30	\$50.20	4
Roadside Assist	\$1.71	\$1.71	\$1.71	\$1.83	8
TOTAL	\$373.26	\$377.20	\$374.85	\$366.67	

Townsville	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	-	-	\$121.35	\$123.28	1
Registration & licensing	-	-	\$28.38	\$28.88	↑3
Insurance	-	-	\$20.87	\$18.55	5
Servicing & tyres	-	-	\$31.87	\$23.78	↓4
Fuel	-	-	\$52.54	\$51.09	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	-	\$1.71	\$1.83	6
TOTAL	-	-	\$256.72	\$247.40	

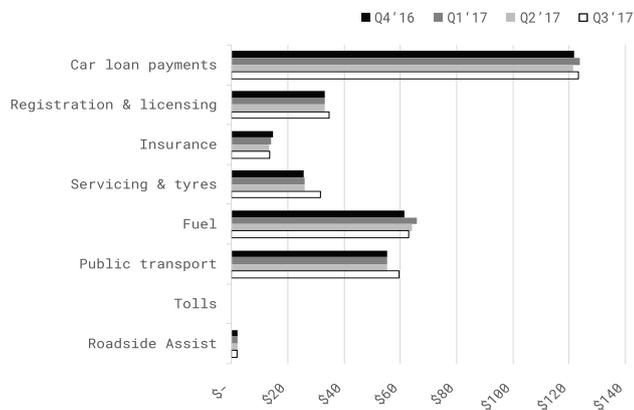
Western Australia weekly costs of transport

Perth remained the fourth most expensive of the eight capital cities this quarter, with yearly transport costs equivalent to \$17,023, a significant increase of \$619 per year on the previous quarter. Perth also recorded an increase in transport costs as a percentage of income from 10.5 per cent to 13.1 per cent due to a decrease in weekly earnings.

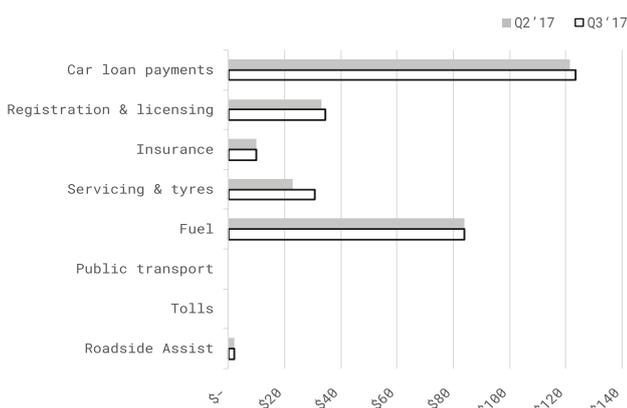
The rise in costs was driven by an increase in all categories except fuel. The cost of servicing and tyres increased by a difference of \$293 per annum, due to the release of the latest ABS HES. Public transport also increased by \$213 due to a 1.8 per cent increase in public transport fares.

The WA Government increased vehicle licence fees by more than 5 per cent, and motor injury insurance fees by 2.8 per cent, resulting in the Perth household spending \$72 more on registration and licensing. Despite some increases this quarter, Perth remains the cheapest city in Australia for comprehensive insurance.

Perth



Bunbury



In the Bunbury household, the cost of transport was \$14,797 per year. While this cost is affordable when compared to Perth, Bunbury is the second most expensive region in Australia. As a percentage of income, Bunbury households spend 12.2 per cent of average income on transport and is the fourth most expensive region in Australia.

Bunbury recorded a significant increase in costs over the quarter of \$579. This is primarily due to vehicle servicing and tyres costs, and the increase in government fees and charges. The cost of car loan payments, registration and licensing, insurance, and roadside assistance increased this quarter. Fuel prices fell slightly, however fuel was more expensive in Bunbury due to greater distances travelled and higher costs for petrol per litre. Bunbury was relatively expensive compared to other regions in Australia for vehicle registration and licensing; servicing and tyres; and fuel. However, Bunbury was the most affordable for insurance. The household does not incur any costs for tolls and public transport due to low levels of usage in regional area.

Perth	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$121.64	\$123.69	\$121.33	\$123.33	1
Registration & licensing	\$33.23	\$33.23	\$33.23	\$34.61	4
Insurance	\$14.62	\$14.09	\$13.41	\$13.47	6
Servicing & tyres	\$25.77	\$25.81	\$25.92	\$31.56	5
Fuel	\$61.26	\$65.82	\$64.25	\$62.95	2
Public transport	\$55.30	\$55.30	\$55.30	\$59.40	3
Tolls	-	-	-	-	-
Roadside Assist	\$2.00	\$2.00	\$2.00	\$2.04	7
TOTAL	\$313.84	\$319.94	\$315.46	\$327.36	

Bunbury	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	-	-	\$121.33	\$123.33	1
Registration & licensing	-	-	\$33.23	\$34.61	3
Insurance	-	-	\$9.97	\$10.10	5
Servicing & tyres	-	-	\$22.94	\$30.71	4
Fuel	-	-	\$83.94	\$83.77	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	-	\$2.00	\$2.04	6
TOTAL	-	-	\$273.42	\$284.56	

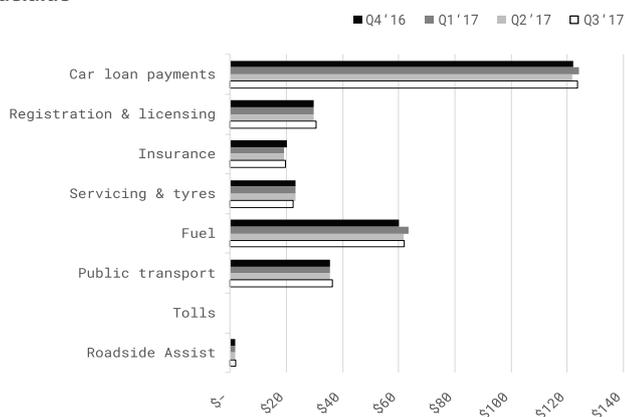
South Australia weekly costs of transport

In total dollar terms, Adelaide is the fifth most expensive city in Australia, with transport costs equivalent to \$15,405 per year, an increase of \$166 per year from the previous quarter. Adelaide is slightly cheaper when income is taken into consideration, and becomes the third most affordable city in Australia, with transport costs equivalent to 12.9 per cent of average income, a decrease from the 13.2 per cent recorded in the previous quarter. The rise is largely attributed to an increase in the cost of car loan payments, increasing total costs by \$101 per year. Public transport also increased this quarter by a difference of \$42 per year. This was due to an increase in public transport fares, effective from July 2017. Other increases were recorded in the cost of registration and licensing; insurance; and roadside assistance.

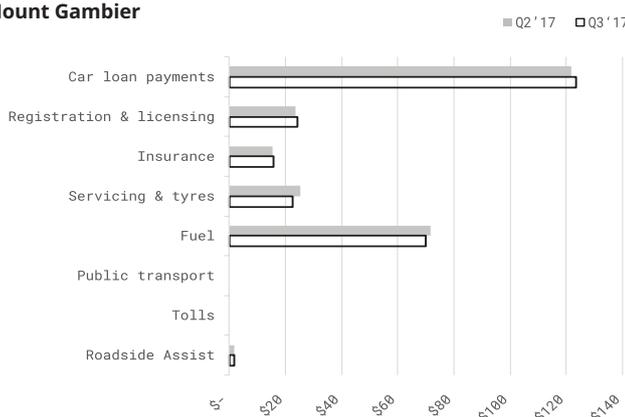
Adelaide is the most affordable city in Australia for vehicle servicing and tyres, as well as fuel.

In total dollar terms, at \$13,420 per year, the Mount Gambier household faces lower transport costs than its capital city counterpart. However, Mount Gambier is the second most expensive region in Australia when transport costs are considered as a percentage of average income (12.6 per cent).

Adelaide



Mount Gambier



Mount Gambier recorded a decrease in costs this quarter, which represents a saving of around \$68 per year. The cost reduction was primarily due to updates for vehicle servicing and tyre prices in the ABS HES. There was also a slight reduction in the price of fuel, however fuel costs remained to be more expensive for the Mount Gambier household than the household in Adelaide.

Compared to Adelaide, Mount Gambier has a relatively lower cost of registration and licensing, as well as insurance. The hypothetical household also does not incur any costs for public transport due to low levels of usage in the regional area.

Compared to other regional households, Mount Gambier is relatively expensive for car loan payments, and relatively affordable in terms of vehicle registration; comprehensive insurance; servicing and tyres; fuel; and roadside assistance.

Adelaide	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$121.94	\$124.14	\$121.64	\$123.58	1
Registration & licensing	\$29.85	\$29.85	\$29.85	\$30.45	4
Insurance	\$20.27	\$19.13	\$19.13	\$19.71	6
Servicing & tyres	\$23.18	\$23.30	\$23.26	\$22.48	5
Fuel	\$60.07	\$63.43	\$61.92	\$61.92	2
Public transport	\$35.40	\$35.40	\$35.40	\$36.20	3
Tolls	-	-	-	-	-
Roadside Assist	\$1.87	\$1.87	\$1.87	\$1.90	7
TOTAL	\$292.58	\$297.12	\$293.06	\$296.25	

Mount Gambier	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	-	-	\$121.64	\$123.58	1
Registration & licensing	-	-	\$23.73	\$24.18	↑3
Insurance	-	-	\$15.31	\$15.79	5
Servicing & tyres	-	-	\$25.24	\$22.57	↓4
Fuel	-	-	\$71.60	\$70.06	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	-	\$1.87	\$1.90	6
TOTAL	-	-	\$259.39	\$258.07	

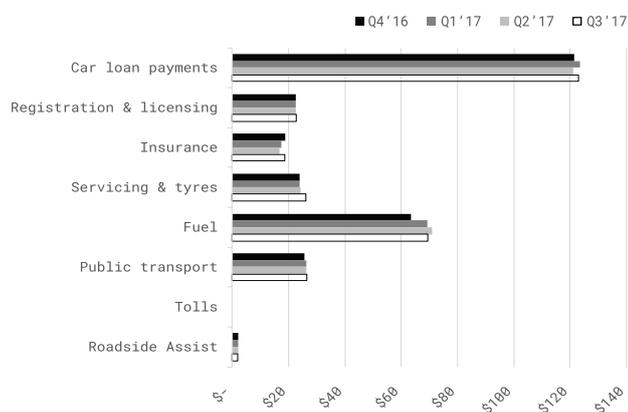
Tasmania weekly costs of transport

In total dollar terms, Hobart recorded the lowest city household transport costs at \$15,002 per year, an increase of \$221 per year on the previous quarter. However, Hobart also has the lowest average earnings of any capital city which equates to 16.1 per cent when transport is represented as a share of income. Under this metric, Hobart has moved from being the third to the second most expensive city for transport behind Brisbane.

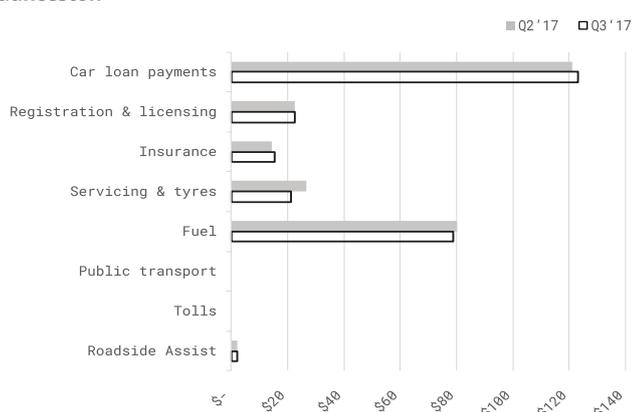
The increase was primarily driven by an increase in the cost of servicing and tyres, which increased by \$101 per year. The city household paid an additional \$97 and \$95 on car loan payments and insurance, respectively. Public transport prices remained unchanged from the previous quarter, while fuel prices decreased slightly.

Launceston households incurred transport costs equivalent to \$13,676 per year in total dollar terms, a decrease of approximately \$200 per year. This is due to a cost reduction equivalent of \$282 per year in servicing and tyres due to the updated ABS HES data, which contrasts with the increase in costs for this category for the Hobart household.

Hobart



Launceston



The cost of car loan payments, insurance, registration and roadside assistance increased this quarter, however were offset by the reduction in servicing and tyres, as well as fuel.

Launceston is the most expensive region in Australia when transport costs are considered with respect to average income at 16.2 per cent. Under this metric the Launceston household spends more on transport than any other capital city or region in Australia. This may be explained by the fact that Launceston has the lowest average earnings of any capital city or region in Australia. Fuel remained expensive in Launceston compared to the city household due to the differences in distances travelled, and the cost of petrol per litre.

Like other regional cities, Launceston's most expensive costs were car loan repayments, fuel, servicing and tyres and registration and licensing. Launceston was relatively expensive compared to other regional centres for fuel. On the other hand, Launceston was the most affordable in terms of car loan payments, vehicle registration, and servicing and tyres costs.

	Hobart	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$121.44	\$123.48	\$121.13	\$123.00		1
Registration & licensing	\$22.49	\$22.49	\$22.49	\$22.65		5
Insurance	\$18.73	\$17.61	\$16.80	\$18.63		6
Servicing & tyres	\$24.01	\$24.08	\$24.34	\$26.28		4
Fuel	\$63.35	\$69.23	\$71.04	\$69.44		2
Public transport	\$25.60	\$26.40	\$26.40	\$26.40		3
Tolls	-	-	-	-		-
Roadside Assist	\$2.06	\$2.06	\$2.06	\$2.10		7
TOTAL	\$277.67	\$285.34	\$284.25	\$288.49		

	Launceston	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	-	-	\$121.13	\$123.00		1
Registration & licensing	-	-	\$22.49	\$22.65		↑3
Insurance	-	-	\$14.27	\$15.24		5
Servicing & tyres	-	-	\$26.62	\$21.20		↓4
Fuel	-	-	\$80.28	\$78.81		2
Public transport	-	-	-	-		-
Tolls	-	-	-	-		-
Roadside Assist	-	-	\$2.06	\$2.10		6
TOTAL	-	-	\$266.84	\$263.00		

Northern Territory weekly costs of transport

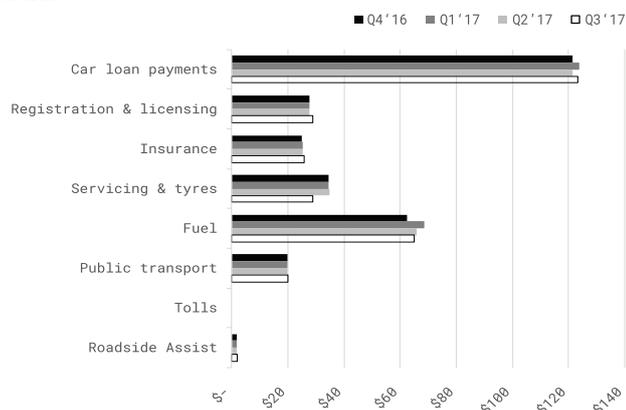
In total dollar terms, Darwin has the second lowest household transport costs of the capital cities at \$15,289 a decrease of \$154 per year on the previous quarter. This is equivalent to 12.4 per cent of average income. Under each metric, Darwin ranks the second most affordable capital city for household transport in Australia.

The reduction was primarily due to the revised cost of servicing and tyres in the ABS HES, saving the family \$298 per year. The lower cost of servicing and tyres may be indicative of increased competition in the Northern Territory market over the last five years. Additionally, fuel prices fell marginally this quarter by a difference of \$45 per year.

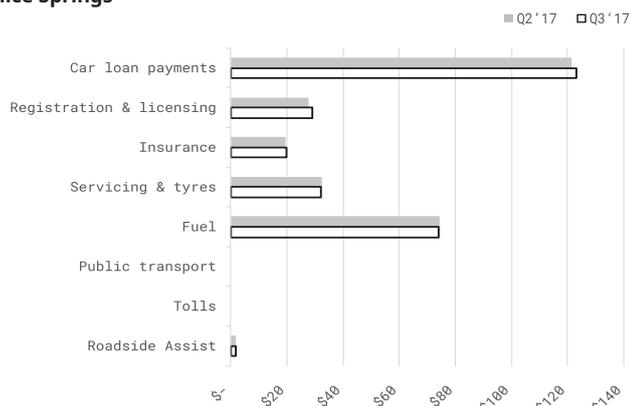
Ranking of expenses for the Darwin household remained largely unchanged, with the exception of servicing and tyres, which moved down one ranking.

Darwin ranked as the second most expensive city for fuel, however has relatively low costs for car loan payments and vehicle registration, licensing and CTP. Darwin remains the most affordable city in Australia for public transport.

Darwin



Alice Springs



In Alice Springs, transport costs were equivalent to \$14,567 per year, an increase of \$149 per year on the previous quarter. While this is lower than the costs incurred by the city household, Alice Springs households spend relatively more on transport when income is taken into consideration at 12.5 per cent. This is likely due to the lower average incomes in Alice Springs.

The increase was mainly attributable to the cost of car loan payments, registration and licensing, and insurance. The cost of car loan payments increased by a difference of \$101 per year, while registration and licensing costs increased by \$66 for the regional household. There was a slight reduction in the cost of servicing and tyres, as well as fuel.

Fuel remained expensive for the Alice Springs household compared to the city household. This was due to the differences in distances travelled, and higher cost of petrol per litre.

Only insurance was relatively cheaper for the Alice Springs household than the Darwin household. Alice Springs was the most expensive region in Australia for servicing and tyres. Ranking of expenses remained unchanged this quarter for the regional household.

Darwin	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$121.56	\$123.66	\$121.27	\$123.22	1
Registration & licensing	\$27.73	\$27.73	\$27.73	\$29.00	↑3
Insurance	\$25.01	\$25.37	\$25.36	\$25.78	5
Servicing & tyres	\$34.62	\$34.63	\$34.74	\$29.00	↓4
Fuel	\$62.45	\$68.65	\$65.98	\$65.11	2
Public transport	\$20.00	\$20.00	\$20.00	\$20.00	6
Tolls	-	-	-	-	-
Roadside Assist	\$1.90	\$1.90	\$1.90	\$1.90	7
TOTAL	\$293.28	\$301.94	\$296.98	\$294.01	

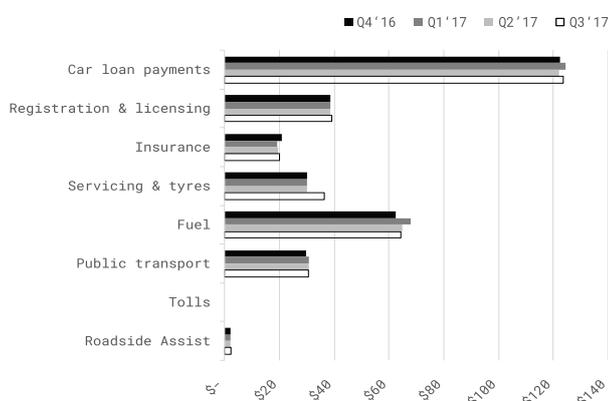
Alice Springs	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	-	-	\$121.27	\$123.22	1
Registration & licensing	-	-	\$27.73	\$29.00	4
Insurance	-	-	\$19.38	\$19.96	5
Servicing & tyres	-	-	\$32.53	\$32.07	3
Fuel	-	-	\$74.50	\$74.00	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	-	\$1.90	\$1.90	6
TOTAL	-	-	\$277.31	\$280.17	

ACT weekly costs of transport

In total dollar terms, Canberra has the fifth highest or fourth lowest household transport costs compared to any other capital city in Australia at \$16,440 per year, an increase of \$431 on the previous quarter. This is equivalent to 12.1 per cent, when expressed as a percentage of average income. Under this metric, Canberra is the most affordable capital city in Australia. This is likely due to the fact that median income is relatively high in Canberra compared to any other capital cities nationwide.

The largest increase over the quarter was in the cost of servicing and tyres, which increased by a difference of \$326 per year as a result of the ABS HES updates this quarter. Other factors contributing to the change were the increases in the cost of car loan payments; registration and licensing; and comprehensive insurance.

Canberra



The cost of public transport and roadside assistance remained static this quarter, with fuel prices dropping slightly by a difference of \$26 per year

The ranking of expenses changed minimally, as the cost of servicing and tyres became more expensive. However, Canberra has become the most expensive city in Australia for servicing and tyres. The cost of car loan payments, vehicle registration and licensing, and fuel costs are relatively high, whereas public transport costs are relatively low in comparison to other cities.

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	Q4	Q1	Q2	Q3	Q3 Ranking
Car loan payments	\$122.50	\$124.54	\$122.19	\$123.59	1
Registration & licensing	\$38.41	\$38.41	\$38.41	\$38.97	3
Insurance	\$20.82	\$19.18	\$19.52	\$20.06	6
Servicing & tyres	\$29.98	\$29.97	\$30.09	\$36.37	↑4
Fuel	\$62.50	\$67.76	\$64.94	\$64.44	2
Public transport	\$29.80	\$30.60	\$30.60	\$30.60	↓5
Tolls	-	-	-	-	-
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	7
TOTAL	\$306.12	\$312.57	\$307.86	\$316.15	

Endnotes

- 1 WA Government Media Statement: <https://www.mediastatements.wa.gov.au/Pages/McGowan/2017/06/Tariffs-fees-and-charges-to-assist-in-budget-repair.aspx>
- 2 NSW Government Media Statement: [https://www.sira.nsw.gov.au/news/media-release/best-price-green-slips-set-to-drop-below-\\$600-from-1-july](https://www.sira.nsw.gov.au/news/media-release/best-price-green-slips-set-to-drop-below-$600-from-1-july)
- 3 BITRE, 2015, 'Australia's Commuting Distance: Cities and Regions,' https://bitre.gov.au/publications/2015/files/is_073.pdf
- 4 WA Government media release: <https://www.mediastatements.wa.gov.au/Pages/McGowan/2017/06/Tariffs-fees-and-charges-to-assist-in-budget-repair.aspx>

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