



TRANSPORT AFFORDABILITY INDEX



Australian
Automobile
Association



SGS
Economics
& Planning

Report - December 2016



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Foreword

Transport Affordability Index: December 2016

The Australian Automobile Association's (AAA) third edition of the Transport Affordability Index shows that average household transport costs across Australia's capital cities increased again over the fourth quarter of 2016.

The average family in Australia is now paying \$17,147 a year on household transport, an annual increase of more than \$250 on the previous quarter. At the most expensive end, the average family in Sydney is paying \$22,050, while the annual cost of transport is lowest in Hobart at \$14,439.

Nationally, average household transport costs as a percentage of income increased slightly over the quarter from 13.4 to 13.6 per cent. In comparison, according to the Australian Bureau of Statistics (ABS), household expenses relating to electricity and gas consume a far smaller share of that budget, ordinarily around one to three per cent¹.

The largest increases occurred in Sydney and Melbourne at \$397 and \$519 respectively per year. In both cases, the greatest increases in any single category were in fuel.

Brisbane was the only city for which transport costs decreased. The decrease can be wholly accounted for by a reduction in public transport costs through a major change to zoning and fare structures².

As household transport costs continue to increase for families across Australia, the AAA is calling for a renewed focus from all levels of Government on reducing the cost of taxes and charges, which totalled almost \$29 billion in 2014-15. The continued rise in transport costs serve as a reminder that families are already under significant pressure from transport costs.

The AAA's 2017-18 pre-Budget submission called for the Australian Government to implement policies that address the increasing cost of transport and its impact on family budgets and economic mobility. Government policy must be designed and reviewed to minimise the cost to consumers and, in this regard, the AAA calls for the Government to remove import taxes – originally designed to support Australia's automotive manufacturing sector. Not only will the continuation of these taxes cause Australians to pay an extra \$5 billion for new vehicles over the forward estimates, they will also restrict the uptake of vehicle technologies needed to improve safety and environmental performance.

In addition to taxes and charges, Australians also face a range of other expenses including loan repayments, insurance, servicing costs, fuel costs, public transport and increasingly, road tolls.

The AAA will continue to update the Transport Affordability Index to ensure households are better able to make informed decisions about where their money is spent, and policymakers are held to account for the impact their decisions have on households across Australia.



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. It provides a snapshot of the costs of transport for typical households in Australia's capital cities, including public transport costs and costs associated with car use. This Index will be regularly updated to show how transport costs move over time relative to incomes. The baseline is quarter one (January to March) 2016.

The Index is based on the incomes and transport costs of a hypothetical household in each capital city. 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 identical across cities to allow for ready comparison.

The hypothetical household

The hypothetical household in each capital city is a couple with children, the most common type of household in Australia. 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.

A typical Australian passenger vehicle is driven 13,800 kilometres per year, and is 9.8 years old. Correspondingly, 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 (less than three years old), purchased new 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.

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.

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.

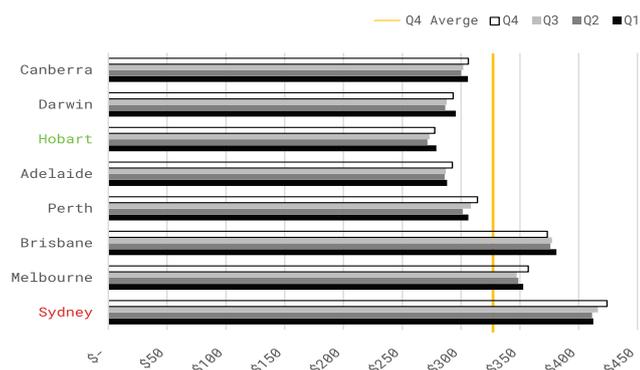
Finally, the Index seeks to compare the affordability of household transport costs across Australia by comparing them with an estimate of the median weekly income of the hypothetical household. Total household transport costs in each city are compared with the average income of a typical family in that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

Section Two

Summary of Results

Household total weekly transport costs



Q4 Ranking	City	Q1	Q2	Q3	Q4
5	Canberra	\$305.80	\$299.89	\$301.85	\$306.12
6	Darwin	\$295.43	\$286.56	\$287.74	\$293.28
8	Hobart	\$279.02	\$271.46	\$273.02	\$277.67
7	Adelaide	\$288.07	\$285.94	\$287.12	\$292.58
4	Perth	\$306.16	\$301.35	\$308.43	\$313.84
2	Brisbane	\$380.99	\$375.92	\$377.21	\$373.26
3	Melbourne	\$352.80	\$348.77	\$347.23	\$357.21
1	Sydney	\$412.39	\$411.34	\$416.41	\$424.04
	National Average	\$327.58	\$322.65	\$324.88	\$329.75

The third edition of the Transport Affordability Index, which includes four consecutive quarters of data, finds that overall, national average transport costs have increased between the third and fourth quarters of 2016. 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.

Nationally, the annual cost of household transport increased over the quarter by over \$250 for the average household. The largest increases

occurred in Sydney and Melbourne. In both cases, the greatest increases in any single category were in fuel.

Brisbane was the only capital city to experience a decrease in total costs over the quarter. Following the implementation of a new fare and zoning structure, public transport costs in Brisbane fell by more than \$600 per year for the hypothetical family. This decrease was, however, accompanied by increases in other categories.

Household total annual transport costs

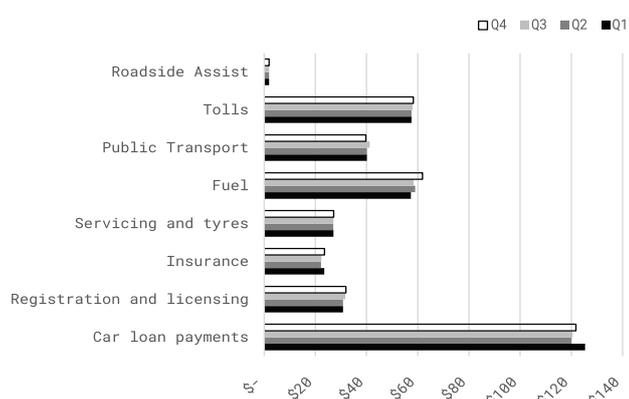
Q4 Ranking	City	Q3	Q4	Change
5	Canberra	\$15,696.16	\$15,918.06	\$221.89
6	Darwin	\$14,962.38	\$15,250.37	\$287.99
8	Hobart	\$14,197.07	\$14,438.71	\$241.64
7	Adelaide	\$14,930.21	\$15,213.99	\$283.78
4	Perth	\$16,038.41	\$16,319.45	\$281.04
2	Brisbane	\$19,614.76	\$19,409.29	-\$205.47
3	Melbourne	\$18,056.11	\$18,574.67	\$518.57
1	Sydney	\$21,653.29	\$22,050.30	\$397.01
	National	\$16,893.55	\$17,146.86	\$253.31

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 \$2,680 a year, an increase on the previous quarter.

Annual transport costs	Q3 2016	Q4 2016	Change
Fuel excise	\$1,021.68	\$1,021.68	\$0
Registration, CTP and licensing	\$1,647.15	\$1,660.62	\$13.46
Household total	\$2,668.83	\$2,682.30	\$13.46

A typical two-car Sydney household faces weekly transport costs of \$424 — or \$22,050 per year — ahead of Brisbane and then Melbourne at \$19,409 and \$18,575 per year respectively. Tolls contribute heavily to the weekly transport costs of families in these three cities. 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.

Household Average weekly expenses



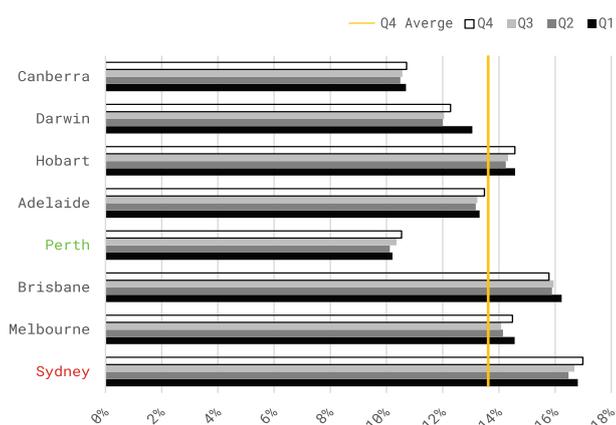
Q4 Ranking	Expenses	Q1	Q2	Q3	Q4
8	Roadside Assist	\$1.96	\$1.96	\$1.96	\$1.96
3	Tolls	\$57.51	\$57.51	\$57.97	\$58.23
4	Public Transport	\$40.09	\$40.09	\$41.20	\$39.72
2	Fuel	\$57.32	\$59.01	\$58.32	\$61.83
6	Servicing and tyres	\$27.04	\$26.96	\$27.08	\$27.12
7	Insurance	\$23.48	\$22.24	\$22.37	\$23.58
5	Registration & licensing	\$30.80	\$30.82	\$31.68	\$31.93
1	Car loan payments	\$125.33	\$120.02	\$120.53	\$121.76

Increases in average fuel prices across Australia have contributed the most to the overall rise. However, the increase in fuel prices follows a period of relatively low fuel prices in the July to August period; the increase should therefore be understood in the context of a relatively low starting point. While the significant decrease in public transport costs in Brisbane caused a corresponding decrease in the national average for that category, it was not large enough to offset the overall upward trend in costs.

Car loans continue to make up the largest share of transport costs for the hypothetical household. Although interest rates remained constant in all capital cities, car loan repayments increased due to higher purchase prices.

Lower income, lower density cities such as Darwin, Adelaide and Hobart have relatively low transport costs, at \$15,250, \$15,214 and \$14,439 per year respectively. In these cities, public transport, driver's licence fees and vehicle registration are all relatively less expensive.

Household total transport costs as a share of income



Q4 Ranking	State	Q1	Q2	Q3	Q4
7	Canberra	10.69%	10.50%	10.56%	10.71%
6	Darwin	13.05%	12.00%	12.05%	12.28%
3	Hobart	14.57%	14.24%	14.33%	14.57%
5	Adelaide	13.31%	13.17%	13.23%	13.48%
8	Perth	10.21%	10.12%	10.35%	10.54%
2	Brisbane	16.23%	15.89%	15.94%	15.78%
4	Melbourne	14.56%	14.14%	14.08%	14.48%
1	Sydney	16.81%	16.48%	16.68%	16.99%
	National Average	13.68%	13.32%	13.40%	13.60%

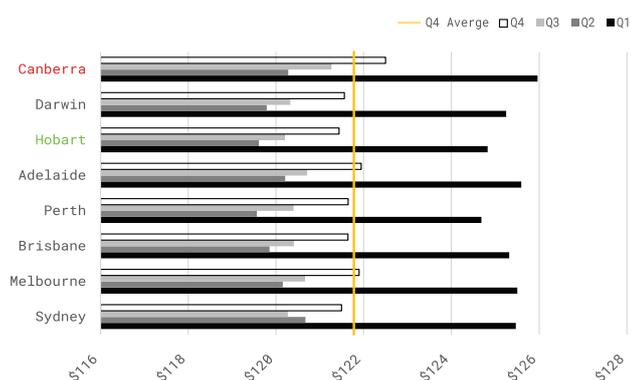
The average cost of transport as a percentage of income for Australian households has risen over two consecutive quarters, and is now at 13.6 per cent. Higher incomes in certain capital cities means that, on average, transport is more affordable, while lower incomes imply the opposite relationship. For example, although Hobart has the least expensive total transport costs of \$278 per week, when this cost is scaled by average household income, Hobart becomes the third most expensive city.

In high income cities of Perth and Canberra, transport costs take the lowest share of total income compared to other capitals, at around only 11 per cent. This figure is significant when compared to costs in Sydney, where 17 per cent of income is spent on transport. In Brisbane 16 per cent of income is spent on transport.

Section Three

Detailed Results

Household weekly car loan payment costs



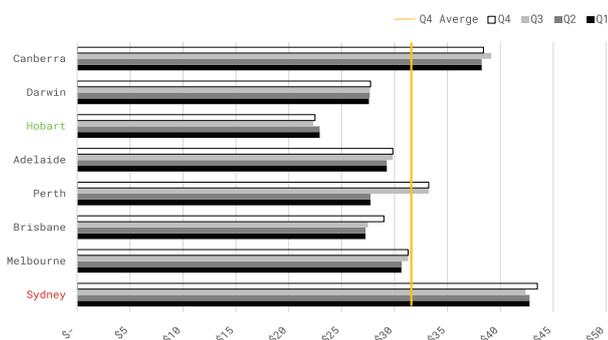
Q4 Ranking	City	Q1	Q2	Q3	Q4
1	Canberra	\$125.96	\$120.28	\$121.27	\$122.50
6	Darwin	\$125.25	\$119.79	\$120.33	\$121.56
8	Hobart	\$124.83	\$119.61	\$120.21	\$121.44
2	Adelaide	\$125.59	\$120.21	\$120.71	\$121.94
4	Perth	\$124.68	\$119.56	\$120.40	\$121.64
5	Brisbane	\$125.32	\$119.85	\$120.41	\$121.64
3	Melbourne	\$125.50	\$120.15	\$120.66	\$121.89
7	Sydney	\$125.47	\$120.67	\$120.27	\$121.49
	National Average	\$125.33	\$120.02	\$120.53	\$121.76

There was a marginal increase in the cost of loan repayments due to slightly higher purchase prices for the top ten selling cars.

Hobart was the cheapest city to take out a loan for a new car due to relatively low upfront purchase costs, but only marginally.

Canberra and Adelaide have slightly higher costs of servicing a car loan due to higher upfront purchasing costs. Perth recorded the highest increase over the quarter in this category, with costs increasing by almost \$65 a year.

Household weekly registration, CTP & driver's licence costs

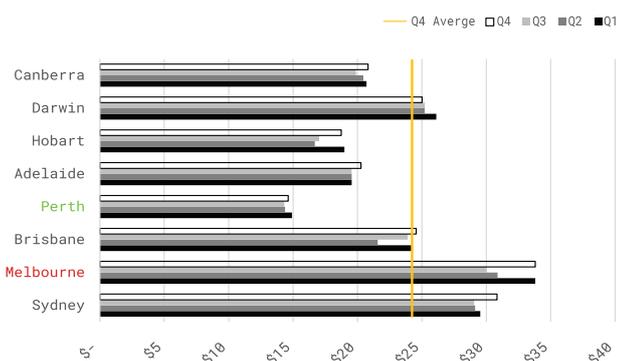


Q4 Ranking	City	Q1	Q2	Q3	Q4
2	Canberra	\$38.24	\$38.24	\$39.14	\$38.41
7	Darwin	\$27.58	\$27.67	\$27.69	\$27.73
8	Hobart	\$22.93	\$22.93	\$22.32	\$22.49
5	Adelaide	\$29.27	\$29.27	\$29.85	\$29.85
3	Perth	\$27.73	\$27.73	\$33.23	\$33.23
6	Brisbane	\$27.26	\$27.26	\$27.50	\$29.00
4	Melbourne	\$30.65	\$30.69	\$31.28	\$31.28
1	Sydney	\$42.77	\$42.77	\$42.39	\$43.49
	National Average	\$30.80	\$30.82	\$31.68	\$31.93

Sydney remains the city with the highest vehicle registration, Compulsory Third Party (CTP) insurance and driver's licensing costs. Costs fell slightly in Canberra, while all other cities remained constant or recorded increases. Brisbane recorded the greatest yearly increase of \$78 for this category, largely due to an increase in costs for registering both the old and new car.

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

Household weekly comprehensive insurance costs

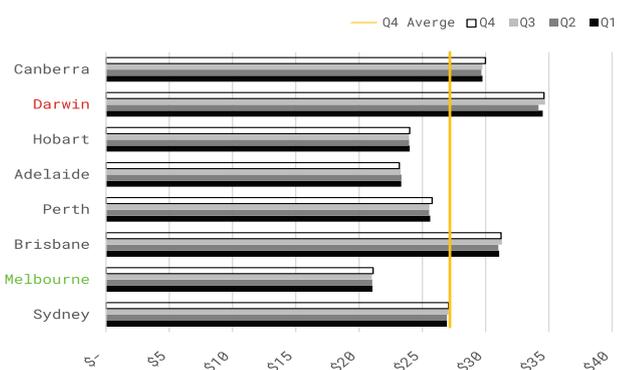


The average weekly cost of comprehensive car insurance for both the new and older car, in the reference household, recorded a marginal increase over the quarter in all capital cities except Darwin.

Q4 Ranking	City	Q1	Q2	Q3	Q4
5	Canberra	\$20.70	\$20.45	\$19.89	\$20.82
3	Darwin	\$26.12	\$25.22	\$25.24	\$25.01
7	Hobart	\$18.98	\$16.69	\$17.02	\$18.73
6	Adelaide	\$19.56	\$19.56	\$19.56	\$20.27
8	Perth	\$14.91	\$14.37	\$14.32	\$14.62
4	Brisbane	\$24.24	\$21.57	\$23.90	\$24.56
1	Melbourne	\$33.80	\$30.88	\$30.02	\$33.80
2	Sydney	\$29.54	\$29.14	\$29.06	\$30.83
	National Average	\$23.48	\$22.24	\$22.37	\$23.58

Perth remains the cheapest city to insure a car, at less than half the Melbourne cost, the most expensive city for insurance. The Perth hypothetical family saves around \$997 a year when compared to the same family in Melbourne.

Household total weekly servicing and tyres costs

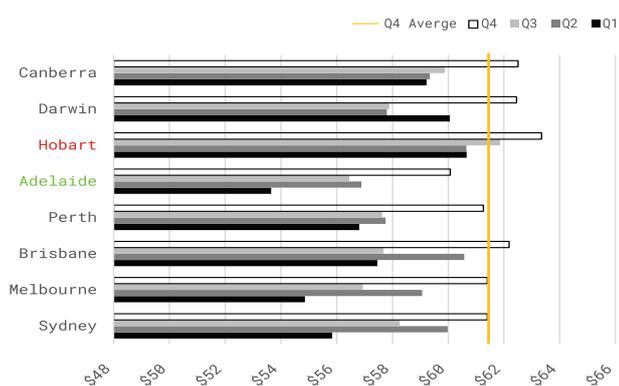


The maintenance cost of running both the new and older vehicle, which includes regular car servicing and the purchase of new tyres, increased marginally over the quarter. The cost of servicing the new car is the same across cities, as these costs are based on the manufacturers servicing schedule. Costs associated with the older car, and tyres for both cars, are based on data from the ABS³. As such, most of the variation in the cost between cities can be explained by the cost of tyres and the maintenance cost of the older car.

Q4 Ranking	City	Q1	Q2	Q3	Q4
3	Canberra	\$29.75	\$29.66	\$29.76	\$29.98
1	Darwin	\$34.51	\$34.18	\$34.69	\$34.62
6	Hobart	\$24.00	\$23.95	\$23.96	\$24.01
7	Adelaide	\$23.34	\$23.35	\$23.28	\$23.18
5	Perth	\$25.62	\$25.53	\$25.55	\$25.77
2	Brisbane	\$31.08	\$31.01	\$31.29	\$31.22
8	Melbourne	\$21.06	\$21.05	\$21.00	\$21.10
4	Sydney	\$26.95	\$26.95	\$27.07	\$27.07
	National Average	\$27.04	\$26.96	\$27.08	\$27.12

The cost of servicing both cars in Darwin is over 50 per cent higher than Melbourne. This is due to the older car's servicing costs and the cost of tyres. Brisbane recorded a relatively high cost considering the used car servicing and new tyre markets should be large enough to keep prices down. Melbourne recorded the lowest cost, which reflects the competitive nature of the market in a large city.

Household weekly fuel costs

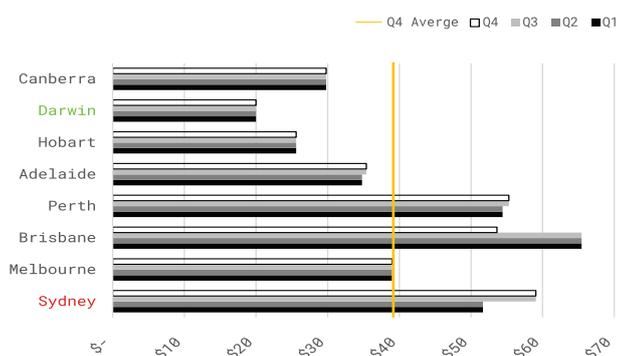


Over the quarter, fuel prices increased in every capital city without exception. Nationally, the average annual cost increase was \$182. Fuel in Darwin increased the most over the quarter, compared to all other capital cities, at around \$238 per year, followed closely by Brisbane and Melbourne. Hobart recorded the smallest annual increase of \$77.50.

Q4 Ranking	City	Q1	Q2	Q3	Q4
2	Canberra	\$59.22	\$59.34	\$59.88	\$62.50
3	Darwin	\$60.06	\$57.80	\$57.88	\$62.45
1	Hobart	\$60.66	\$60.65	\$61.86	\$63.35
8	Adelaide	\$53.65	\$56.88	\$56.46	\$60.07
7	Perth	\$56.81	\$57.75	\$57.63	\$61.26
4	Brisbane	\$57.45	\$60.58	\$57.68	\$62.19
5	Melbourne	\$54.86	\$59.07	\$56.94	\$61.40
6	Sydney	\$55.84	\$59.98	\$58.26	\$61.40
	National Average	\$57.32	\$59.01	\$58.32	\$61.83

Adelaide continued to record the lowest petrol prices while Hobart remained the most expensive city for both petrol and diesel. In terms of total fuel costs, Sydney has fallen out of the top three most expensive cities to be replaced by Darwin. If Hobart households could access the prices available in the cheapest city, Adelaide, then the household would save around \$170 per year.

Household weekly public transport costs

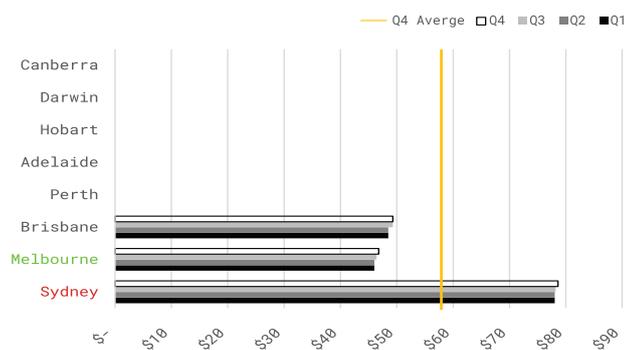


Brisbane recorded a decrease of almost \$12 in the weekly cost of public transport for the hypothetical household, corresponding to a saving of more than \$600 per year. The decrease was a result of changes made by the Queensland State Government to fares and zoning⁴.

Q4 Ranking	City	Q1	Q2	Q3	Q4
6	Canberra	\$29.80	\$29.80	\$29.80	\$29.80
8	Darwin	\$20.00	\$20.00	\$20.00	\$20.00
7	Hobart	\$25.60	\$25.60	\$25.60	\$25.60
5	Adelaide	\$34.80	\$34.80	\$35.40	\$35.40
2	Perth	\$54.40	\$54.40	\$55.30	\$55.30
3	Brisbane	\$65.43	\$65.43	\$65.43	\$53.64
4	Melbourne	\$39.00	\$39.00	\$39.00	\$39.00
1	Sydney	\$51.68	\$51.68	\$59.04	\$59.04
	National Average	\$40.09	\$40.09	\$41.20	\$39.72

Brisbane shifted from the most expensive to the third-most expensive capital city for public transport. No other cities recorded changes to public transport costs. A consequence of the decrease in Brisbane costs, is that Sydney and Perth have both moved up a place, and are now ranked first and second respectively for public transport costs.

Household weekly costs of toll roads



Q4 Ranking	City	Q1	Q2	Q3	Q4
-	Canberra	\$0.00	\$0.00	\$0.00	\$0.00
-	Darwin	\$0.00	\$0.00	\$0.00	\$0.00
-	Hobart	\$0.00	\$0.00	\$0.00	\$0.00
-	Adelaide	\$0.00	\$0.00	\$0.00	\$0.00
-	Perth	\$0.00	\$0.00	\$0.00	\$0.00
2	Brisbane	\$48.50	\$48.50	\$49.30	\$49.30
3	Melbourne	\$46.00	\$46.00	\$46.40	\$46.80
1	Sydney	\$78.04	\$78.04	\$78.20	\$78.60
	National Average	\$57.51	\$57.51	\$57.97	\$58.23

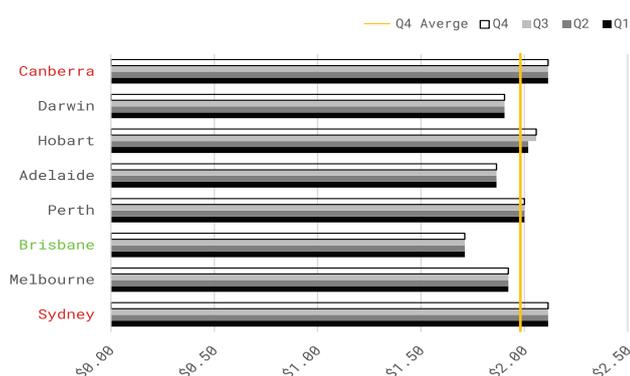
Both Sydney and Melbourne recorded a slight increase in tolls, as prices are updated on a quarterly basis for those cities. In Brisbane, on the other hand, tolls are revised at the start of each financial year, and consequently they have remained at \$49.30 per week for the reference household.

only a relatively low use of toll roads has been assumed for Sydney, these nevertheless outweigh the cost of fuel over the week.

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

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.

Household weekly costs of roadside assistance



Q4 Ranking	City	Q1	Q2	Q3	Q4
1	Canberra	\$2.12	\$2.12	\$2.12	\$2.12
6	Darwin	\$1.90	\$1.90	\$1.90	\$1.90
3	Hobart	\$2.02	\$2.02	\$2.06	\$2.06
7	Adelaide	\$1.87	\$1.87	\$1.87	\$1.87
4	Perth	\$2.00	\$2.00	\$2.00	\$2.00
8	Brisbane	\$1.71	\$1.71	\$1.71	\$1.71
5	Melbourne	\$1.92	\$1.92	\$1.92	\$1.92
1	Sydney	\$2.12	\$2.12	\$2.12	\$2.12
	National Average	\$1.96	\$1.96	\$1.96	\$1.96

Road side assistance costs remained constant over the quarter. The cost of road side assistance is 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 year.

Section Four

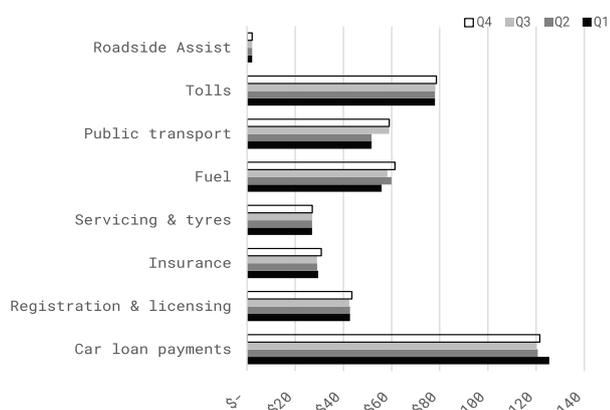
City by City Comparison

Across all capital cities, the highest cost for households was the car loan repayment for the new car.

In the most highly-populated cities of Sydney, Melbourne and Brisbane, tolls rank second, third and fourth place respectively. Ignoring tolls, fuel and then public transport are the second and third highest weekly costs. This is also the case for Perth, Adelaide and Hobart, where there are no toll road expenses.

Due to relatively affordable public transport, this pattern does not apply to Darwin or Canberra. Darwin has the highest cost of servicing and tyres nationally. Accordingly, this is the third most expensive category for that city, and its relatively inexpensive public transport network — which is almost \$20 below the national weekly average — is ranked sixth. Public transport in Canberra is also relatively inexpensive, which means that the category of registration and licensing ranks third.

Sydney weekly costs of transport



Q4 Ranking	Sydney	Q1	Q2	Q3	Q4
8	Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12
2	Tolls	\$78.04	\$78.04	\$78.20	\$78.60
4	Public transport	\$51.68	\$51.68	\$59.04	\$59.04
3	Fuel	\$55.84	\$59.98	\$58.26	\$61.40
7	Servicing & tyres	\$26.95	\$26.95	\$27.07	\$27.07
6	Insurance	\$29.54	\$29.14	\$29.06	\$30.83
5	Registration & licensing	\$42.77	\$42.77	\$42.39	\$43.49
1	Car loan payments	\$125.47	\$120.67	\$120.27	\$121.49
	TOTAL	\$412.39	\$411.34	\$416.41	\$424.04

Sydney is the most expensive capital city in Australia, both in terms of total dollars (around \$22,050 per year) and as a percentage of average income in that city (17 per cent).

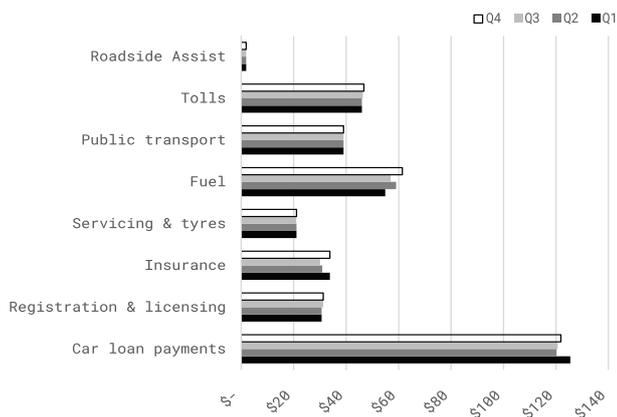
Over the quarter, costs increased by \$397 per year. The rise was driven primarily by an increase in fuel costs of \$163 per year. There were also increases in the categories of registration and licensing, insurance, tolls and car loan payments. All expenses either increased or remained static.

The ranking of expenses for the Sydney hypothetical household has changed over the quarter. In the preceding iteration of the Index, which

covers the quarter of July to September 2016, an increase in public transport costs and a decrease in fuel costs meant that public transport overtook fuel as the third most expensive category. In quarter four, yearly public transport costs have remained constant at \$3,070, while a rise in fuel prices caused that category, now costing around \$3,193 per year, to overtake public transport and again be ranked third.

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

Melbourne weekly costs of transport



Q4 Ranking	Melbourne	Q1	Q2	Q3	Q4
8	Roadside Assist	\$1.92	\$1.92	\$1.92	\$1.92
3	Tolls	\$46.00	\$46.00	\$46.40	\$46.80
4	Public transport	\$39.00	\$39.00	\$39.00	\$39.00
2	Fuel	\$54.86	\$59.07	\$56.94	\$61.40
7	Servicing & tyres	\$21.06	\$21.05	\$21.00	\$21.10
5	Insurance	\$33.80	\$30.88	\$30.02	\$33.80
6	Registration & licensing	\$30.65	\$30.69	\$31.28	\$31.28
1	Car loan payments	\$125.50	\$120.15	\$120.66	\$121.89
	TOTAL	\$352.80	\$348.77	\$347.23	\$357.21

For the fourth quarter of 2016, Melbourne had the third highest total transport costs at around \$18,575 per year, which equates to 14.5 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 increase of \$519 in transport costs, which is the highest total increase in any capital city over the quarter. The increase can be attributed to rising costs in the categories of car loan payments, insurance, fuel and tolls. Fuel increased annual costs by \$232, while insurance increased costs by \$196. The other cost categories remained constant; no category decreased over the quarter.

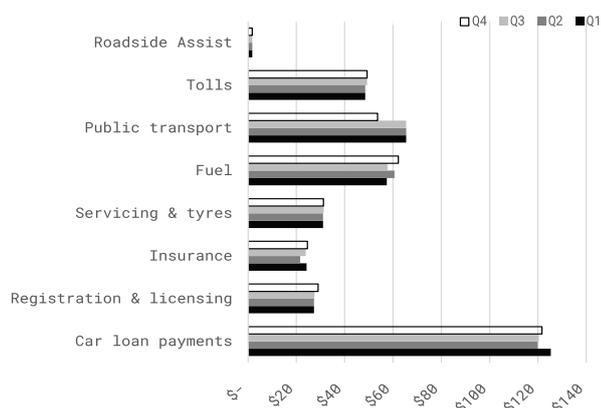
Melbourne is still the most expensive city for insuring both the new and

old vehicle. Insurance costs in Perth, for example, are less than half those in Melbourne. Melbourne was also 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. These are ranked at fifth and eighth most expensive when compared to the same categories in the other capital cities.

Over the quarter, the only change to the ranking of expenses for Melbourne households (listed in the table above) was that insurance switched places with registration and licensing. These are now ranked fifth and sixth respectively.

Brisbane weekly costs of transport



Q4 Ranking	Brisbane	Q1	Q2	Q3	Q4
8	Roadside Assist	\$1.71	\$1.71	\$1.71	\$1.71
4	Tolls	\$48.50	\$48.50	\$49.30	\$49.30
3	Public transport	\$65.43	\$65.43	\$65.43	\$53.64
2	Fuel	\$57.45	\$60.58	\$57.68	\$62.19
5	Servicing & tyres	\$31.08	\$31.01	\$31.29	\$31.22
7	Insurance	\$24.24	\$21.57	\$23.90	\$24.56
6	Registration & licensing	\$27.26	\$27.26	\$27.50	\$29.00
1	Car loan payments	\$125.32	\$119.85	\$120.41	\$121.64
	TOTAL	\$380.99	\$375.92	\$377.21	\$373.26

For the fourth quarter of 2016, Brisbane had the second highest overall cost of transport, both in total dollar terms (around \$19,410 per year) and as a percentage of income (15.8 per cent).

Over the quarter, the total yearly household cost reduced by around \$205. Brisbane was the only city that recorded a decrease in household transport costs over the quarter.

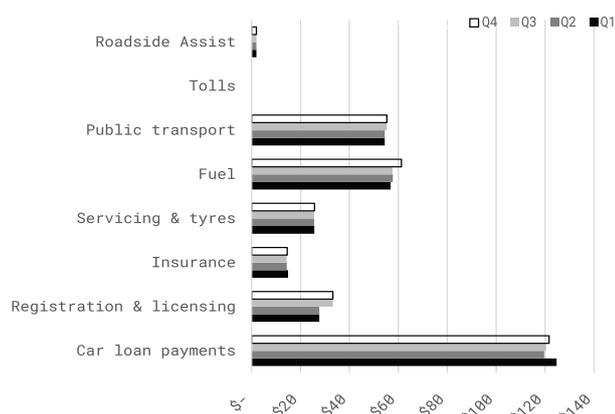
Brisbane recorded a decrease of almost \$12 in the weekly cost of public transport for the hypothetical family, corresponding to a household saving of more than \$600 per year. The decrease was a result of changes to the fare and zoning structure made by the Queensland State Government. Consequently, Brisbane has moved from most expensive to third most expensive for public transport.

The decrease in public transport costs was, however, partially offset by increases in the categories of car loan payments, registration and licensing, insurance and fuel. The greatest increase was in fuel, at just over \$250 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 of registration and licensing, where it ranks third most affordable nationally. Car loan payments are also relatively affordable, and Brisbane ranks fourth most affordable in this category.

The ranking of expenses for a Brisbane household, listed in the table above, remained unchanged over the quarter, with the exception of fuel and public transport switching positions.

Perth weekly costs of transport

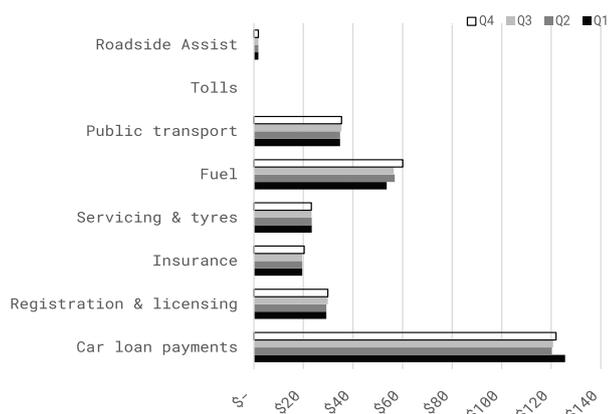


Q4 Ranking	Perth	Q1	Q2	Q3	Q4
7	Roadside Assist	\$2.00	\$2.00	\$2.00	\$2.00
8	Tolls	\$0.00	\$0.00	\$0.00	\$0.00
3	Public transport	\$54.40	\$54.40	\$55.30	\$55.30
2	Fuel	\$56.81	\$57.75	\$57.63	\$61.26
5	Servicing & tyres	\$25.62	\$25.53	\$25.55	\$25.77
6	Insurance	\$14.91	\$14.37	\$14.32	\$14.62
4	Registration & licensing	\$27.73	\$27.73	\$33.23	\$33.23
1	Car loan payments	\$124.68	\$119.56	\$120.40	\$121.64
	TOTAL	\$306.16	\$301.35	\$308.43	\$313.84

At \$16,320 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 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 increased by \$281. The increase was driven by increases in the categories of car loan payments, insurance and fuel. The other categories remained static.

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 also recorded relatively low fuel costs, and in this category it ranks second most affordable nationally. The ranking of expenses for the Perth household, listed in the table above, remained unchanged over the quarter.

Adelaide weekly costs of transport



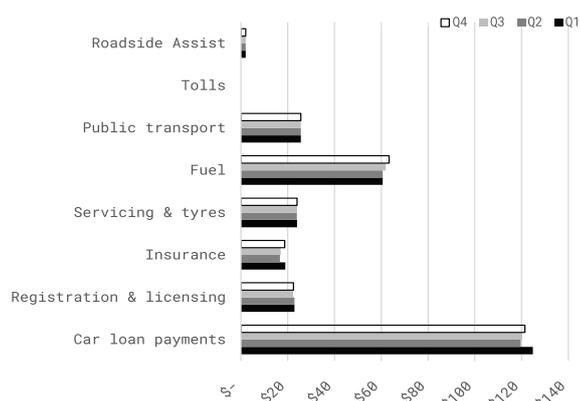
Q4 Ranking	Adelaide	Q1	Q2	Q3	Q4
7	Roadside Assist	\$1.87	\$1.87	\$1.87	\$1.87
8	Tolls	\$0.00	\$0.00	\$0.00	\$0.00
3	Public transport	\$34.80	\$34.80	\$35.40	\$35.40
2	Fuel	\$53.65	\$56.88	\$56.46	\$60.07
5	Servicing & tyres	\$23.34	\$23.35	\$23.28	\$23.18
6	Insurance	\$19.56	\$19.56	\$19.56	\$20.27
4	Registration & licensing	\$29.27	\$29.27	\$29.85	\$29.85
1	Car loan payments	\$125.59	\$120.21	\$120.71	\$121.94
	TOTAL	\$288.07	\$285.94	\$287.12	\$292.58

In total dollar terms, Adelaide has the second lowest household transport costs out of the Australian capital cities. The \$15,214 paid yearly by the hypothetical Adelaide family is equivalent to 13.5 per cent of their income. This reflects the relatively low average earnings in Adelaide. It is ranked as the third least expensive capital city for transport costs as a percentage of income. Across the quarter, yearly household transport costs in Adelaide increased by \$284.

The increase was driven by higher costs in the categories of car loan payments, insurance and fuel. The other categories remained static.

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 ranking of expenses for the Adelaide household, listed in the table above, remained unchanged over the quarter.

Hobart weekly costs of transport



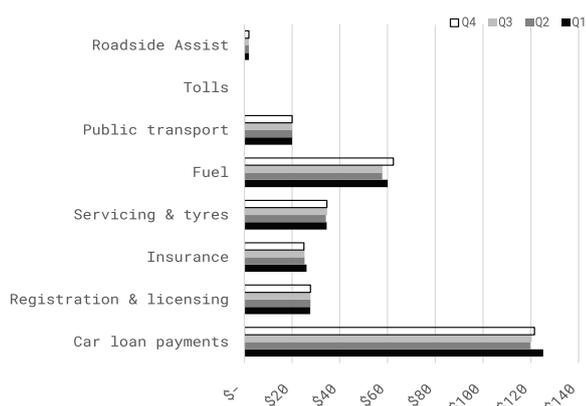
In total dollar terms, Hobart recorded the lowest household transport costs nationally. However, it also has the lowest average earnings of any capital city. The approximately \$14,439 paid yearly by the hypothetical household equates to 14.6 per cent as a share of income. Under this metric, Hobart ranks as the third most expensive capital city for household transport.

Q4 Ranking	Hobart	Q1	Q2	Q3	Q4
7	Roadside Assist	\$2.02	\$2.02	\$2.06	\$2.06
8	Tolls	\$0.00	\$0.00	\$0.00	\$0.00
3	Public transport	\$25.60	\$25.60	\$25.60	\$25.60
2	Fuel	\$60.66	\$60.65	\$61.86	\$63.35
4	Servicing & tyres	\$24.00	\$23.95	\$23.96	\$24.01
6	Insurance	\$18.98	\$16.69	\$17.02	\$18.73
5	Registration & licensing	\$22.93	\$22.93	\$22.32	\$22.49
1	Car loan payments	\$124.83	\$119.61	\$120.21	\$121.44
	TOTAL	\$279.02	\$271.46	\$273.02	\$277.67

Across the quarter, yearly household transport costs in Hobart increased by around \$242. The increase was driven by greater expenses in the categories of registration and licensing, car loan repayments, insurance and fuel. The other categories remained static.

The ranking of expenses for the Hobart household, listed in the table above, remained unchanged over the quarter.

Darwin weekly costs of transport



The Darwin household spends around \$15,251 per year on household transport, which is equivalent to 12.3 per cent of household income. Under each metric, Darwin ranks as the third most affordable capital city for household transport in Australia.

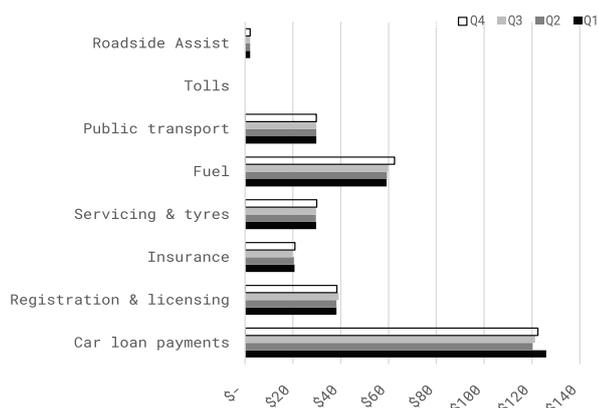
Over the quarter, costs increased by \$288 per year. The rise was driven primarily by an increase in fuel costs of almost \$240 per year. There were also increases in the categories of registration and licensing, and car loan payments. A marginal decrease in insurance costs and servicing and tyres was recorded. All other expenses remained static.

Q4 Ranking	Darwin	Q1	Q2	Q3	Q4
7	Roadside Assist	\$1.90	\$1.90	\$1.90	\$1.90
8	Tolls	\$0.00	\$0.00	\$0.00	\$0.00
6	Public transport	\$20.00	\$20.00	\$20.00	\$20.00
2	Fuel	\$60.06	\$57.80	\$57.88	\$62.45
3	Servicing & tyres	\$34.51	\$34.18	\$34.69	\$34.62
5	Insurance	\$26.12	\$25.22	\$25.24	\$25.01
4	Registration & licensing	\$27.58	\$27.67	\$27.69	\$27.73
1	Car loan payments	\$125.25	\$119.79	\$120.33	\$121.56
	TOTAL	\$295.43	\$286.56	\$287.74	\$293.28

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 third most expensive nationally for both fuel and insurance. It recorded the lowest public transport costs across capital cities.

The ranking of expenses for the Darwin household, listed in the table above, remained unchanged over the quarter.

Canberra weekly costs of transport



Q4 Ranking	Canberra	Q1	Q2	Q3	Q4
7	Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12
8	Tolls	\$0.00	\$0.00	\$0.00	\$0.00
4	Public transport	\$29.80	\$29.80	\$29.80	\$29.80
2	Fuel	\$59.22	\$59.34	\$59.88	\$62.50
5	Servicing & tyres	\$29.75	\$29.66	\$29.76	\$29.98
6	Insurance	\$20.70	\$20.45	\$19.89	\$20.82
3	Registration & licensing	\$38.24	\$38.24	\$39.14	\$38.41
1	Car loan payments	\$125.96	\$120.28	\$121.27	\$122.50
	TOTAL	\$305.80	\$299.89	\$301.85	\$306.12

Household transport costs for the hypothetical Canberra family each year total \$15,918, which places the city as the fifth most expensive capital city in Australia. As a percentage of household income, this equates to 10.7 per cent. Only Perth is more affordable than Canberra when income is taken into account.

Costs increased by \$222 per year over the quarter as a result of increases in car loan repayments, servicing and tyres, insurance and fuel. Registration and licensing decreased by \$38 per year, while all other categories remained static.

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 for fuel.

Canberra has relatively affordable public transport, which costs around \$516 per year less than the national average.

The ranking of expenses for the Canberra household, listed in the table above, remained unchanged over the quarter.

Endnotes

¹ ABS Household Expenditure Survey, 2009-10.

² A summary of changes is found on the [TRANSLink website](#)

³ ABS Household Expenditure Survey, 2009-10.

⁴ A summary of changes is found on the [TRANSLink website](#)

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