



TRANSPORT AFFORDABILITY INDEX



Australian
Automobile
Association



SGS
Economics
& Planning

Report - December 2017



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Foreword

Transport Affordability Index: December 2017

The Australian Automobile Association's Transport Affordability Index was first launched in August 2016 with the aim of providing policy makers, media and members of the public with a quarterly analysis of land transport costs.

The report sheds light on the financial pressures faced by Australian households and the evolving nature of transport costs, which are continually impacted by policy decisions.

The December 2017 index shows Australian metropolitan households are spending \$17,606 annually on transport costs. The figure accounts for 14.2 per cent of city household incomes, up from the 14.1 per cent during the previous quarter.

Regional households are spending \$14,008 annually on transport, comprising 12.3 per cent of household incomes - an increase from 12.2 per cent from the previous index.

Of the regional centres included in the Index, households in Geelong paid the greatest amount at \$15,006 per annum. Wagga Wagga moved to the least expensive regional city this quarter, paying \$12,935.

Sydney remains Australia's most expensive city in terms of total transport cost, with households spending \$22,292 per year, but ranks third when the figures are expressed as a share of income. Brisbane has once again been ranked as the nation's most expensive city when transport costs are shown as a percentage of income (16.4 per cent).

The analysis shows rising fuel costs added \$5.42 to the weekly bills for metropolitan households, except for Sydney where prices rose by nearly \$7 per week. Nearly all cities and regions included in the index recorded an increase in total costs over the quarter, with the notable exceptions of Sydney, Wagga Wagga and Hobart.

Sydney and Wagga Wagga households were spared an increase this quarter due to the NSW Government's Green Slip reforms which saved families \$305 and \$115 respectively in registration and CTP costs. Hobart recorded a small decrease due to a movement in fuel costs which increased only marginally. Canberra, for the first time, had the highest vehicle registration, CTP and driver's licensing cost.

Several categories recorded decreases this quarter, most notably: car loan payments, comprehensive insurance, servicing and tyres, registration, CTP and driver's licensing fees.

The increase in costs over the quarter underscores the significant and unavoidable pressure transport exerts on household budgets and the need for governments to carefully consider price implications when formulating policy.



Michael Bradley

Chief Executive
Australian Automobile Association



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 September 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 September) 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 location¹. 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

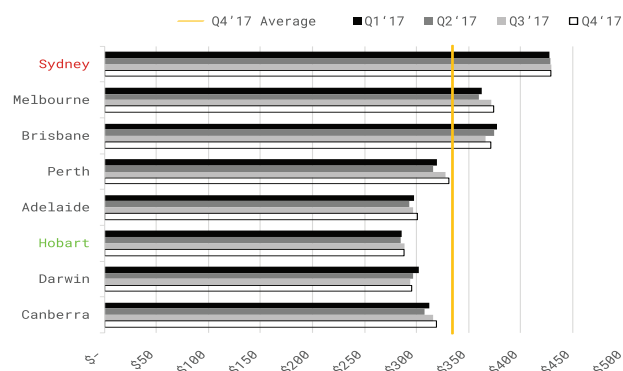
Overall, national average transport costs for both the regional and city household have increased, both in dollar terms and as a percentage of income. Regional households incur lower transport costs than their city counterparts, mainly due to an absence of toll costs and public transport fares.

Registration and CTP is also lower for the regional family in New South Wales, Victoria and South Australia. In addition, the regional family incurs lower insurance premiums, saving the family several hundreds of dollars per year compared to the city household. However, regional families, on average tend to face higher fuel costs. This is due to higher kilometres driven and higher fuel prices.

Despite the increase in cost over the quarter, the ranking of city households remained the same. Sydney households continue to face, by a significant margin, the highest total transport costs of any capital city in Australia at \$429 per week. On the other hand, Hobart households continue to have the lowest transport costs, equivalent to \$288 per week.

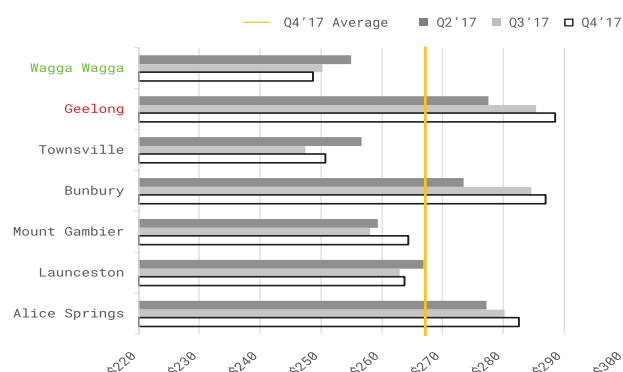
Of the regional locations, Geelong remains the most expensive, with the household paying \$289 in transport per week. Wagga Wagga became the most affordable region this quarter, as decreases in car loan payments; comprehensive insurance; and registration, CTP and driver's licensing fees offset the increase in fuel. Townsville and Mount Gambier both became more expensive compared to other regional locations and are now at sixth and fourth place respectively, while Launceston experienced a decrease in ranking due to fuel not increasing as much as other locations.

Capital cities



City	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	\$427.36	\$428.24	\$429.80	\$428.69	1
Melbourne	\$362.97	\$359.92	\$371.29	\$374.26	2
Brisbane	\$377.20	\$374.85	\$366.67	\$371.39	3
Perth	\$319.94	\$315.46	\$327.36	\$331.13	4
Adelaide	\$297.12	\$293.06	\$296.25	\$300.48	6
Hobart	\$285.34	\$284.25	\$288.49	\$288.03	8
Darwin	\$301.94	\$296.98	\$294.01	\$295.63	7
Canberra	\$312.57	\$307.86	\$316.15	\$319.03	5
Capital Average	\$335.55	\$332.58	\$336.25	\$338.58	

Regional



City	Q1	Q2	Q3	Q4	Q4 Ranking
Wagga Wagga	-	\$254.96	\$250.29	\$248.75	↓7
Geelong	-	\$277.50	\$285.37	\$288.57	1
Townsville	-	\$256.72	\$247.40	\$250.73	↑6
Bunbury	-	\$273.42	\$284.56	\$286.94	2
Mount Gambier	-	\$259.39	\$258.07	\$264.30	↑4
Launceston	-	\$266.84	\$263.00	\$263.79	↓5
Alice Springs	-	\$277.31	\$280.17	\$282.56	3
Regional Average	-	\$266.59	\$266.98	\$269.38	

Household total annual transport costs

The average annual cost of transport increased by \$121 over the quarter for the city household. Brisbane and Adelaide recorded the largest increase, with the households incurring an additional \$245 and \$220 per year in transport costs.

Of the capital cities, only Sydney and Hobart recorded decreases over the quarter.

The average annual cost of transport increased by \$125 for the regional household. The largest increase occurred in Mount Gambier, where transport costs increased by a difference of \$324 per year. Townsville also recorded a large increase, approximately \$173 per year. The increase in costs were largely due to the cost of fuel this quarter.

Of the regional households, only Wagga Wagga recorded a decrease in total annual transport costs.

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 \$2,693 for city households and \$2,257 for regional households. This represents a decrease on the previous quarter of around \$38 for the city household and \$16 for the regional household due to the decrease in registration and CTP costs in New South Wales.

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.

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	Q3	Q4	Change	Q4 Ranking
Sydney	\$22,349.84	\$22,291.81	-\$58.03	1
Melbourne	\$19,306.85	\$19,461.26	\$154.41	2
Brisbane	\$19,066.86	\$19,312.22	\$245.36	3
Perth	\$17,022.71	\$17,218.64	\$195.93	4
Adelaide	\$15,404.80	\$15,624.97	\$220.17	6
Hobart	\$15,001.63	\$14,977.64	-\$23.98	8
Darwin	\$15,288.65	\$15,372.69	\$84.04	7
Canberra	\$16,439.78	\$16,589.75	\$149.97	5
Capital Average	\$17,485.14	\$17,606.12	\$120.98	

Capital cities average taxes	Q3 2017	Q4 2017	Change
Fuel excise	\$1,059.89	\$1,059.89	-
Registration, CTP and licensing	\$1,671.37	\$1,633.22	-\$38.15
HOUSEHOLD TOTAL	\$2,731.26	\$2,693.11	-\$38.15

Regional

City	Q3	Q4	Change	Q4 Ranking
Wagga Wagga	\$13,015.16	\$12,934.94	-\$80.22	↓7
Geelong	\$14,839.34	\$15,005.69	\$166.35	1
Townsville	\$12,865.04	\$13,038.05	\$173.01	↑6
Bunbury	\$14,797.14	\$14,920.99	\$123.85	2
Mount Gambier	\$13,419.79	\$13,743.69	\$323.89	↑4
Launceston	\$13,675.84	\$13,717.05	\$41.21	↓5
Alice Springs	\$14,568.66	\$14,692.93	\$124.27	3
Regional Average	\$13,883.00	\$14,007.62	\$124.62	

Regional average taxes	Q3 2017	Q4 2017	Change
Fuel excise	\$1,176.12	\$1,176.12	-
Registration, CTP and licensing	\$1,497.18	\$1,480.79	-\$16.40
HOUSEHOLD TOTAL	\$2,673.31	\$2,656.91	-\$16.40

Household Average weekly expenses

As noted previously, costs increased on average for the city household, despite some recorded decreases.

The increase in transport costs over the quarter are attributable to:

- Fuel prices, which surged across the nation this quarter;
- Comprehensive insurance – increased marginally in Western Australia and South Australia;
- Toll costs – increased marginally in New South Wales and Victoria.

Costs that decreased over the quarter included:

- Car loan payments – due to reduced costs of purchasing a new car following end of year sales, and lower interest rates;
- Registration, CTP and licensing fees continued to decrease in New South Wales, following reforms of the Green Slips scheme.
- Servicing of the old vehicle and tyres for both vehicles – due to a decrease in consumer price index (CPI) for maintenance and repair of motor vehicles.

Any cost decreases recorded over the quarter were offset by a significant increase in fuel prices. Sydney, Hobart and Wagga Wagga were the only exceptions to this.

The ranking of average expenses for the city and regional family remained the same over the quarter with car loan payments and fuel taking out top places in the family's budget. The cheapest expense for the family was road side assistance and insurance.

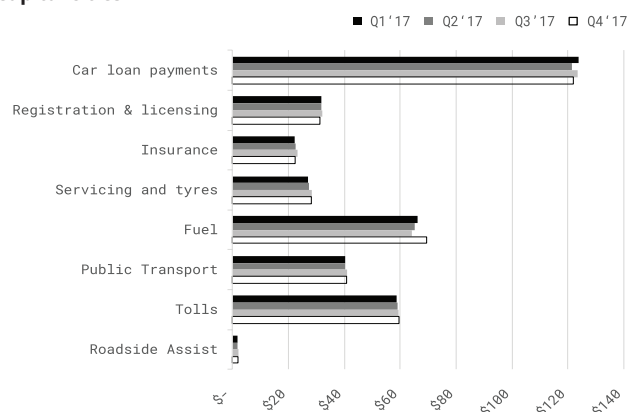
There are a few notable differences between transport costs in the city and regional household:

- Regional families, on average face higher costs for fuel due to the household travelling further and paying higher fuel prices than their city counterparts;
- Comprehensive insurance is significantly cheaper 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 \$242 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 remain 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 that the cost of purchasing and financing a new car; and the costs of roadside assistance remain the same across both city and regional households.

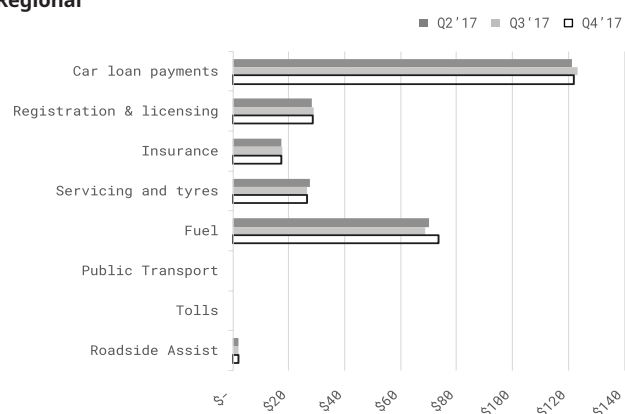
It is also assumed that similar cars are driven in the regional household, therefore fuel efficiency and fuel mix assumptions remain the same.

Capital cities



Expenses	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$123.91	\$121.48	\$123.39	\$121.81	1
Registration & licensing	\$31.88	\$31.70	\$32.14	\$31.41	5
Insurance	\$22.26	\$22.63	\$23.16	\$22.36	7
Servicing and tyres	\$27.18	\$27.28	\$28.29	\$28.24	6
Fuel	\$66.17	\$65.24	\$64.09	\$69.52	2
Public Transport	\$40.17	\$40.17	\$40.84	\$40.84	4
Tolls	\$58.73	\$58.95	\$59.56	\$59.75	3
Roadside Assist	\$1.96	\$1.96	\$2.00	\$2.00	8

Regional



Expenses	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	-	\$121.38	\$123.36	\$121.79	1
Registration & licensing	-	\$28.34	\$28.79	\$28.48	3
Insurance	-	\$17.23	\$17.58	\$17.33	5
Servicing and tyres	-	\$27.49	\$26.37	\$26.33	4
Fuel	-	\$70.21	\$68.89	\$73.46	2
Public Transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	\$1.94	\$1.99	\$1.99	6

Household total transport costs as share of income

Nationally, the average cost of transport as a percentage of income has increased, from 13.3 per cent to 13.4 per cent. In the city household, the average cost of transport as a percentage of income increased from 14.1 per cent to 14.2 per cent. In the regional household, the average cost of transport as a percentage of income also increased, from 12.2 per cent to 12.3 per cent.

Despite the changes the ranking of cities and regional centres remained the same over the quarter. Brisbane continues to rank as the most expensive city for transport, when costs are considered with respect to income. Canberra remains the most affordable. Brisbane households earn the second lowest among the capital cities, while households in Canberra earn one of the highest in the nation.

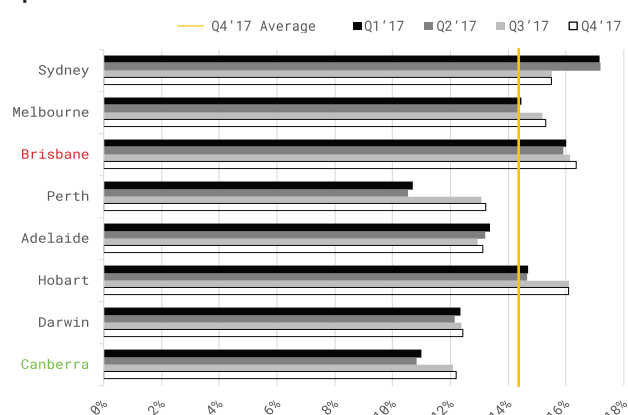
Hobart has the least expensive total transport costs, however when this cost is scaled by average household income, Hobart becomes the second most expensive city. This trend continues for regional households in Launceston, Mount Gambier and Alice Springs.

The differences are explained by the median incomes earned by the households. Higher incomes in certain regional and city locations results in transport being more affordable, while the inverse is true in other locations.

Brisbane and Mount Gambier recorded the greatest increases over the quarter, around 0.2 per cent and 0.3 per cent. Meanwhile, Wagga Wagga, Sydney, Hobart recorded very slight reductions, all under 0.1 per cent due to total transport costs reducing.

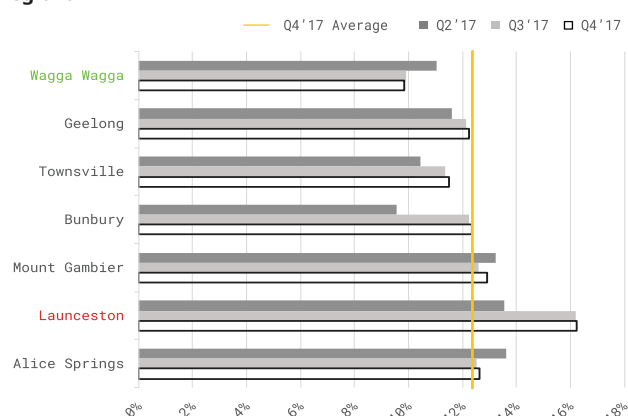
The average regional household faces a slightly reduced rate due to the lower cost faced by the household. This is despite the fact that the regional household, on average, earns almost \$200 per week less than their city counterparts. Households in Mount Gambier and Wagga Wagga earn significantly less per week than their city counterparts by around \$242 per week. All regional households earn less than their city counterparts, consistent with the release of new income data in the 2016 Census.

Capital cities



City	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	17.16%	17.19%	15.53%	15.49%	3
Melbourne	14.47%	14.35%	15.18%	15.31%	4
Brisbane	16.01%	15.91%	16.14%	16.35%	1
Perth	10.68%	10.54%	13.06%	13.22%	5
Adelaide	13.38%	13.20%	12.93%	13.11%	6
Hobart	14.70%	14.65%	16.12%	16.09%	2
Darwin	12.36%	12.16%	12.37%	12.43%	7
Canberra	10.99%	10.83%	12.08%	12.19%	8
Capital Average	13.56%	13.44%	14.11%	14.21%	

Regional



City	Q1	Q2	Q3	Q4	Q4 Ranking
Wagga Wagga	-	11.06%	9.91%	9.85%	7
Geelong	-	11.62%	12.12%	12.26%	5
Townsville	-	10.44%	11.35%	11.50%	6
Bunbury	-	9.55%	12.25%	12.35%	4
Mount Gambier	-	13.22%	12.60%	12.90%	2
Launceston	-	13.55%	16.19%	16.24%	1
Alice Springs	-	13.62%	12.54%	12.65%	3
Regional Average	-	11.67%	12.22%	12.33%	



Section Three

Detailed Results

Household weekly car loan payment costs

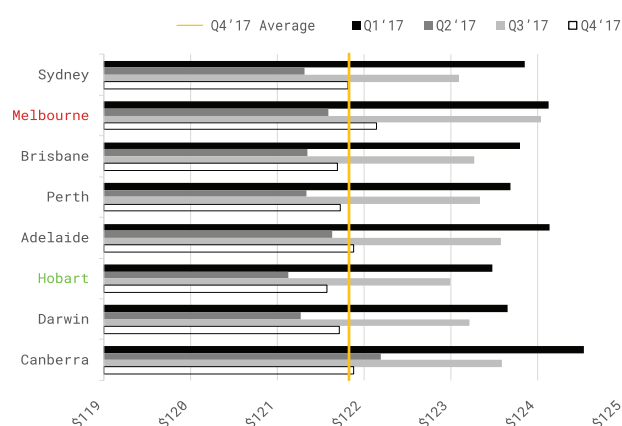
The cost of a new car fell by \$260 in the December 2017 quarter due to end of year sales. Car loan interest rates were also lower over the quarter in all jurisdictions, except New South Wales, where rates remained constant. Subsequently, there was a decrease in the cost of loan repayments for the new car of around \$83 per year for both the city and regional household.

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

Melbourne recorded the largest decrease in car loan payment costs over the quarter, primarily due to the decrease in car prices. Despite this, Melbourne remained the most expensive city for car loan payments this quarter. Sydney moved from seventh to fourth place due to costs remaining the same, while Brisbane and Perth both recorded a drop in ranking to seventh and fifth place respectively.

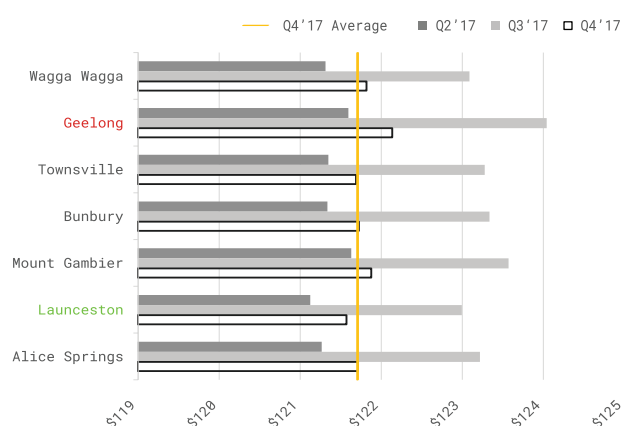
The regional household incurred the same costs in this category due to assumptions around interest rates and new car purchases costs remaining the same in both regional and city locations.

Capital cities



City	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	\$123.86	\$121.31	\$123.10	\$121.82	↑4
Melbourne	\$124.13	\$121.59	\$124.04	\$122.14	1
Brisbane	\$123.80	\$121.35	\$123.28	\$121.69	↓7
Perth	\$123.69	\$121.33	\$123.33	\$121.73	↓5
Adelaide	\$124.14	\$121.64	\$123.58	\$121.88	3
Hobart	\$123.48	\$121.13	\$123.00	\$121.57	8
Darwin	\$123.66	\$121.27	\$123.22	\$121.71	6
Canberra	\$124.54	\$122.19	\$123.59	\$121.89	2
Capital Average	\$123.91	\$121.48	\$123.39	\$121.81	

Regional



City	Q1	Q2	Q3	Q4	Q4 Ranking
Wagga Wagga	-	\$121.31	\$123.10	\$121.82	↑3
Geelong	-	\$121.59	\$124.04	\$122.14	1
Townsville	-	\$121.35	\$123.28	\$121.69	↓6
Bunbury	-	\$121.33	\$123.33	\$121.73	↓4
Mount Gambier	-	\$121.64	\$123.58	\$121.88	2
Launceston	-	\$121.13	\$123.00	\$121.57	7
Alice Springs	-	\$121.27	\$123.22	\$121.71	5
Regional Average	-	\$121.38	\$123.36	\$121.79	

Household weekly registration, CTP & licence costs

Canberra replaced Sydney as the city with the highest vehicle registration, CTP and driver's licensing costs this quarter. The changes are due to a significant cost reduction in New South Wales following a reform of the Green Slips scheme. As a result, vehicle registration costs have decreased in Sydney by around \$130 for the new vehicle and \$175 for the used vehicle. The reduction in prices saves the family in total \$305 per year.

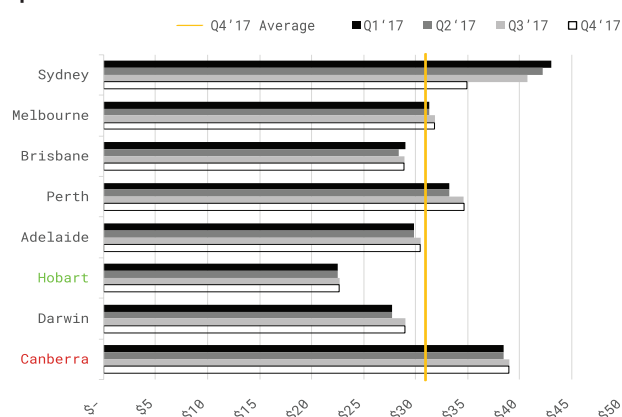
Registration, CTP insurance and driver's licensing costs remained constant in all other cities this quarter. Rankings also remained largely the same this quarter, apart from Sydney and Canberra.

Hobart remained the cheapest city for vehicle registration, CTP and driver's licensing costs this quarter. The Hobart family saves around \$16 per week, or \$849 per year for the cost category, compared to the most expensive city, Canberra.

Bunbury was the most expensive regional city for vehicle registration, CTP and driver's licensing costs while Launceston remained the most affordable. Launceston is around \$622 less expensive than Bunbury per year. Wagga Wagga remained in second place but continued to record a decrease in vehicle registration costs, due to the Green Slips reform, saving the household \$115 per year.

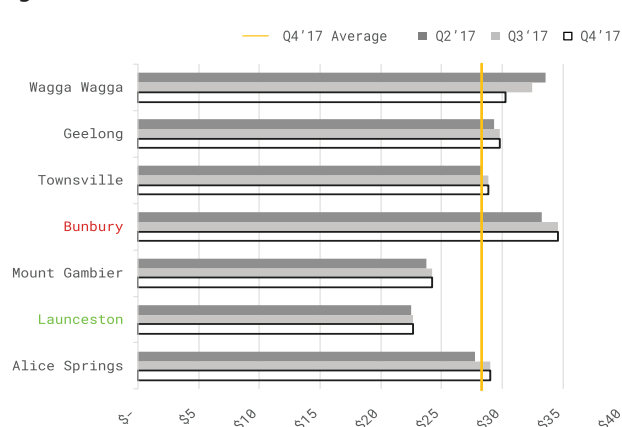
Registration, CTP and driver's licensing costs were significantly cheaper for regional households in New South Wales, South Australia and Victoria due to government policies that allow for different regional and metro pricing structures. The Wagga Wagga household saves \$242 per year in registration costs compared to the same household in Sydney. Similarly, Mount Gambier households saves \$326 compared to Adelaide, while the household in Geelong pays \$106 less than Melbourne. In the remaining jurisdictions, fees were the same across both capital cities and regional locations.

Capital cities



City	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	\$43.03	\$42.24	\$40.75	\$34.88	↓2
Melbourne	\$31.28	\$31.30	\$31.82	\$31.82	4
Brisbane	\$29.00	\$28.38	\$28.88	\$28.88	7
Perth	\$33.23	\$33.23	\$34.61	\$34.61	3
Adelaide	\$29.85	\$29.85	\$30.45	\$30.45	5
Hobart	\$22.49	\$22.49	\$22.65	\$22.65	8
Darwin	\$27.73	\$27.73	\$29.00	\$29.00	6
Canberra	\$38.41	\$38.41	\$38.97	\$38.97	↑1
Capital Average	\$31.88	\$31.70	\$32.14	\$31.41	

Regional



City	Q1	Q2	Q3	Q4	Q4 Ranking
Wagga Wagga	-	\$33.52	\$32.43	\$30.23	2
Geelong	-	\$29.32	\$29.79	\$29.79	3
Townsville	-	\$28.38	\$28.88	\$28.88	5
Bunbury	-	\$33.23	\$34.61	\$34.61	1
Mount Gambier	-	\$23.73	\$24.18	\$24.18	6
Launceston	-	\$22.49	\$22.65	\$22.65	7
Alice Springs	-	\$27.73	\$29.00	\$29.00	4
Regional Average	-	\$28.34	\$28.79	\$28.48	

Household weekly comprehensive insurance costs

The average weekly cost of comprehensive car insurance for both the new and used vehicles decreased over the quarter in all capital cities, except Brisbane, Perth and Adelaide.

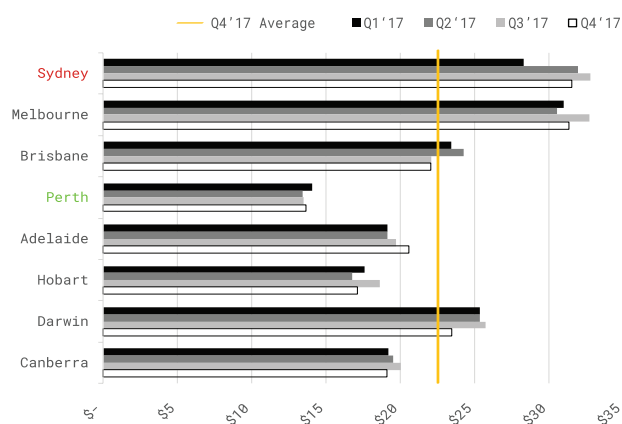
Perth remains the cheapest city to insure a car, at less than half the cost of the most expensive city, Sydney. The Perth family saves over \$930 per year when compared to the same family in Sydney for insuring both cars.

Comprehensive insurance decreased the most in Darwin this quarter, by around \$121 per year. Due to these changes there was a slight change in the rankings over the quarter, with Canberra decreasing to sixth place and Adelaide increasing to fifth place.

When comparing households in the regions, premiums were significantly cheaper for comprehensive insurance. The largest difference recorded between city and regional households was in Wagga Wagga and Geelong, where families could save more than \$265 per annum for insuring the same new car.

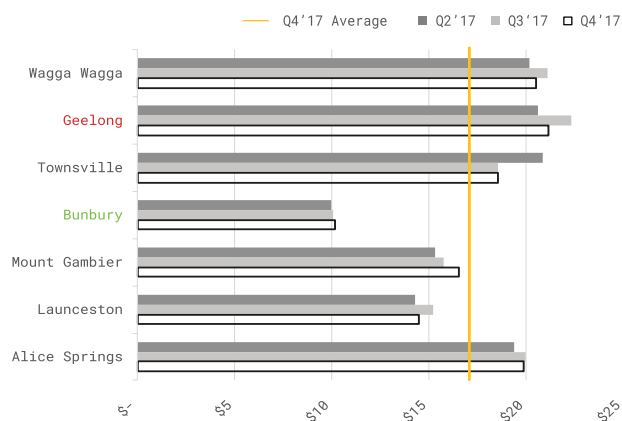
Overall, comprehensive car insurance for both new and used vehicles decreased across all regional cities, except for Townsville, Bunbury and Mount Gambier. Geelong recorded the largest decrease this quarter, equivalent to \$59 per year. Despite this, Geelong remained the most expensive region to insure both a new and used car, while Bunbury remained the cheapest. The Bunbury family saves around \$573 per year in insurance compared to the same family in Geelong.

Capital cities



City	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	\$28.29	\$32.00	\$32.82	\$31.53	1
Melbourne	\$30.99	\$30.54	\$32.73	\$31.36	2
Brisbane	\$23.42	\$24.29	\$22.09	\$22.09	4
Perth	\$14.09	\$13.41	\$13.47	\$13.64	8
Adelaide	\$19.13	\$19.13	\$19.71	\$20.58	↑5
Hobart	\$17.61	\$16.80	\$18.63	\$17.09	7
Darwin	\$25.37	\$25.36	\$25.78	\$23.45	3
Canberra	\$19.18	\$19.52	\$20.06	\$19.12	↓6
Capital Average	\$22.26	\$22.63	\$23.16	\$22.36	

Regional



City	Q1	Q2	Q3	Q4	Q4 Ranking
Wagga Wagga	-	\$20.19	\$21.09	\$20.51	2
Geelong	-	\$20.61	\$22.32	\$21.18	1
Townsville	-	\$20.87	\$18.55	\$18.55	4
Bunbury	-	\$9.97	\$10.10	\$10.16	7
Mount Gambier	-	\$15.31	\$15.79	\$16.54	5
Launceston	-	\$14.27	\$15.24	\$14.49	6
Alice Springs	-	\$19.38	\$19.96	\$19.89	3
Regional Average	-	\$17.23	\$17.58	\$17.33	

Household total weekly servicing and tyre costs

The cost of servicing and tyres fell slightly over the quarter, in line with overall decreases in the consumer price index (CPI) for maintenance and repair of motor vehicles.

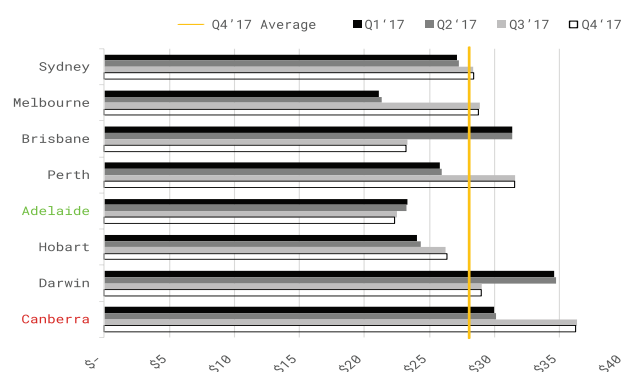
The cost of maintaining both cars in Canberra remained to be the highest nationwide, while Adelaide remained the cheapest. The family in Adelaide could expect savings of \$724 per year in car maintenance costs compared to the same family in Canberra.

When comparing regional households, Alice Springs remained the most expensive this quarter for maintaining both a new and used car. The cost of maintaining both cars in Alice Springs is around \$563 more expensive than the cheapest region, Launceston.

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. The variation in the cost between regional and city households is therefore only attributable to the differences in the cost of servicing the old car and the cost of tyres.

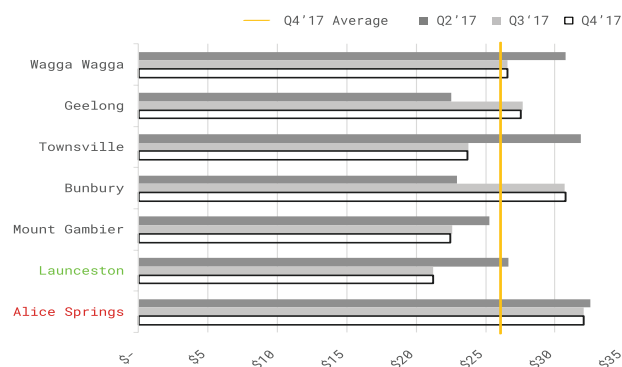
Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey.²

Capital cities



City	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	\$27.13	\$27.24	\$28.39	\$28.39	5
Melbourne	\$21.14	\$21.31	\$28.88	\$28.77	4
Brisbane	\$31.37	\$31.36	\$23.32	\$23.23	7
Perth	\$25.81	\$25.92	\$31.56	\$31.58	2
Adelaide	\$23.30	\$23.26	\$22.48	\$22.35	8
Hobart	\$24.08	\$24.34	\$26.28	\$26.35	6
Darwin	\$34.63	\$34.74	\$29.00	\$29.00	3
Canberra	\$29.97	\$30.09	\$36.37	\$36.28	1
Capital Average	\$27.18	\$27.28	\$28.29	\$28.24	

Regional



City	Q1	Q2	Q3	Q4	Q4 Ranking
Wagga Wagga	-	\$30.74	\$26.61	\$26.61	4
Geelong	-	\$22.51	\$27.65	\$27.54	3
Townsville	-	\$31.87	\$23.78	\$23.68	5
Bunbury	-	\$22.94	\$30.71	\$30.73	2
Mount Gambier	-	\$25.24	\$22.57	\$22.44	6
Launceston	-	\$26.62	\$21.20	\$21.25	7
Alice Springs	-	\$32.53	\$32.07	\$32.07	1
Regional Average	-	\$27.49	\$26.37	\$26.33	

Household weekly fuel costs

The cost of fuel surged across all cities and regions over the quarter. Regular unleaded petrol increased from 126.4 per litre to 137.7 per litre for the city household, an increase of over 10 cents a litre. Consequently, fuel costs rose by \$5.42 per week for the city household. If higher prices were to continue, the city household could be expected to pay up to an additional \$280 per year.

Hobart remained the most expensive city this quarter for both petrol and diesel. If households in Hobart were able to access the lower fuel prices available in the cheapest city, Adelaide, the household would save around \$4.75 per week. This is a saving of \$247 per year, all other things held constant.

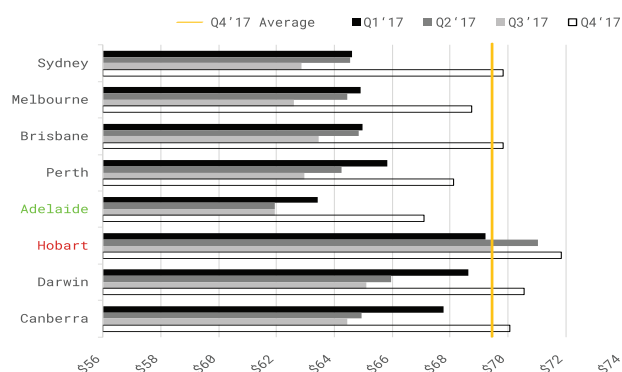
The cost of fuel increased the most in Sydney, by almost \$7 per week. If high prices were to continue, the Sydney household could be expected to pay an additional \$362 per year in fuel. Rankings changed slightly over the quarter with Sydney and Melbourne increasing their rankings to fifth and sixth place while Perth moving down one ranking to seventh place.

Regional households face higher costs for fuel as they drive further on average compared to city households and 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.

On average, the regional household paid more for petrol compared to their capital city counterparts, notwithstanding Wagga Wagga, Geelong and Townsville. In these regional locations, petrol prices were lower than in Sydney, Melbourne and Brisbane. The regional household also paid more for diesel compared to city counterparts, except for Wagga Wagga and Townsville.

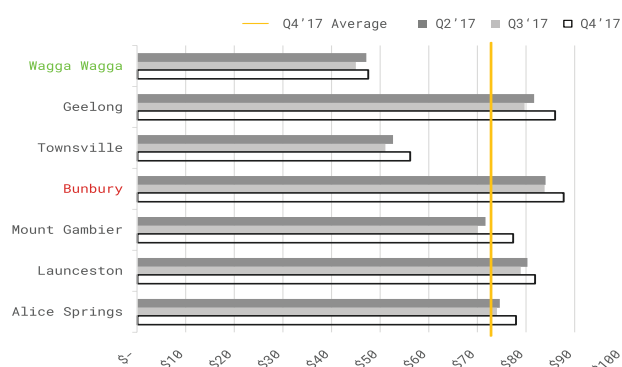
Rankings remained unchanged for regional households this quarter, despite an increase in fuel prices. Bunbury remained the most expensive region for fuel this quarter, while Wagga Wagga remained the cheapest.

Capital cities



City	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	\$64.62	\$64.53	\$62.87	\$69.82	↑5
Melbourne	\$64.90	\$64.45	\$62.59	\$68.74	↑6
Brisbane	\$64.97	\$64.83	\$63.44	\$69.84	4
Perth	\$65.82	\$64.25	\$62.95	\$68.13	↓7
Adelaide	\$63.43	\$61.92	\$61.92	\$67.11	8
Hobart	\$69.23	\$71.04	\$69.44	\$71.86	1
Darwin	\$68.65	\$65.98	\$65.11	\$70.56	2
Canberra	\$67.76	\$64.94	\$64.44	\$70.06	3
Capital Average	\$66.17	\$65.24	\$64.09	\$69.52	

Regional



City	Q1	Q2	Q3	Q4	Q4 Ranking
Wagga Wagga	-	\$47.07	\$44.95	\$47.47	7
Geelong	-	\$81.54	\$79.56	\$85.90	2
Townsville	-	\$52.54	\$51.09	\$56.10	6
Bunbury	-	\$83.94	\$83.77	\$87.67	1
Mount Gambier	-	\$71.60	\$70.06	\$77.36	5
Launceston	-	\$80.28	\$78.81	\$81.73	3
Alice Springs	-	\$74.50	\$74.00	\$77.98	4
Regional Average	-	\$70.21	\$68.89	\$73.46	

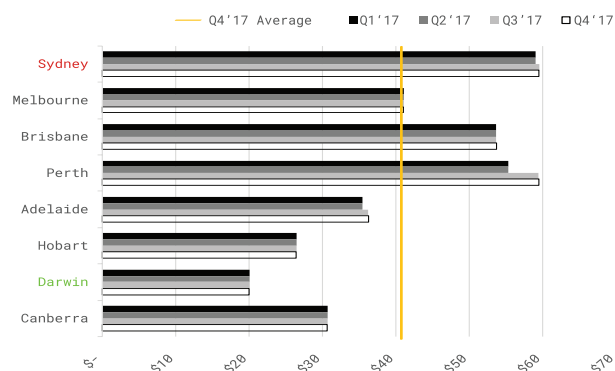
Household weekly public transport costs

Public transport costs remained constant for the December 2017 quarter and therefore the rankings remained unchanged.

Sydney remains the most expensive city for public transport while Darwin remains the cheapest. The Darwin hypothetical family saves around \$2,053 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	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	\$59.04	\$59.04	\$59.49	\$59.49	1
Melbourne	\$41.00	\$41.00	\$41.00	\$41.00	4
Brisbane	\$53.64	\$53.64	\$53.64	\$53.64	3
Perth	\$55.30	\$55.30	\$59.40	\$59.40	2
Adelaide	\$35.40	\$35.40	\$36.20	\$36.20	5
Hobart	\$26.40	\$26.40	\$26.40	\$26.40	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$30.60	\$30.60	\$30.60	\$30.60	6
Capital Average	\$40.17	\$40.17	\$40.84	\$40.84	

Household weekly costs of toll roads

Sydney and Melbourne both recorded a slight increase in tolls in the December 2017 quarter.

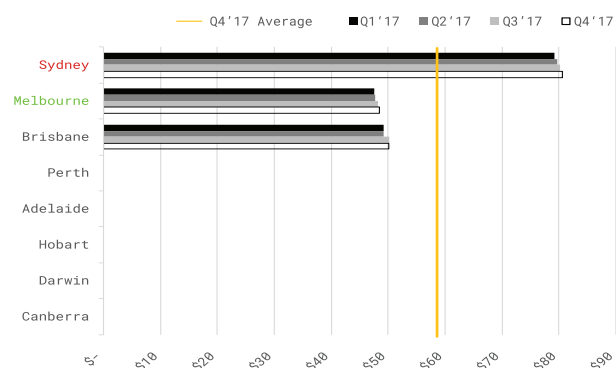
In Sydney, weekly toll road costs increased by around \$19 per year compared to the quarter before. In Melbourne, the cost of tolls increased by a difference of \$10.40 per year.

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 household pays around \$32 less per week on tolls compared to the same family in Sydney. Annually, this is a difference of about \$1,676. The Sydney family in the index is expected to be eligible for free registration costs in the coming quarters due to their high toll usage. This will provide the family some relief and will be factored into future reports.³

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	Q1	Q2	Q3	Q4	Q4 Ranking
Sydney	\$79.28	\$79.76	\$80.28	\$80.64	1
Melbourne	\$47.60	\$47.80	\$48.20	\$48.40	3
Brisbane	\$49.30	\$49.30	\$50.20	\$50.20	2
Perth	-	-	-	-	
Adelaide	-	-	-	-	
Hobart	-	-	-	-	
Darwin	-	-	-	-	
Canberra	-	-	-	-	
Capital Average	\$58.73	\$58.95	\$59.56	\$59.75	

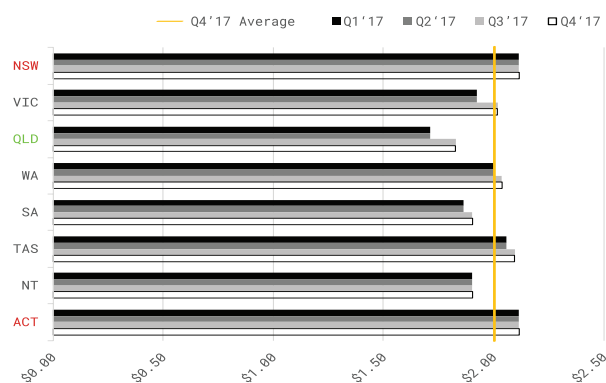
Household weekly costs of roadside assistance

Roadside assistance costs remained constant in all capital cities and regions this quarter. The highest ongoing cost remains to be 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



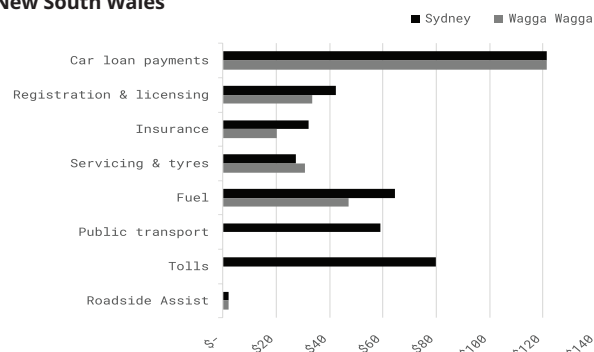
State	Q1	Q2	Q3	Q4	Q4 Ranking
NSW	\$2.12	\$2.12	\$2.12	\$2.12	1
VIC	\$1.92	\$1.92	\$2.02	\$2.02	5
QLD	\$1.71	\$1.71	\$1.83	\$1.83	8
WA	\$2.00	\$2.00	\$2.04	\$2.04	4
SA	\$1.87	\$1.87	\$1.90	\$1.90	6
TAS	\$2.06	\$2.06	\$2.10	\$2.10	3
NT	\$1.90	\$1.90	\$1.90	\$1.90	6
ACT	\$2.12	\$2.12	\$2.12	\$2.12	1
National Average	\$1.96	\$1.96	\$2.00	\$2.00	

Section Four

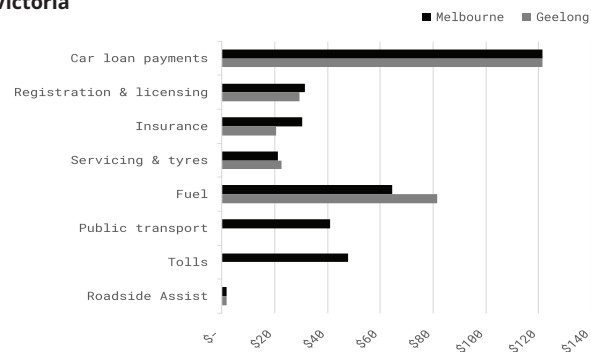
State by State Comparison

City vs Regional comparison by state

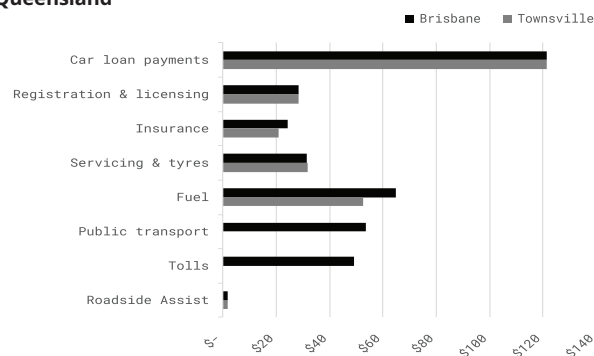
New South Wales



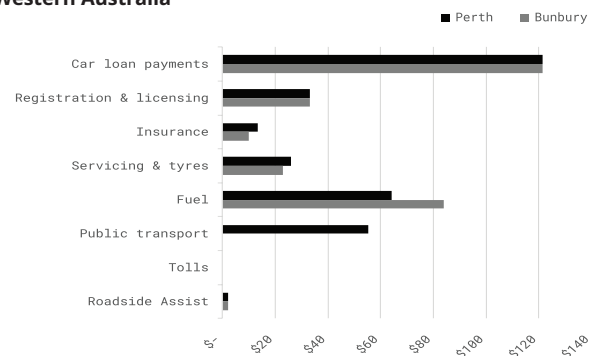
Victoria



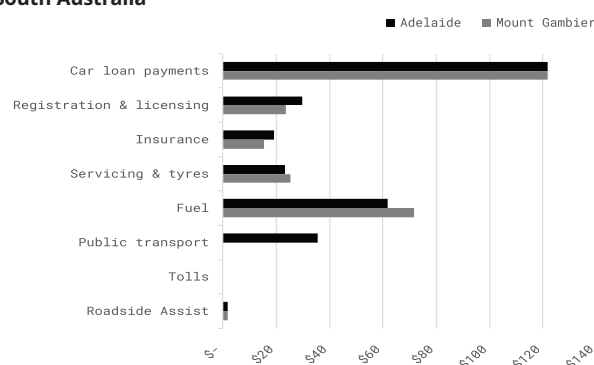
Queensland



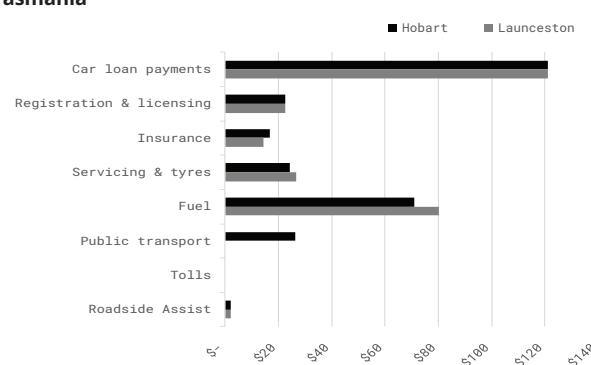
Western Australia



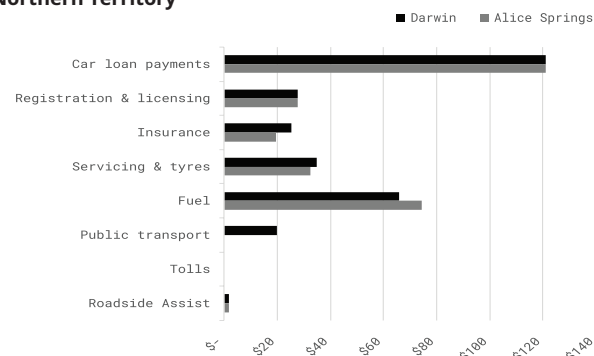
South Australia



Tasmania



Northern Territory



New South Wales weekly costs of transport

Sydney remains the most expensive capital city in Australia, in terms of total dollars (\$22,292) per year, however is more affordable when transport is considered as a percentage of average income (15.5 per cent).

Transport costs decreased for the December 2017 quarter by approximately \$58 per year, despite a significant increase in fuel prices. The decrease in cost was largely attributable to a reduction in CTP prices, due to the New South Wales Government's Green Slip Reforms. For the first time, Sydney will no longer be the most expensive city for registration and CTP and the reforms will save the family around \$305 per year.

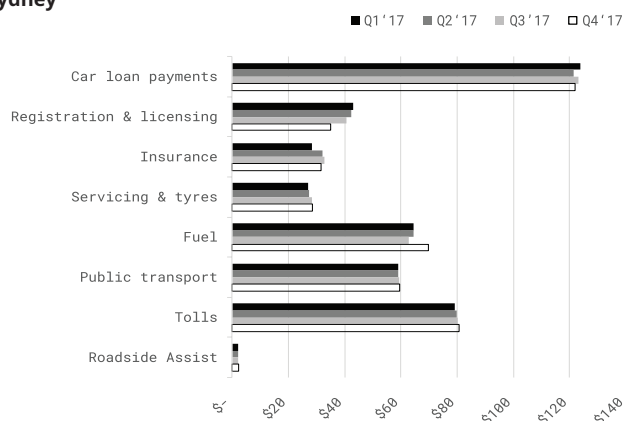
The cost of car loan payments decreased this quarter due to end of year sales on new vehicles, however Sydney no longer remains the most affordable for this cost category due to other jurisdiction recording larger decreases. Overall, comprehensive insurance costs decreased on average for the Sydney family. The decrease is due to substantially reduced costs for insuring the older vehicle. As a result, the Sydney family saves \$67 per year in total on comprehensive insurance costs.

The cost of fuel in Sydney significantly increased this quarter compared to other capital cities, increasing by a difference of \$6.96 per week. If fuel prices were to remain high, Sydney households could be expected to pay up to an additional \$362 per year in fuel. Sydney costs are the highest in Australia in the categories of comprehensive insurance, public transport, tolls, and roadside assistance.

The household in Wagga Wagga incurred lower costs of transport than the Sydney household at \$12,935 per year. Wagga Wagga is the most affordable regional city in Australia, both in total dollar terms, as well as when income is considered. Costs decreased by around \$80 per year for the Wagga Wagga household due to lower car loan payments; comprehensive insurance; and registration, CTP and licensing fees.

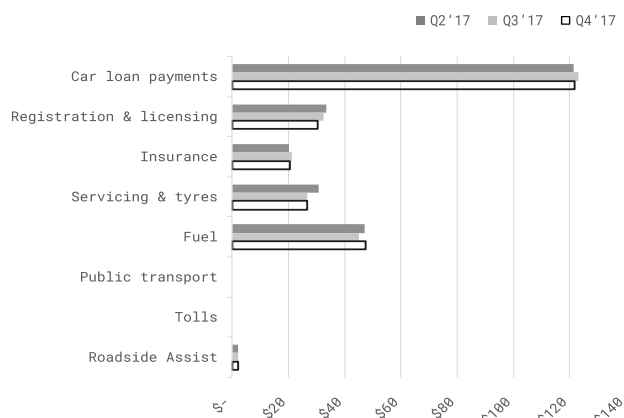
The Wagga Wagga household incurs slightly lower fuel costs than its city counterpart as BITRE data suggests that the family travels slightly less than the city household. In the December 2017 quarter, the Wagga Wagga household also paid lower prices for unleaded petrol by around 2.8 cents per litre compared to its city counterpart.

Sydney



Sydney	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$123.86	\$121.31	\$123.10	\$121.82	1
Registration & licensing	\$43.03	\$42.24	\$40.75	\$34.88	5
Insurance	\$28.29	\$32.00	\$32.82	\$31.53	6
Servicing & tyres	\$27.13	\$27.24	\$28.39	\$28.39	7
Fuel	\$64.62	\$64.53	\$62.87	\$69.82	3
Public transport	\$59.04	\$59.04	\$59.49	\$59.49	4
Tolls	\$79.28	\$79.76	\$80.28	\$80.64	2
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	8
TOTAL	\$427.36	\$428.24	\$429.80	\$428.69	

Wagga Wagga



Wagga Wagga	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	-	\$121.31	\$123.10	\$121.82	1
Registration & licensing	-	\$33.52	\$32.43	\$30.23	3
Insurance	-	\$20.19	\$21.09	\$20.51	5
Servicing & tyres	-	\$30.74	\$26.61	\$26.61	4
Fuel	-	\$47.07	\$44.95	\$47.47	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	\$2.12	\$2.12	\$2.12	6
TOTAL	-	\$254.96	\$250.29	\$248.75	

Victoria weekly costs of transport

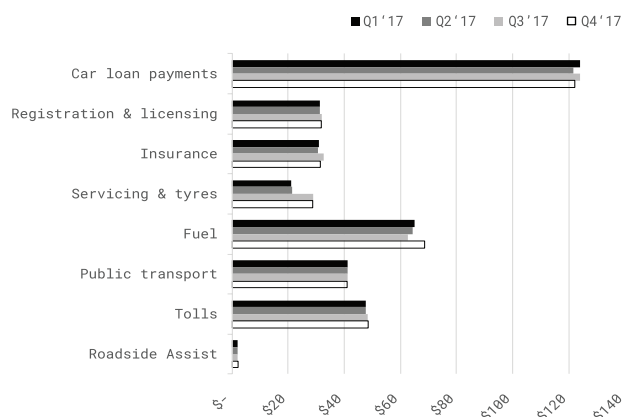
In total dollar terms, Melbourne remained to be the second most expensive city for transport, with costs equivalent to \$19,461 per year. This represents an increase on the previous quarter of \$154 per year. Transport costs, when expressed as a percentage of income were equivalent to 15.3 per cent.

The largest increase over the quarter relates to the cost of fuel, which increased by a difference of \$6.15 per week. This is equivalent to \$320 per year, if fuel prices remain high.

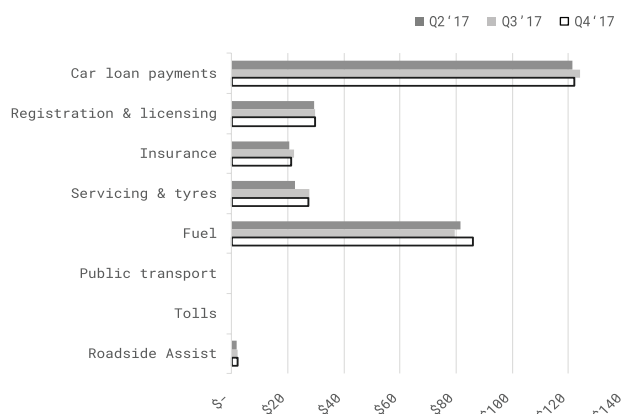
The cost of tolls also increased this quarter, however marginally.

The cost of car loan payments; servicing and tyres; and comprehensive insurance decreased this quarter, while all other costs remained constant. Car loan payments decreased following end of year sales on new vehicles and lower interest rates. Comprehensive insurance decreased for both the new and used vehicle. Melbourne households pay the highest in Australia for car loan payments. On the other hand, fuel remains relatively affordable compared to other cities.

Melbourne



Geelong



At a yearly cost of \$15,006 Geelong is more affordable than its capital city counterpart. Despite this, Geelong is the most expensive location when compared to other regional cities in Australia, however is slightly more affordable when income is taken into consideration at 12.3 per cent.

The Geelong household recorded an increase of \$166 per year on the previous quarter. This is attributable to the cost of fuel, which increased by \$6.34 per week or , or \$329.67 if fuel costs remain high.

The cost of fuel remains expensive compared to Melbourne. The difference in the costs incurred by the city and regional household is largely explained by the regional household travelling greater distances and subsequently paying higher costs for petrol.

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	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$124.13	\$121.59	\$124.04	\$122.14	1
Registration & licensing	\$31.28	\$31.30	\$31.82	\$31.82	5
Insurance	\$30.99	\$30.54	\$32.73	\$31.36	6
Servicing & tyres	\$21.14	\$21.31	\$28.88	\$28.77	7
Fuel	\$64.90	\$64.45	\$62.59	\$68.74	2
Public transport	\$41.00	\$41.00	\$41.00	\$41.00	4
Tolls	\$47.60	\$47.80	\$48.20	\$48.40	3
Roadside Assist	\$1.92	\$1.92	\$2.02	\$2.02	8
TOTAL	\$362.97	\$359.92	\$371.29	\$374.26	

Geelong	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	-	\$121.59	\$124.04	\$122.14	1
Registration & licensing	-	\$29.32	\$29.79	\$29.79	3
Insurance	-	\$20.61	\$22.32	\$21.18	5
Servicing & tyres	-	\$22.51	\$27.65	\$27.54	4
Fuel	-	\$81.54	\$79.56	\$85.90	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	\$1.92	\$2.02	\$2.02	6
TOTAL	-	\$277.50	\$285.37	\$288.57	

Queensland weekly costs of transport

Brisbane had the third highest transport costs this quarter, equivalent to \$19,312 per year, in total dollar terms. This is an increase of \$245 compared to the previous quarter. Brisbane, however ranks as the most expensive city in Australia, when transport costs are considered as a percentage of average income at 16.4 per cent.

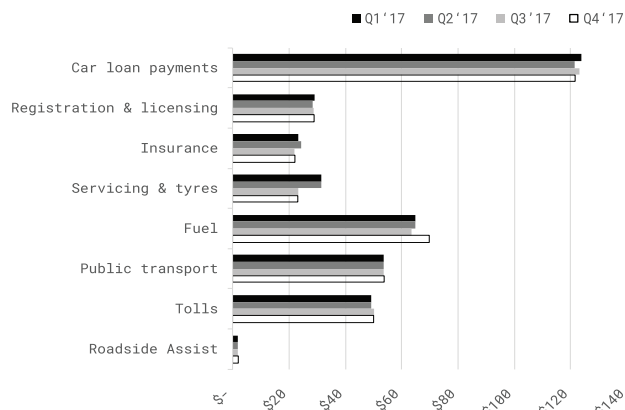
The cost of car loan payments decreased this quarter, by a difference of \$83 per year. The cost of servicing and tyres also decreased by a slight amount. All other costs faced by the household remained unchanged, apart from fuel which increased by \$6.40 per week, or \$333 per year if prices remain high.

The Townsville household pays \$13,038 per year in transport costs, an increase of more than \$173 a year. Townsville is no longer the cheapest regional city in Australia, however continues to be relatively affordable at seventh place.

Townsville spends less than its capital city counterpart when transport costs are expressed as a percentage of income at 11.5 per cent. Car loan payments decreased over the quarter, in line with Brisbane. The cost of servicing and tyres also fell slightly this quarter. All other costs remained constant, except for fuel, which increased by \$5.01 per week. Compared to other regions, Townsville is relatively inexpensive in terms of car loan payments, fuel, and roadside assistance.

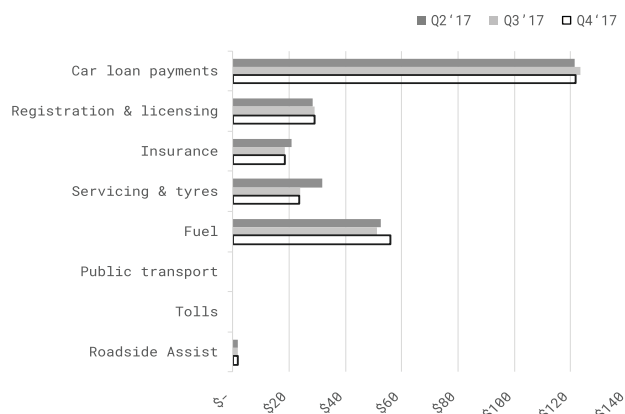
The household does not incur any costs for tolls and public transport due to low levels of usage in regional areas. The household also incurs slightly lower fuel costs as BITRE data suggests that the family travels slightly less than the city household.

Brisbane



Brisbane	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$123.80	\$121.35	\$123.28	\$121.69	1
Registration & licensing	\$29.00	\$28.38	\$28.88	\$28.88	5
Insurance	\$23.42	\$24.29	\$22.09	\$22.09	7
Servicing & tyres	\$31.37	\$31.36	\$23.32	\$23.23	6
Fuel	\$64.97	\$64.83	\$63.44	\$69.84	2
Public transport	\$53.64	\$53.64	\$53.64	\$53.64	3
Tolls	\$49.30	\$49.30	\$50.20	\$50.20	4
Roadside Assist	\$1.71	\$1.71	\$1.83	\$1.83	8
TOTAL	\$377.20	\$374.85	\$366.67	\$371.39	

Townsville



Townsville	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	-	\$121.35	\$123.28	\$121.69	1
Registration & licensing	-	\$28.38	\$28.88	\$28.88	3
Insurance	-	\$20.87	\$18.55	\$18.55	5
Servicing & tyres	-	\$31.87	\$23.78	\$23.68	4
Fuel	-	\$52.54	\$51.09	\$56.10	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	\$1.71	\$1.83	\$1.83	6
TOTAL	-	\$256.72	\$247.40	\$250.73	

Western Australia weekly costs of transport

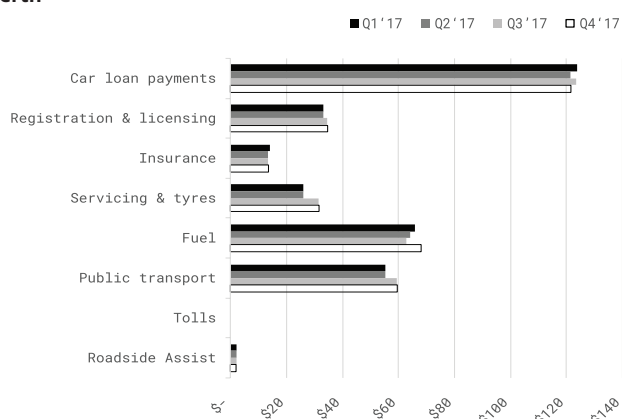
Perth remained the fourth most expensive capital city in Australia for the December 2017 quarter. Yearly transport costs were equivalent to \$17,219 in total dollar terms, an increase of \$196 on the previous quarter. Transport costs also increased when expressed as a percentage of income, from 13.1 per cent to 13.2 per cent.

The increase was mainly attributable to the cost of fuel this quarter. Fuel increased by a difference of \$5.18 per week, or \$270 per year if prices were to remain high. Despite this, fuel remains relatively affordable in Perth compared to some other capital cities.

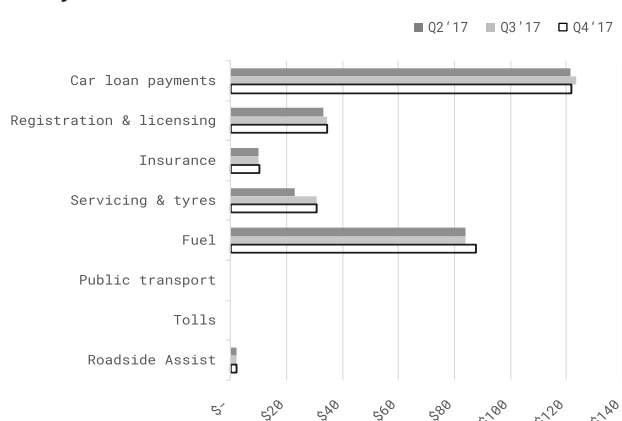
The cost of insurance; and servicing and tyres contributed to an overall increase in transport costs, however the effect was minimal.

The cost of car loan payments decreased this quarter due to lower interest rates and a price drop in the cost of purchasing a new car. All other costs remained constant this quarter.

Perth



Bunbury



In the Bunbury household, the cost of transport was \$14,921 per year, an increase of \$124 over the quarter. While this cost is affordable when compared to Perth, Bunbury is the second most expensive regional city in Australia. Bunbury becomes slightly more affordable when income is taken into consideration at 12.4 per cent.

The cost of fuel increased by \$3.90 per week or \$203 per year and remains relatively expensive in Bunbury compared to other cities in Australia. This is because households travel greater distances and incur higher costs for petrol per litre.

Bunbury is the most expensive region for registration, CTP, license costs and fuel. It also is relatively expensive for servicing and tyres. Bunbury is the cheapest location among the regional cities for comprehensive insurance. It is assumed that the household does not incur any costs for tolls and public transport due to low levels of usage in regional areas.

Perth	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$123.69	\$121.33	\$123.33	\$121.73	1
Registration & licensing	\$33.23	\$33.23	\$34.61	\$34.61	4
Insurance	\$14.09	\$13.41	\$13.47	\$13.64	6
Servicing & tyres	\$25.81	\$25.92	\$31.56	\$31.58	5
Fuel	\$65.82	\$64.25	\$62.95	\$68.13	2
Public transport	\$55.30	\$55.30	\$59.40	\$59.40	3
Tolls	-	-	-	-	-
Roadside Assist	\$2.00	\$2.00	\$2.04	\$2.04	7
TOTAL	\$319.94	\$315.46	\$327.36	\$331.13	

Bunbury	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	-	\$121.33	\$123.33	\$121.73	1
Registration & licensing	-	\$33.23	\$34.61	\$34.61	3
Insurance	-	\$9.97	\$10.10	\$10.16	5
Servicing & tyres	-	\$22.94	\$30.71	\$30.73	4
Fuel	-	\$83.94	\$83.77	\$87.67	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	\$2.00	\$2.04	\$2.04	6
TOTAL	-	\$273.42	\$284.56	\$286.94	

South Australia weekly costs of transport

In total dollar terms, yearly transport costs in Adelaide were equivalent to \$15,625 in the December 2017 quarter. This represents an increase of \$220 on the previous quarter. Costs have also increased as a percentage of income from 12.9 per cent to 13.1 per cent. Despite this, Adelaide remains to be the sixth most expensive city in Australia in both dollar terms, as well as under the income metric.

Costs that increased this quarter were insurance and fuel. Comprehensive insurance increased by a difference of \$45 per year. The cost of fuel also increased by a significant amount, approximately \$5.19 per week or \$270 per year if costs remain high. Despite this, Adelaide households pay the least for fuel compared to any other capital city in Australia.

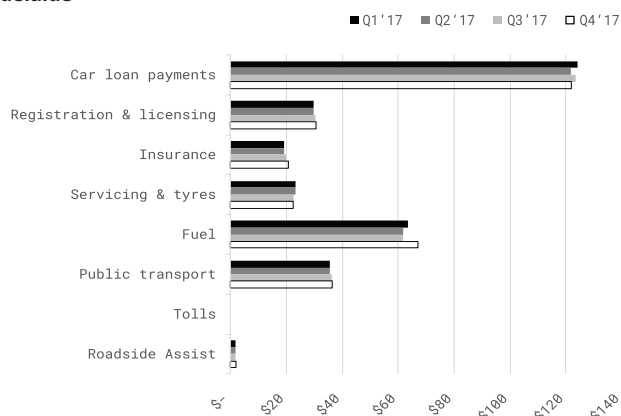
Car loan payments decreased this quarter as costs of purchasing a new vehicle decreased and interest rates fell. Servicing and tyres also fell minimally. All other costs remained constant for the quarter.

Regionally, Mount Gambier recorded an increase in transport costs equivalent to \$324 per year bringing total costs to around \$13,744 per annum, making it the fourth most expensive regional city in Australia. Mount Gambier becomes more expensive when income is taken into consideration (12.9 per cent). Under this metric, Mount Gambier is the second most expensive regional city in Australia.

Cost increases were recorded in both insurance as well as fuel. The impact of insurance was minimal. The fuel cost differential was the highest for Mount Gambier nationwide. As a result, households pay an additional \$7.30 per week in the cost of fuel. This is equivalent to an additional \$380 per year if costs remain high.

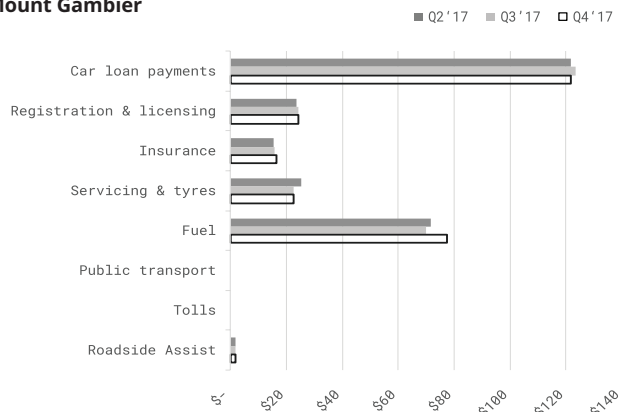
Car loan payments decreased this quarter, however remain relatively expensive in the region. The cost of servicing and tyres also fell slightly. All other costs remained constant. Mount Gambier continued to be relatively affordable for registration, CTP and driver license fees; servicing and tyres; and roadside assistance.

Adelaide



Adelaide	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$124.14	\$121.64	\$123.58	\$121.88	1
Registration & licensing	\$29.85	\$29.85	\$30.45	\$30.45	4
Insurance	\$19.13	\$19.13	\$19.71	\$20.58	6
Servicing & tyres	\$23.30	\$23.26	\$22.48	\$22.35	5
Fuel	\$63.43	\$61.92	\$61.92	\$67.11	2
Public transport	\$35.40	\$35.40	\$36.20	\$36.20	3
Tolls	-	-	-	-	-
Roadside Assist	\$1.87	\$1.87	\$1.90	\$1.90	7
TOTAL	\$297.12	\$293.06	\$296.25	\$300.48	

Mount Gambier



Mount Gambier	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	-	\$121.64	\$123.58	\$121.88	1
Registration & licensing	-	\$23.73	\$24.18	\$24.18	3
Insurance	-	\$15.31	\$15.79	\$16.54	5
Servicing & tyres	-	\$25.24	\$22.57	\$22.44	4
Fuel	-	\$71.60	\$70.06	\$77.36	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	\$1.87	\$1.90	\$1.90	6
TOTAL	-	\$259.39	\$258.07	\$264.30	

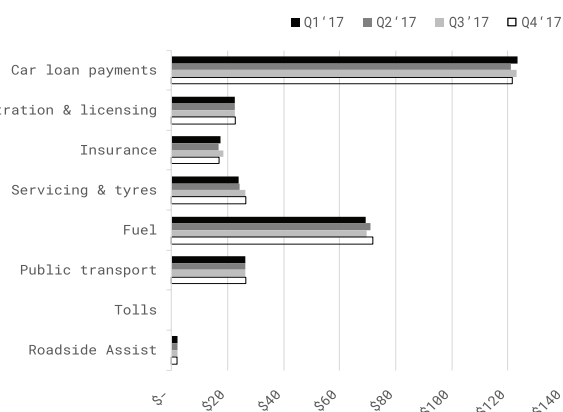
Tasmania weekly costs of transport

In total dollar terms, Hobart is the most affordable city in Australia, with transport costs equivalent to \$14,978 per year, a small decrease on the previous quarter of \$24. Hobart is the second most expensive city when transport costs are considered as a percentage of average income (16.1 per cent). This is because Hobart has the lowest average earnings of any capital city.

The small decrease in cost over the quarter was largely due to car loan payments and comprehensive insurance, which fell by \$74 and \$80 per year respectively. While the cost of fuel increased over the quarter by an additional \$2.43 per week (\$126 per year), the differential was the lowest in the nation. Servicing and tyres also increased by a slight amount this quarter.

Hobart remains to be the least expensive in terms of car loan payments; and registration, CTP and licensing fees. Hobart is also relatively affordable for insurance, public transport and costs associated with servicing and tyres.

Hobart

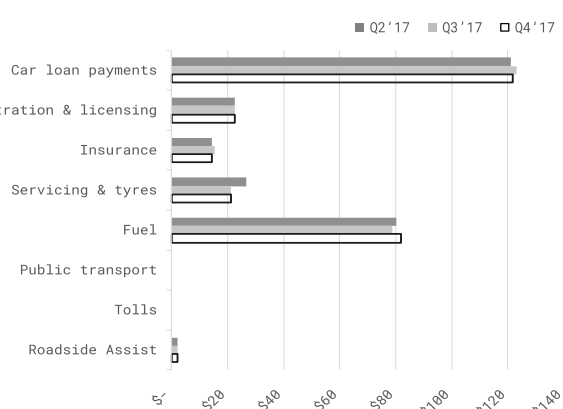


Regionally, Launceston households incurred yearly transport costs of \$13,717. However, Launceston is the most expensive regional city in Australia when transport costs are considered with respect to average income (16.2 per cent). Launceston also has the lowest average earning of any capital city or regional city.

For the December 2017 quarter, costs increased by \$41 per year. The increase is attributable to the cost of fuel this quarter, which has increased by a difference of \$2.92 per week or \$152 per year. Servicing and tyres also increased. Other than a decrease in car loan payments, all other costs remained constant.

Hobart	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$123.48	\$121.13	\$123.00	\$121.57	1
Registration & licensing	\$22.49	\$22.49	\$22.65	\$22.65	5
Insurance	\$17.61	\$16.80	\$18.63	\$17.09	6
Servicing & tyres	\$24.08	\$24.34	\$26.28	\$26.35	4
Fuel	\$69.23	\$71.04	\$69.44	\$71.86	2
Public transport	\$26.40	\$26.40	\$26.40	\$26.40	3
Tolls	-	-	-	-	-
Roadside Assist	\$2.06	\$2.06	\$2.10	\$2.10	7
TOTAL	\$285.34	\$284.25	\$288.49	\$288.03	

Launceston



Launceston	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	-	\$121.13	\$123.00	\$121.57	1
Registration & licensing	-	\$22.49	\$22.65	\$22.65	3
Insurance	-	\$14.27	\$15.24	\$14.49	5
Servicing & tyres	-	\$26.62	\$21.20	\$21.25	4
Fuel	-	\$80.28	\$78.81	\$81.73	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	\$2.06	\$2.10	\$2.10	6
TOTAL	-	\$266.84	\$263.00	\$263.79	

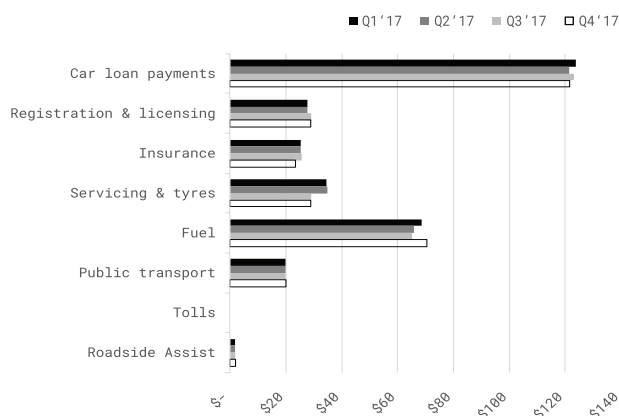
Northern Territory weekly costs of transport

In the December 2017 quarter, Darwin remained the second most affordable city for transport, both in total dollar terms, and as a percentage of average income (12.4 per cent). Transport costs were equivalent to \$15,373 per year, an increase of \$84 on the previous quarter.

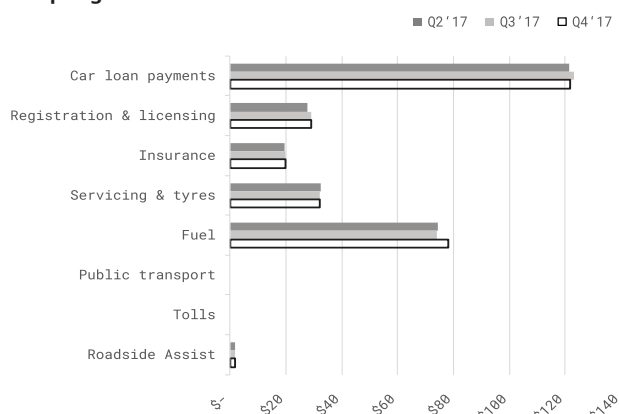
The increase in cost was largely attributed to the cost of fuel which increased over the quarter, by approximately \$5.45 per week or \$284 per year. The cost of car loan payments and comprehensive insurance decreased over the quarter, by around \$78 and \$121 per year respectively.

Darwin remains relatively inexpensive in terms of car loan payments; registration, CTP and licensing; roadside assistance and public transport. On the other hand, Darwin is relatively expensive for fuel; comprehensive insurance; and servicing and tyres.

Darwin



Alice Springs



In Alice Springs, transport costs were equivalent to \$14,693 per year, an increase of \$124 per year on the previous quarter. While this is lower than the costs incurred by the city household, the family in Alice Springs spends a higher proportion of income on transport (12.7 per cent). Alice Springs continued to be the most expensive region this quarter for servicing and tyres.

Fuel remained expensive for the Alice Springs household relative to its capital city counterpart and increased by \$3.97 per week or \$207 per year. Higher costs are explained by differences in distances travelled, and higher cost of petrol per litre.

Car loan payments decreased in line with Darwin, while comprehensive insurance was relatively cheaper for the Alice Springs household by \$185 per year. All other costs remained constant, with ranking of expenses unchanged.

Darwin	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$123.66	\$121.27	\$123.22	\$121.71	1
Registration & licensing	\$27.73	\$27.73	\$29.00	\$29.00	3
Insurance	\$25.37	\$25.36	\$25.78	\$23.45	5
Servicing & tyres	\$34.63	\$34.74	\$29.00	\$29.00	4
Fuel	\$68.65	\$65.98	\$65.11	\$70.56	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	\$301.94	\$296.98	\$294.01	\$295.63	

Alice Springs	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	-	\$121.27	\$123.22	\$121.71	1
Registration & licensing	-	\$27.73	\$29.00	\$29.00	4
Insurance	-	\$19.38	\$19.96	\$19.89	5
Servicing & tyres	-	\$32.53	\$32.07	\$32.07	3
Fuel	-	\$74.50	\$74.00	\$77.98	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	-	\$1.90	\$1.90	\$1.90	6
TOTAL	-	\$277.31	\$280.17	\$282.56	

ACT weekly costs of transport

In total dollar terms, Canberra has the fifth highest or fourth lowest household transport costs compared to other capital cities in Australia, at \$16,590 per year, an increase of \$150 per year on the previous quarter. Canberra, however, is the most affordable city in Australia when transport costs are considered with respect to average income (12.1 per cent). This is likely due to higher median incomes compared to other cities and regions.

For the first time since the Affordability Index was established in August 2016 Canberra became the most expensive city for registration, CTP and licensing due to costs reducing for the Sydney family.

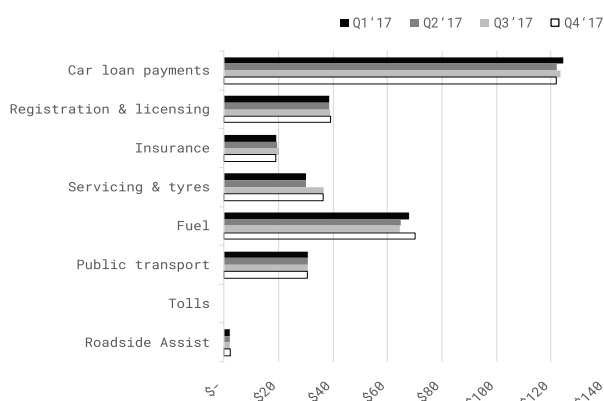
The cost of car loan payments and insurance decreased this quarter by \$89 and \$49 per year, respectively. The decrease, however, was offset by an increase in fuel prices. Fuel prices increased by a difference of \$5.62 this quarter. This is equivalent to \$292 per year, if costs remain high.

The cost of registration; public transport and roadside assistance remained unchanged since the previous quarter.

Canberra recorded high costs for roadside assistance, servicing and tyres, car loan payments and fuel. The costs of comprehensive insurance and public transport are relatively affordable compared to other capital 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



Canberra	Q1	Q2	Q3	Q4	Q4 Ranking
Car loan payments	\$124.54	\$122.19	\$123.59	\$121.89	1
Registration & licensing	\$38.41	\$38.41	\$38.97	\$38.97	3
Insurance	\$19.18	\$19.52	\$20.06	\$19.12	6
Servicing & tyres	\$29.97	\$30.09	\$36.37	\$36.28	4
Fuel	\$67.76	\$64.94	\$64.44	\$70.06	2
Public transport	\$30.60	\$30.60	\$30.60	\$30.60	5
Tolls	-	-	-	-	-
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	7
TOTAL	\$312.57	\$307.86	\$316.15	\$319.03	

Endnotes

- 1 BITRE, 2015, 'Australia's Commuting Distance: Cities and Regions,' https://bitre.gov.au/publications/2015/files/is_073.pdf
- 2 Australian Bureau of Statistics (ABS) Household Expenditure Survey 2015-16, <http://abs.gov.au/household-expenditure>
- 3 NSW Government Media Statement: <https://www.nsw.gov.au/your-government/the-premier/media-releases-from-the-premier/toll-relief-free-rego-for-drivers/>

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