



TRANSPORT AFFORDABILITY INDEX



Australian
Automobile
Association



SGS
Economics
& Planning

Report - March 2018



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Transport Affordability Index: March 2018

The Australian Automobile Association's Transport Affordability Index was launched in August 2016 with the aim of providing policy makers, media and members of the public 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.

This report shows every city and region experienced an increase in costs over the past quarter. The average Australian metropolitan household is now spending \$17,912 on transport costs, an increase of \$306 from the previous quarter. The regional household spends \$14,326 per year on transport and increase of \$318.

The increase in costs over the quarter was largely due to an increase in interest rates on new car loans; the average cost of the top 10 selling vehicles; fuel; comprehensive insurance and public transport. The cost of car loan payments was the largest contributor to the increase in costs over the quarter, followed by fuel and insurance.

Sydney remains the most expensive city in terms of total cost, with the household spending \$22,313 per year on transport but ranks third when income is taken into consideration. Once again Brisbane ranked as the most expensive city in Australia when transport costs were considered as a percentage of average income (16.3 per cent). Of the regional centres included in the Index, Bunbury surpassed Geelong as the most expensive region this quarter at \$15,300 per year.

The increase in costs over the quarter, reinforces that transport is a significant and unavoidable cost to households and that these cost pressures must be considered by governments at all levels when formulating policy.



Michael Bradley

Chief Executive
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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 December 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

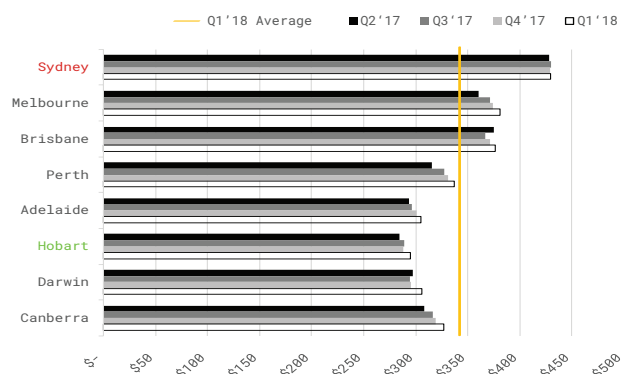
Overall, national average transport costs for both the regional and city household increased in total dollar terms and as a percentage of average income. Regional households incur lower transport costs than their city counterparts, mainly due to an absence of toll costs and public transport fares.

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.

Sydney households continue to face, by a significant margin, the highest total transport costs of any capital city in Australia at \$429 per week. By comparison, Hobart households continue to have the lowest transport costs, equivalent to \$295 per week. Darwin became more expensive over the quarter, ranking at sixth place, while Adelaide dropped to seventh place.

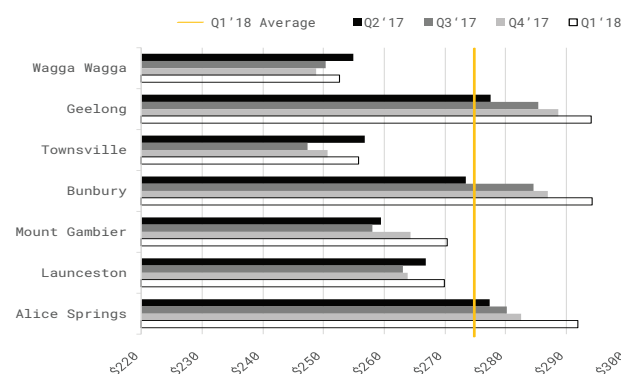
Bunbury overtook Geelong as the most expensive region in Australia. This was largely due to fuel increasing significantly in Bunbury compared to Geelong. The Bunbury household paid approximately \$294 in transport per week. Wagga Wagga continued to be the most affordable this quarter, with the household paying \$253 per week.

Capital cities



City	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	\$428.24	\$429.80	\$428.69	\$429.10	1
Melbourne	\$359.92	\$371.29	\$374.26	\$380.95	2
Brisbane	\$374.85	\$366.67	\$371.39	\$376.17	3
Perth	\$315.46	\$327.36	\$331.13	\$337.05	4
Adelaide	\$293.06	\$296.25	\$300.48	\$305.28	↓7
Hobart	\$284.25	\$288.49	\$288.03	\$294.62	8
Darwin	\$296.98	\$294.01	\$295.63	\$305.47	↑6
Canberra	\$307.86	\$316.15	\$319.03	\$327.12	5
Capital Average	\$332.58	\$336.25	\$338.58	\$344.47	

Regional



City	Q2	Q3	Q4	Q1	Q1 Ranking
Wagga Wagga	\$254.96	\$250.29	\$248.75	\$252.57	7
Geelong	\$277.50	\$285.37	\$288.57	\$293.99	↓2
Townsville	\$256.72	\$247.40	\$250.73	\$255.73	6
Bunbury	\$273.42	\$284.56	\$286.94	\$294.23	↑1
Mount Gambier	\$259.39	\$258.07	\$264.30	\$270.29	4
Launceston	\$266.84	\$263.00	\$263.79	\$269.80	5
Alice Springs	\$277.31	\$280.17	\$282.56	\$291.82	3
Regional Average	\$266.59	\$266.98	\$269.38	\$275.49	

Household total annual transport costs

The average annual cost of transport increased significantly by \$306 over the quarter for the city household. As a result, the city household now spends \$17,912 per year in transport costs.

The greatest increase occurred in Darwin and Canberra, with households incurring an additional \$512 and \$421 per year, respectively. Rankings for the city households changed, as Darwin became more expensive, overtaking Adelaide.

The average annual cost of transport also increased for the regional household, by a difference of \$318 over the quarter.

Transport costs increased the most in Alice Springs, by a difference of \$482 per year. Bunbury also recorded a large increase, equivalent to \$379 per year. The substantial increase in costs has resulted in Bunbury ranking as the most expensive region this quarter, overtaking Geelong.

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 \$2,711 for city households and \$2,611 for regional households. This represents an increase on the previous quarter of around \$18 and \$19 for the city and regional household respectively. The increase was largely due to the Federal Government increasing the fuel excise rate to 40.9 cents a litre, effective from February 2018. There was also a slight increase in the cost of vehicle registration and CTP.

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	Q4	Q1	Change	Q1 Ranking
Sydney	\$22,291.81	\$22,313.43	\$21.61	1
Melbourne	\$19,461.26	\$19,809.66	\$348.39	2
Brisbane	\$19,312.22	\$19,560.75	\$248.53	3
Perth	\$17,218.64	\$17,526.64	\$308.00	4
Adelaide	\$15,624.97	\$15,874.40	\$249.44	↓7
Hobart	\$14,977.64	\$15,320.06	\$342.41	8
Darwin	\$15,372.69	\$15,884.38	\$511.68	↑6
Canberra	\$16,589.75	\$17,010.47	\$420.73	5
Capital Average	\$17,606.12	\$17,912.47	\$306.35	

Capital cities average taxes	Q4	Q1	Change
Fuel excise	\$1,059.89	\$1,075.67	\$15.78
Registration, CTP and licensing	\$1,633.22	\$1,635.27	\$2.05
HOUSEHOLD TOTAL	\$2,693.11	\$2,710.94	\$17.83

Regional

City	Q4	Q1	Change	Q1 Ranking
Wagga Wagga	\$12,934.94	\$13,133.72	\$198.78	7
Geelong	\$15,005.69	\$15,287.30	\$281.62	↓2
Townsville	\$13,038.05	\$13,298.13	\$260.08	6
Bunbury	\$14,920.99	\$15,300.08	\$379.09	↑1
Mount Gambier	\$13,743.69	\$14,055.04	\$311.36	4
Launceston	\$13,717.05	\$14,029.67	\$312.62	5
Alice Springs	\$14,692.93	\$15,174.85	\$481.92	3
Regional Average	\$14,007.62	\$14,325.54	\$317.92	

Regional average taxes	Q4	Q1	Change
Fuel excise	\$1,111.61	\$1,128.16	\$16.55
Registration, CTP and licensing	\$1,480.79	\$1,483.22	\$2.43
HOUSEHOLD TOTAL	\$2,592.39	\$2,611.37	\$18.98

Household Average weekly expenses

There was an increase in transport costs for the average city household over the quarter. The increase in costs were attributable to:

- Car loan payments - increased due to an update of the top ten selling vehicles in Australia, and an increase in interest rates for all jurisdictions, except New South Wales;
- Comprehensive insurance – due to higher premiums on average;
- Registration, CTP and licensing costs – increased marginally in Sydney and Brisbane
- Public transport costs – increased marginally in Melbourne, Brisbane, Hobart and Canberra
- Servicing and tyres – due to an increase in CPI and fixed priced servicing for several manufacturers;
- Fuel – increased in all locations except Sydney; and
- Toll costs – increased marginally in New South Wales and Victoria

There were no cost decreases over the quarter. All other cost categories remained unchanged.

The ranking of average expenses for the city and regional family remained the same over the quarter. Car loan payments represented the highest expense for the family's budget. Roadside assistance and insurance represented the cheapest expense for the family.

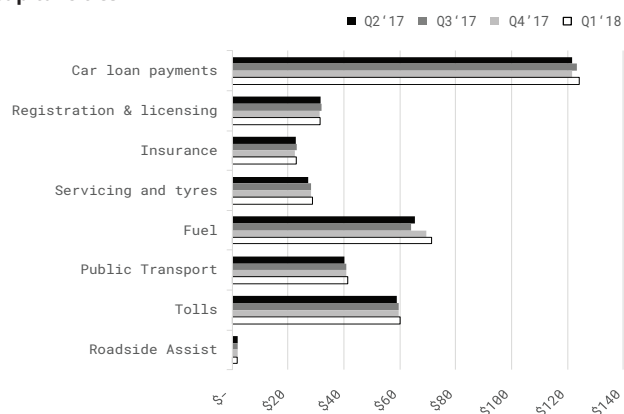
There are a few notable differences between transport costs in the city and regional household:

- 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 \$241 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.

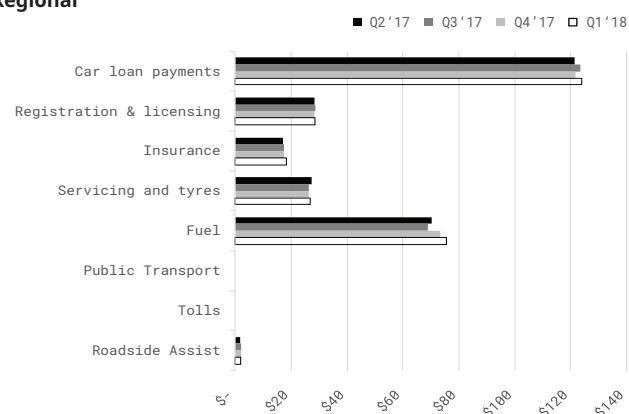
It is also assumed that similar cars are driven in the regional household, therefore fuel efficiency and fuel mix assumptions remain the same.

Capital cities



Expenses	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.48	\$123.39	\$121.81	\$124.10	1
Registration & licensing	\$31.70	\$32.14	\$31.41	\$31.45	5
Insurance	\$22.63	\$23.16	\$22.36	\$23.02	7
Servicing and tyres	\$27.28	\$28.29	\$28.24	\$28.73	6
Fuel	\$65.24	\$64.09	\$69.52	\$71.27	2
Public Transport	\$40.17	\$40.84	\$40.84	\$41.39	4
Tolls	\$58.95	\$59.56	\$59.75	\$59.99	3
Roadside Assist	\$1.96	\$2.00	\$2.00	\$2.00	8

Regional



Expenses	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.38	\$123.36	\$121.79	\$124.07	1
Registration & licensing	\$28.34	\$28.79	\$28.48	\$28.52	3
Insurance	\$17.23	\$17.58	\$17.33	\$18.41	5
Servicing and tyres	\$27.49	\$26.37	\$26.33	\$26.80	4
Fuel	\$70.21	\$68.89	\$73.46	\$75.70	2
Public Transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	\$1.94	\$1.99	\$1.99	\$1.99	6

Household total transport costs as share of income

Nationally, the average cost of transport as a percentage of income increased, from 13.4 per cent to 13.5 per cent over the quarter. In the city household, the average cost of transport as a percentage of income increased from 14.2 per cent to 14.3 per cent. In the regional household, the average cost of transport as a percentage of income also increased, from 12.3 per cent to 12.5 per cent.

Of the capital cities, Adelaide and Perth recorded the greatest increase over the quarter, by around 0.3 per cent. On the other hand, Sydney and Melbourne recorded a decrease in costs as a share of income by around 0.3 per cent and 0.1 per cent respectively due to higher earnings. Of the regions, Bunbury and Mount Gambier recorded the greatest increases over the quarter, equivalent to 0.3 per cent due to lower earnings.

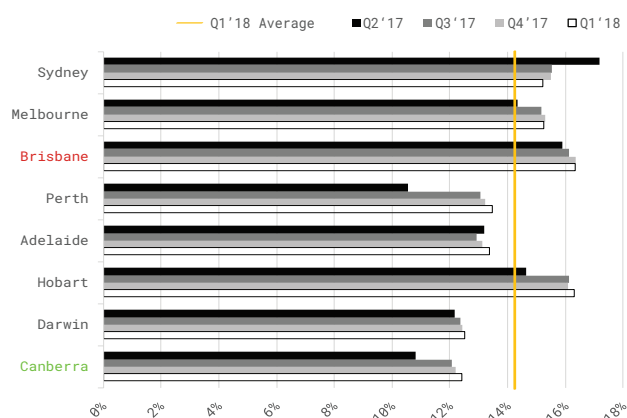
Brisbane continues to rank as the most expensive city for transport, when costs are considered with respect to income. Canberra remains the most affordable under the same metric. Hobart has the least expensive total transport costs, however when this cost is scaled

by average household income, Hobart becomes the second most expensive city. This trend continues for regional households in Launceston, Mount Gambier and Alice Springs.

Average weekly earnings increased in all states except Western Australia and South Australia over the quarter, resulting in the average family earning an additional \$28 per week. Adelaide households now earn the second lowest among the capital cities, overtaking Brisbane. Households in Canberra continue to earn one of the highest in the nation.

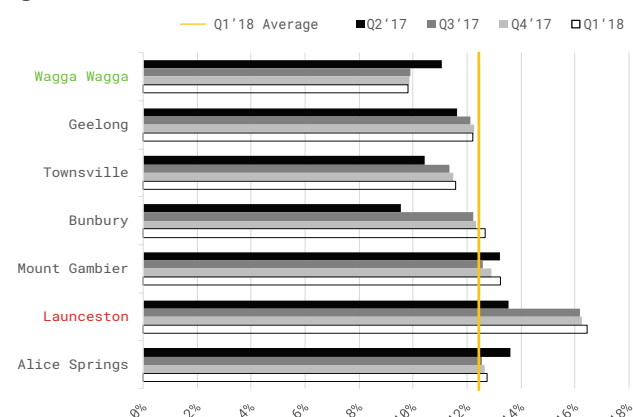
All regional households earn around \$199 per week less than their city counterparts, consistent with the income data in the 2016 Census. Households in Wagga Wagga and Mount Gambier earn significantly less per week than their city counterparts by around \$247 and \$241 per week on average. Rankings changed slightly for capital cities with Sydney becoming slightly more affordable than Melbourne, however rankings remained the same for all regional locations.

Capital cities



City	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	17.19%	15.53%	15.49%	15.22%	↓4
Melbourne	14.35%	15.18%	15.31%	15.25%	↑3
Brisbane	15.91%	16.14%	16.35%	16.34%	1
Perth	10.54%	13.06%	13.22%	13.45%	5
Adelaide	13.20%	12.93%	13.11%	13.38%	6
Hobart	14.65%	16.12%	16.09%	16.30%	2
Darwin	12.16%	12.37%	12.43%	12.52%	7
Canberra	10.83%	12.08%	12.19%	12.42%	8
Capital Average	13.44%	14.11%	14.21%	14.29%	

Regional



City	Q2	Q3	Q4	Q1	Q1 Ranking
Wagga Wagga	11.06%	9.91%	9.85%	9.82%	7
Geelong	11.62%	12.12%	12.26%	12.22%	5
Townsville	10.44%	11.35%	11.50%	11.57%	6
Bunbury	9.55%	12.25%	12.35%	12.67%	4
Mount Gambier	13.22%	12.60%	12.90%	13.24%	2
Launceston	13.55%	16.19%	16.24%	16.45%	1
Alice Springs	13.62%	12.54%	12.65%	12.73%	3
Regional Average	11.67%	12.22%	12.33%	12.45%	



Section Three

Detailed Results

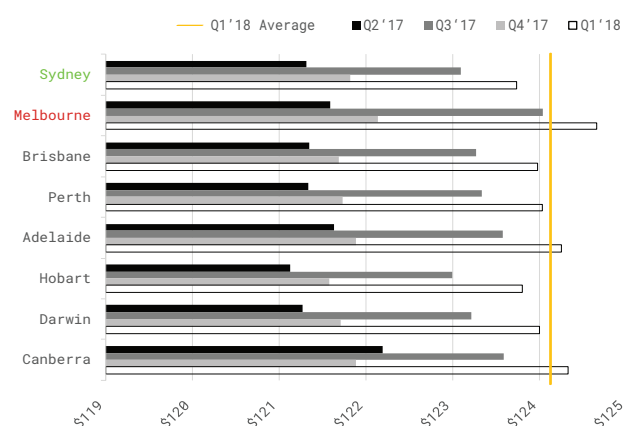
Household weekly car loan payment costs

The top ten vehicles sold in 2017 were updated for this edition of the Index. A higher volume of larger Sports Utility Vehicles (SUVs) and Light Commercial Vehicles (LCVs) were sold in 2017. As a result, the cost of purchasing a new car increased by around \$444. Car loan interest rates also increased in all jurisdictions, except New South Wales. Subsequently, there was an increase in the cost of loan payments for the new car by around \$120 per year for both the city and regional household.

Brisbane, Perth, Hobart and Darwin became more expensive for car loan payments, while Sydney surpassed Hobart in terms of being the most affordable city for taking out a new car loan. This was primarily due to lower interest rates offered in Sydney for a secured car loan. Melbourne remained to be the most expensive city for car loan payments this quarter due to higher upfront purchasing costs and higher interest rates.

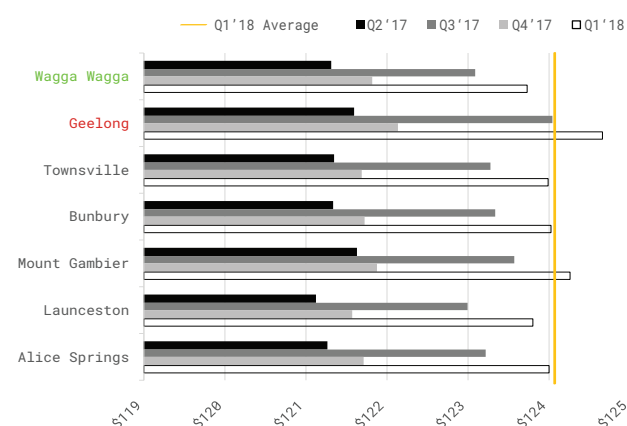
The regional household incurred the same costs in this category due to assumptions around interest rates and new car purchases costs remaining the same in both regional and city locations.

Capital cities



City	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	\$121.31	\$123.10	\$121.82	\$123.74	↓8
Melbourne	\$121.59	\$124.04	\$122.14	\$124.66	1
Brisbane	\$121.35	\$123.28	\$121.69	\$123.99	↑6
Perth	\$121.33	\$123.33	\$121.73	\$124.03	↑4
Adelaide	\$121.64	\$123.58	\$121.88	\$124.26	3
Hobart	\$121.13	\$123.00	\$121.57	\$123.81	↑7
Darwin	\$121.27	\$123.22	\$121.71	\$124.01	↑5
Canberra	\$122.19	\$123.59	\$121.89	\$124.34	2
Capital Average	\$121.48	\$123.39	\$121.81	\$124.10	

Regional



City	Q2	Q3	Q4	Q1	Q1 Ranking
Wagga Wagga	\$121.31	\$123.10	\$121.82	\$123.74	↓7
Geelong	\$121.59	\$124.04	\$122.14	\$124.66	1
Townsville	\$121.35	\$123.28	\$121.69	\$123.99	↑5
Bunbury	\$121.33	\$123.33	\$121.73	\$124.03	↑3
Mount Gambier	\$121.64	\$123.58	\$121.88	\$124.26	2
Launceston	\$121.13	\$123.00	\$121.57	\$123.81	↑6
Alice Springs	\$121.27	\$123.22	\$121.71	\$124.01	↑4
Regional Average	\$121.38	\$123.36	\$121.79	\$124.07	

Household weekly registration, CTP & licence costs

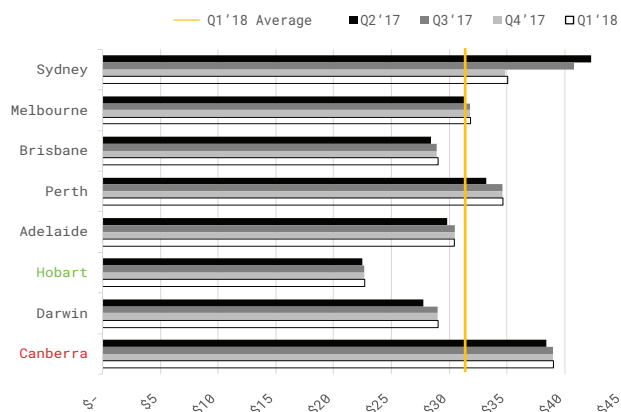
The cost of vehicle registration, CTP and driver's licensing fees increased on average for both the city and regional household. The cost of registration increased in New South Wales due to the government increasing fees to account for indexation, while the cost of CTP increased in New South Wales and Queensland this quarter due to higher insurance premiums. Registration, CTP insurance and driver's licensing costs remained constant in all other cities.

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

When comparing the regional household, Bunbury remained the most expensive, while Launceston remained the most affordable. Annually, the difference between Bunbury and Launceston is \$622 per year.

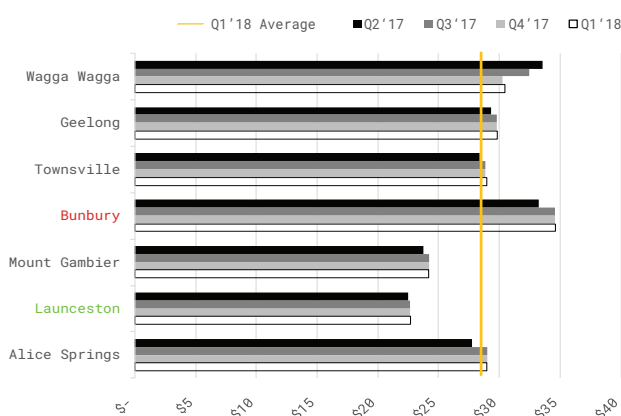
Registration, CTP and driver's licensing costs were significantly cheaper for regional households in New South Wales, South Australia and Victoria due to government policies that allow for different regional and metro pricing structures. The Wagga Wagga household saves \$242 per year in registration costs compared to the same household in Sydney. Similarly, Mount Gambier households save \$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. Ranking of city and regional households remained the same for the March 2018 quarter.

Capital cities



City	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	\$42.24	\$40.75	\$34.88	\$35.08	2
Melbourne	\$31.30	\$31.82	\$31.82	\$31.82	4
Brisbane	\$28.38	\$28.88	\$28.88	\$28.99	7
Perth	\$33.23	\$34.61	\$34.61	\$34.61	3
Adelaide	\$29.85	\$30.45	\$30.45	\$30.45	5
Hobart	\$22.49	\$22.65	\$22.65	\$22.65	8
Darwin	\$27.73	\$29.00	\$29.00	\$29.00	6
Canberra	\$38.41	\$38.97	\$38.97	\$38.97	1
Capital Average	\$31.70	\$32.14	\$31.41	\$31.45	

Regional



City	Q2	Q3	Q4	Q1	Q1 Ranking
Wagga Wagga	\$33.52	\$32.43	\$30.23	\$30.44	2
Geelong	\$29.32	\$29.79	\$29.79	\$29.79	3
Townsville	\$28.38	\$28.88	\$28.88	\$28.99	5
Bunbury	\$33.23	\$34.61	\$34.61	\$34.61	1
Mount Gambier	\$23.73	\$24.18	\$24.18	\$24.18	6
Launceston	\$22.49	\$22.65	\$22.65	\$22.65	7
Alice Springs	\$27.73	\$29.00	\$29.00	\$29.00	4
Regional Average	\$28.34	\$28.79	\$28.48	\$28.52	

Household weekly comprehensive insurance costs

The average weekly cost of comprehensive car insurance for both the new and used vehicle increased over the quarter for all capital and regional cities, except Sydney.

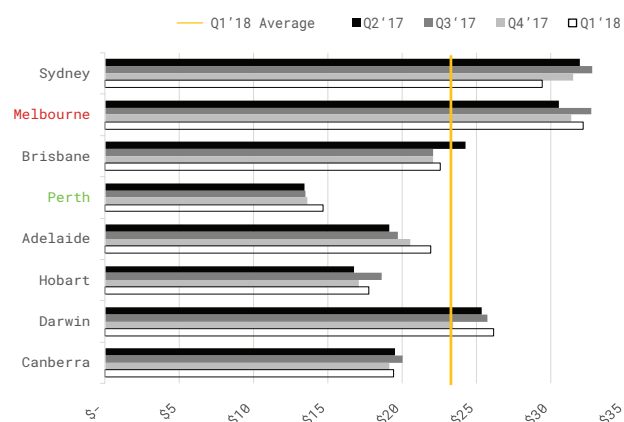
Insurance premiums increased the most in Darwin this quarter, by a difference of \$140 per year.

Sydney fell in rankings, with Melbourne taking over as the most expensive city for comprehensive insurance this quarter. Perth continued to be the most affordable city for insurance. Annually, the Perth household saves \$912 in comprehensive insurance compared to the same household in Melbourne.

When looking at the regional cities, Alice Springs recorded the largest increase this quarter, equivalent to \$186 per year. As a result, Alice Springs became the most expensive region this quarter for insuring both a new and used car. Bunbury remained the cheapest. The Bunbury family saves around \$655 per year compared to the same family in Alice Springs.

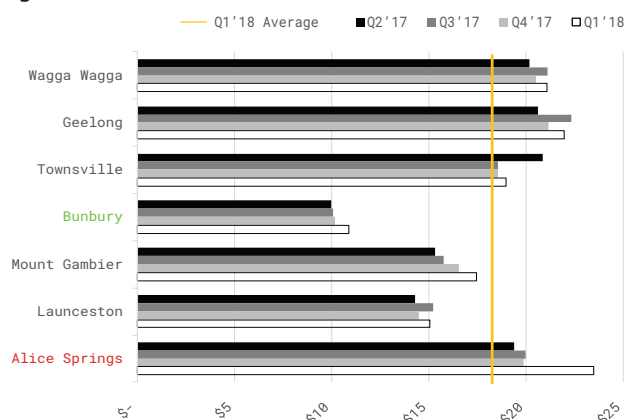
When comparing the regional and city households, premiums were significantly cheaper for comprehensive insurance. The differential was the largest in Victoria where Geelong saves more than \$533 per year on comprehensive insurance for both the new and used car compared to Melbourne.

Capital cities



City	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	\$32.00	\$32.82	\$31.53	\$29.44	↓2
Melbourne	\$30.54	\$32.73	\$31.36	\$32.20	↑1
Brisbane	\$24.29	\$22.09	\$22.09	\$22.59	4
Perth	\$13.41	\$13.47	\$13.64	\$14.66	8
Adelaide	\$19.13	\$19.71	\$20.58	\$21.94	5
Hobart	\$16.80	\$18.63	\$17.09	\$17.76	7
Darwin	\$25.36	\$25.78	\$23.45	\$26.14	3
Canberra	\$19.52	\$20.06	\$19.12	\$19.46	6
Capital Average	\$22.63	\$23.16	\$22.36	\$23.02	

Regional



City	Q2	Q3	Q4	Q1	Q1 Ranking
Wagga Wagga	\$20.19	\$21.09	\$20.51	\$21.08	↓3
Geelong	\$20.61	\$22.32	\$21.18	\$21.95	↓2
Townsville	\$20.87	\$18.55	\$18.55	\$18.98	4
Bunbury	\$9.97	\$10.10	\$10.16	\$10.86	7
Mount Gambier	\$15.31	\$15.79	\$16.54	\$17.46	5
Launceston	\$14.27	\$15.24	\$14.49	\$15.06	6
Alice Springs	\$19.38	\$19.96	\$19.89	\$23.47	↑1
Regional Average	\$17.23	\$17.58	\$17.33	\$18.41	

Household total weekly servicing and tyre costs

The cost of servicing and tyres increased over the quarter, due to an increase to the consumer price index (CPI) and an increase in fixed cost service pricing.

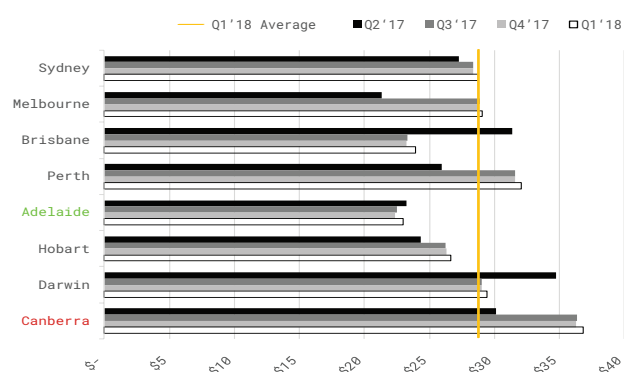
The cost of maintaining both cars in Canberra remained to be the highest nationwide, while Adelaide remained the cheapest. The family in Adelaide could expect savings of \$722 per year in car maintenance costs compared to the same family in Canberra.

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 \$573 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.

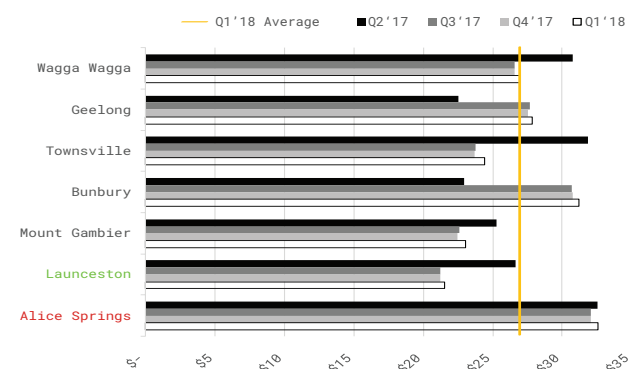
Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey and is indexed in line with CPI.²

Capital cities



City	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	\$27.24	\$28.39	\$28.39	\$28.74	5
Melbourne	\$21.31	\$28.88	\$28.77	\$29.08	4
Brisbane	\$31.36	\$23.32	\$23.23	\$23.96	7
Perth	\$25.92	\$31.56	\$31.58	\$32.09	2
Adelaide	\$23.26	\$22.48	\$22.35	\$22.98	8
Hobart	\$24.34	\$26.28	\$26.35	\$26.68	6
Darwin	\$34.74	\$29.00	\$29.00	\$29.46	3
Canberra	\$38.09	\$36.37	\$36.28	\$36.86	1
Capital Average	\$27.28	\$28.29	\$28.24	\$28.73	

Regional



City	Q2	Q3	Q4	Q1	Q1 Ranking
Wagga Wagga	\$30.74	\$26.61	\$26.61	\$26.95	4
Geelong	\$22.51	\$27.65	\$27.54	\$27.85	3
Townsville	\$31.87	\$23.78	\$23.68	\$24.42	5
Bunbury	\$22.94	\$30.71	\$30.73	\$31.23	2
Mount Gambier	\$25.24	\$22.57	\$22.44	\$23.07	6
Launceston	\$26.62	\$21.20	\$21.25	\$21.55	7
Alice Springs	\$32.53	\$32.07	\$32.07	\$32.57	1
Regional Average	\$27.49	\$26.37	\$26.33	\$26.80	

Household weekly fuel costs

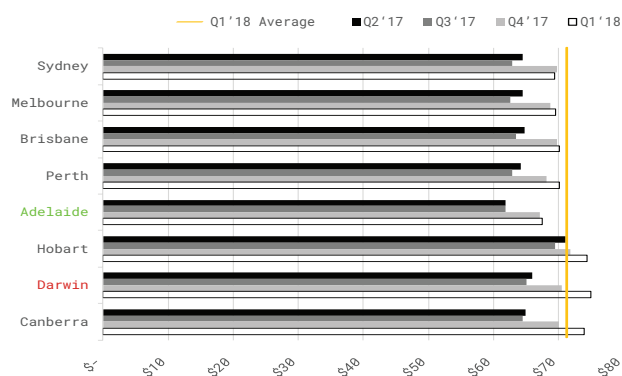
The cost of fuel increased over the quarter for all capital cities, except Sydney. Regular unleaded petrol increased from 137.7 per litre to 140.7 per litre for the city household, an increase of 3 cents a litre. As a result, the cost of fuel increased by \$1.76 per week for the city household. The average metropolitan family could be expected to pay up to an additional \$91 per year.

Darwin surpassed Hobart this quarter and is now the most expensive city for fuel. Darwin also had the greatest increase in fuel costs than any other capital city or region, equivalent to \$4.40 per week or around \$229 per year. If households in Darwin were able to access the lower fuel prices available in the cheapest city, Adelaide, the household would save around \$7.41 per week or \$385 per year. Perth went from being the second most affordable city for fuel to the fourth expensive. On the other hand, Sydney, Brisbane and Hobart became more affordable.

When looking at the regional cities, Bunbury remained the most expensive region for fuel this quarter, while Wagga Wagga remained the cheapest. Rankings of regional households remained unchanged this quarter. Regular unleaded petrol increased from 138.7 per litre to 142.5 per litre for the regional household, an increase of almost 4 cents a litre.

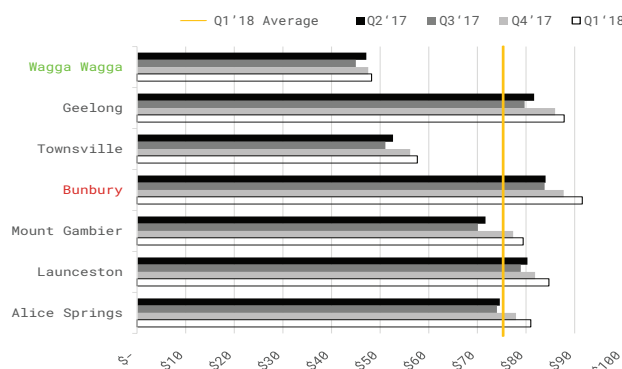
The regional household experienced higher petrol and diesel prices than their city counterparts this quarter by around 2 and 0.6 cents respectively.

Capital cities



City	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	\$64.53	\$62.87	\$69.82	\$69.35	↓7
Melbourne	\$64.45	\$62.59	\$68.74	\$69.58	6
Brisbane	\$64.83	\$63.44	\$69.84	\$70.16	↓5
Perth	\$64.25	\$62.95	\$68.13	\$70.21	↑4
Adelaide	\$61.92	\$61.92	\$67.11	\$67.54	8
Hobart	\$71.04	\$69.44	\$71.86	\$74.42	↓2
Darwin	\$65.98	\$65.11	\$70.56	\$74.95	↑1
Canberra	\$64.94	\$64.44	\$70.06	\$73.98	3
Capital Average	\$65.24	\$64.09	\$69.52	\$71.27	

Regional



City	Q2	Q3	Q4	Q1	Q1 Ranking
Wagga Wagga	\$47.07	\$44.95	\$47.47	\$48.25	7
Geelong	\$81.54	\$79.56	\$85.90	\$87.72	2
Townsville	\$52.54	\$51.09	\$56.10	\$57.53	6
Bunbury	\$83.94	\$83.77	\$87.67	\$91.46	1
Mount Gambier	\$71.60	\$70.06	\$77.36	\$79.42	5
Launceston	\$80.28	\$78.81	\$81.73	\$84.63	3
Alice Springs	\$74.50	\$74.00	\$77.98	\$80.87	4
Regional Average	\$70.21	\$68.89	\$73.46	\$75.70	

Household weekly public transport costs

The cost of public transport increased marginally in Melbourne, Brisbane, Hobart and Canberra. The cost increase was due to government decisions to increase fares in line with indexation and operational costs.

The largest fare increase occurred in Melbourne at \$104 per year, while the cheapest was in Hobart and Canberra at around \$42 per year.

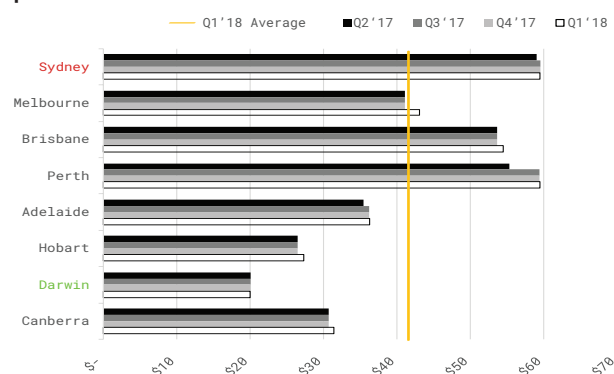
Sydney remains the most expensive city for public transport, while Darwin remains the cheapest.

The Darwin hypothetical family saves around \$2,053 per year in public transport costs compared to the same family in Sydney.

Costs remained constant in all other cities and rankings were unchanged for the March 2018 quarter.

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	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	\$59.04	\$59.49	\$59.49	\$59.49	1
Melbourne	\$41.00	\$41.00	\$41.00	\$43.00	4
Brisbane	\$53.64	\$53.64	\$53.64	\$54.45	3
Perth	\$55.30	\$59.40	\$59.40	\$59.40	2
Adelaide	\$35.40	\$36.20	\$36.20	\$36.20	5
Hobart	\$26.40	\$26.40	\$26.40	\$27.20	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$30.60	\$30.60	\$30.60	\$31.40	6
Capital Average	\$40.17	\$40.84	\$40.84	\$41.39	

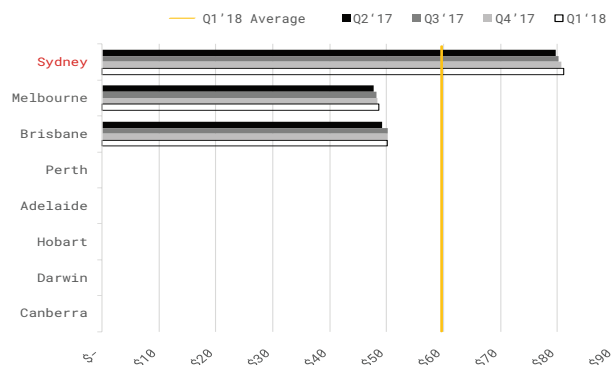
Household weekly costs of toll roads

Sydney and Melbourne both recorded a slight increase in tolls in the March 2018 quarter, in line with quarterly scheduled increases.

In Sydney, weekly toll road costs increased by 0.6 per cent compared to the quarter before. This is an annual difference of \$27. In Melbourne, weekly toll costs increased by 0.4 per cent, 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 \$33 less per week on tolls compared to the same family in Sydney. Annually, this is a difference of about \$1,693. The Sydney family in the Index is expected to be eligible for free registration costs from 1 July 2018 due to their high toll usage. This will provide the family some relief and will be factored into the Quarter 3 report.³

Capital cities



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.

City	Q2	Q3	Q4	Q1	Q1 Ranking
Sydney	\$79.76	\$80.28	\$80.64	\$81.16	1
Melbourne	\$47.80	\$48.20	\$48.40	\$48.60	3
Brisbane	\$49.30	\$50.20	\$50.20	\$50.20	2
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
Capital Average	\$58.95	\$59.56	\$59.75	\$59.99	

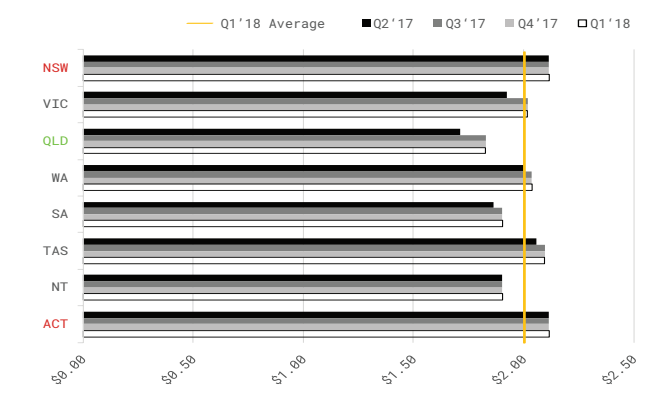
Household weekly costs of roadside assistance

Roadside assistance costs remained constant in all capital cities and regions for the March 2018 quarter. The highest ongoing cost remains to be in Sydney and Canberra at \$110 per year, while the lowest is in Brisbane at \$95 per year.

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

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

States



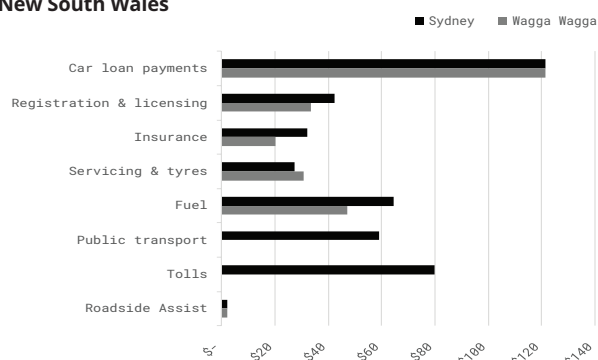
State	Q2	Q3	Q4	Q1	Q1 Ranking
NSW	\$2.12	\$2.12	\$2.12	\$2.12	1
VIC	\$1.92	\$2.02	\$2.02	\$2.02	5
QLD	\$1.71	\$1.83	\$1.83	\$1.83	8
WA	\$2.00	\$2.04	\$2.04	\$2.04	4
SA	\$1.87	\$1.90	\$1.90	\$1.90	6
TAS	\$2.06	\$2.10	\$2.10	\$2.10	3
NT	\$1.90	\$1.90	\$1.90	\$1.90	6
ACT	\$2.12	\$2.12	\$2.12	\$2.12	1
National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

Section Four

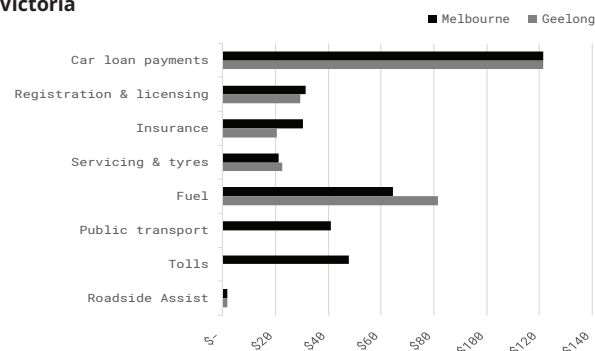
State by State Comparison

City vs Regional comparison by state

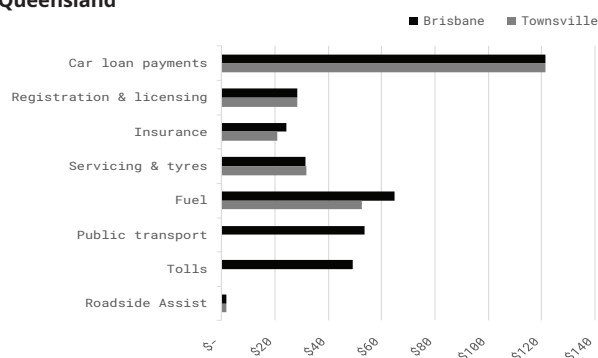
New South Wales



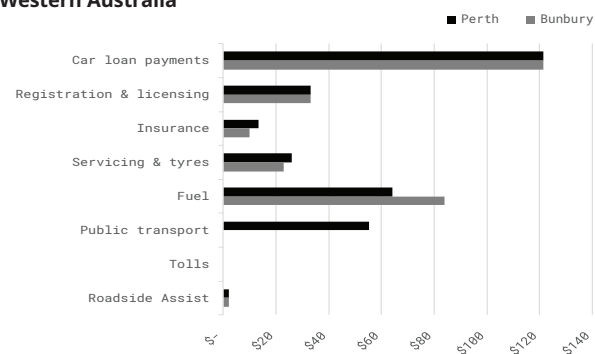
Victoria



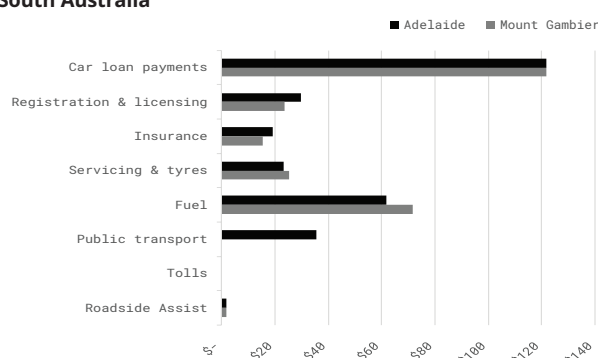
Queensland



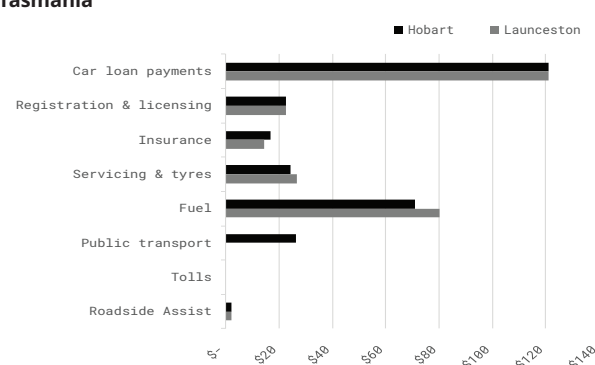
Western Australia



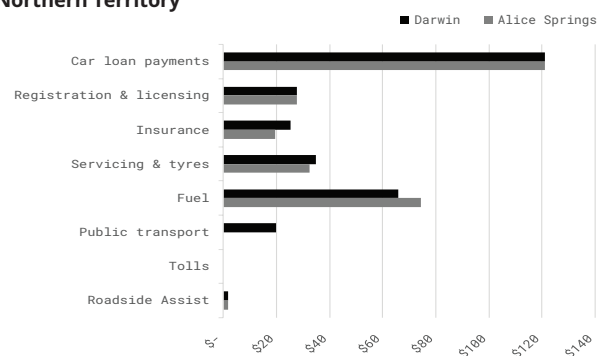
South Australia



Tasmania



Northern Territory



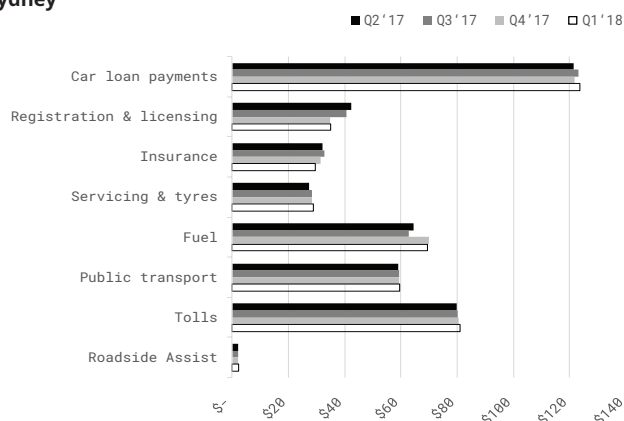
New South Wales weekly costs of transport

Sydney remains the most expensive capital city in Australia for transport. Transport costs totalled \$22,313 per year for the household, an increase of \$22 per year. Sydney has, however, become comparatively affordable when transport is considered with respect to average income (15.2 per cent), due to an increase in average weekly earnings for the family. Under the income metric, Sydney is now the fourth most expensive city for transport.

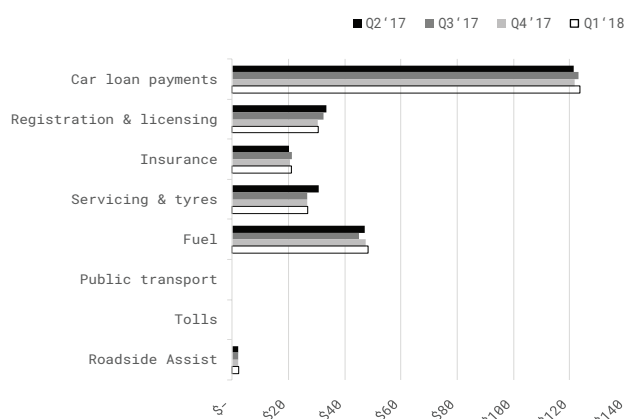
The increase in cost over the quarter is largely attributable to an increase in car loan payments; registration, CTP and licensing; servicing and tyres; and tolls.

CTP Green Slip prices were reduced for most classes of vehicles from 1 December 2017 when the government's new scheme started.⁴ The household was not eligible for a CTP Green Slip refund as the estimate for Q4, 2017 was generated in the second week of December, after the 1 December 2017 renewal deadline. Consequently, the reduced fees had already been incorporated into the last version of the index. There was a very small increase in registration and CTP costs over the quarter due to an increase in the light vehicle motor vehicle tax which increased from \$293 to \$299. CTP also increased due to higher insurance premiums.

Sydney



Wagga Wagga



The Sydney household is also expected to benefit from the Toll Relief program when it comes into effect on 1 July 2018. Savings of around \$358 per year will be factored into Q3, 2018 of the Index.⁵

At transport costs equivalent to \$13,134 per year, Wagga Wagga is the most affordable regional centre in Australia, both in dollar terms and with respect to average income (9.8 per cent). Transport costs increased by \$199 in the March 2018 quarter, primarily due to an increase in car loan payments and fuel.

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 March 2018 quarter, the Wagga Wagga household paid higher prices for unleaded petrol by around 0.8 cents per litre compared to its city counterpart. The Wagga Wagga household does not incur any costs for tolls and public transport due to low levels of usage in regional areas.

Sydney	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.31	\$123.10	\$121.82	\$123.74	1
Registration & licensing	\$42.24	\$40.75	\$34.88	\$35.08	5
Insurance	\$32.00	\$32.82	\$31.53	\$29.44	6
Servicing & tyres	\$27.24	\$28.39	\$28.39	\$28.74	7
Fuel	\$64.53	\$62.87	\$69.82	\$69.35	3
Public transport	\$59.04	\$59.49	\$59.49	\$59.49	4
Tolls	\$79.76	\$80.28	\$80.64	\$81.16	2
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	8
TOTAL	\$428.24	\$429.80	\$428.69	\$429.10	

Wagga Wagga	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.31	\$123.10	\$121.82	\$123.74	1
Registration & licensing	\$33.52	\$32.43	\$30.23	\$30.44	3
Insurance	\$20.19	\$21.09	\$20.51	\$21.08	5
Servicing & tyres	\$30.74	\$26.61	\$26.61	\$26.95	4
Fuel	\$47.07	\$44.95	\$47.47	\$48.25	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	6
TOTAL	\$254.96	\$250.29	\$248.75	\$252.57	

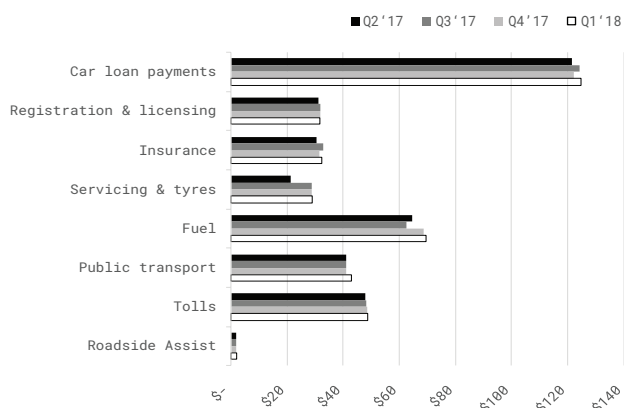
Victoria weekly costs of transport

Melbourne remained the second most expensive city for transport, with costs equivalent to \$19,810 per year. This represents an increase of \$348 on the previous quarter. Melbourne ranks as the third most expensive city for transport when costs are expressed as a percentage of average income (15.3 per cent).

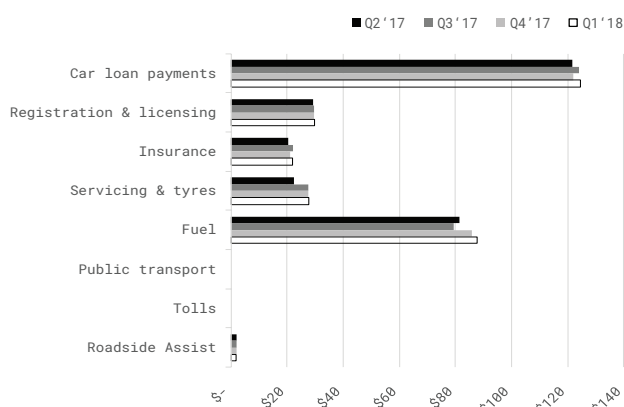
The increase in transport costs over the quarter are largely attributable to car loan payments and public transport. The cost of car loan payments increased by \$131 over the quarter. Melbourne also remained the most expensive city for car loan payments. The cost of public transport increased due to indexation of fares and increased operational costs. As a result, the Melbourne family pays an additional \$104 per year in public transport.

Melbourne surpassed Sydney as the most expensive city for comprehensive insurance this quarter. Comprehensive insurance increased by \$44 per year. Other costs that increased over the quarter are: servicing and tyres; fuel; and tolls. All other costs remained constant.

Melbourne



Geelong



Ranking of expenses for the household changed minimally with insurance overtaking registration and licensing as the fifth most expensive expense.

At a yearly cost of \$15,287, Geelong is more affordable than its capital city counterpart. Despite this, Geelong is the second most expensive region in Australia. Transport costs increased by \$282 over the quarter. Transport costs, when expressed as a percentage of average income decreased by one percentage point to 12.2 per cent due to an increase in average earnings. Under the income metric, Geelong is the fifth most expensive region in Australia.

The increase in transport costs for the Geelong household were largely due to car loan payments and fuel. The cost of fuel increased over the quarter by \$1.82 per week. This is equivalent to \$95 per year if prices remained high. Fuel remains relatively expensive in Geelong compared to Melbourne. Regionally, Geelong is the most expensive location in Australia in terms of car loan payments. Geelong is also relatively expensive for comprehensive insurance and fuel compared to other regions.

Melbourne	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.59	\$124.04	\$122.14	\$124.66	1
Registration & licensing	\$31.30	\$31.82	\$31.82	\$31.82	6
Insurance	\$30.54	\$32.73	\$31.36	\$32.20	5
Servicing & tyres	\$21.31	\$28.88	\$28.77	\$29.08	7
Fuel	\$64.45	\$62.59	\$68.74	\$69.58	2
Public transport	\$41.00	\$41.00	\$41.00	\$43.00	4
Tolls	\$47.80	\$48.20	\$48.40	\$48.60	3
Roadside Assist	\$1.92	\$2.02	\$2.02	\$2.02	8
TOTAL	\$359.92	\$371.29	\$374.26	\$380.95	

Geelong	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.59	\$124.04	\$122.14	\$124.66	1
Registration & licensing	\$29.32	\$29.79	\$29.79	\$29.79	3
Insurance	\$20.61	\$22.32	\$21.18	\$21.95	5
Servicing & tyres	\$22.51	\$27.65	\$27.54	\$27.85	4
Fuel	\$81.54	\$79.56	\$85.90	\$87.72	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	\$1.92	\$2.02	\$2.02	\$2.02	6
TOTAL	\$277.50	\$285.37	\$288.57	\$293.99	

Queensland weekly costs of transport

Yearly transport costs in Brisbane were equivalent to \$19,561, an increase of \$249 on the previous quarter. In total dollar terms, Brisbane remains the third most expensive city in Australia. Brisbane ranks as the most expensive city when transport costs are considered with respect to average income (16.3 per cent). This is despite an increase in average weekly earnings this quarter for the Brisbane family.

The increase in cost is largely attributable to an increase in new car prices and interest rates which increased the cost of car loan payments by \$119 per year. The cost of public transport also increased significantly by \$42 a year due to government fare rises. Other costs that increased over the quarter relate to registration, CTP and licensing; comprehensive insurance; servicing and tyres; and fuel.

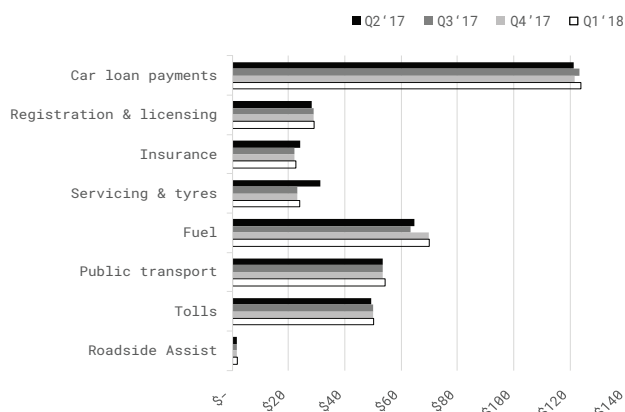
Regionally, Townsville recorded an increase in transport costs by around \$260. As a result, the Townsville household now pays \$13,298 per year in transport costs.

Townsville continues to be a relatively affordable region, ranking at sixth place. Townsville spends less than its capital city counterpart when transport costs are expressed as a percentage of income at 11.6 per cent.

The increase in transport costs in Townsville are mainly due to the cost of car loan payments, which increased in line with Brisbane. The cost of fuel also increased, with the Townsville family paying an additional \$1.43 in fuel per week or \$74 per year. Other costs that increased over the quarter are registration, CTP and licensing; comprehensive insurance; as well as servicing and tyres. Compared to other regions, Townsville remains relatively inexpensive for car loan payments, fuel, and roadside assistance.

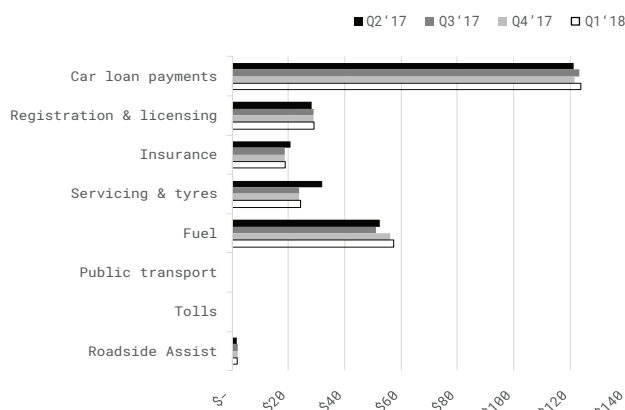
The household does not incur any costs for tolls and public transport due to low levels of usage in regional areas. The household also incurs slightly lower fuel costs as BITRE data suggests that the family travels slightly less than the city household.

Brisbane



Brisbane	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.35	\$123.28	\$121.69	\$123.99	1
Registration & licensing	\$28.38	\$28.88	\$28.88	\$28.99	5
Insurance	\$24.29	\$22.09	\$22.09	\$22.59	7
Servicing & tyres	\$31.36	\$23.32	\$23.23	\$23.96	6
Fuel	\$64.83	\$63.44	\$69.84	\$70.16	2
Public transport	\$53.64	\$53.64	\$53.64	\$54.45	3
Tolls	\$49.30	\$50.20	\$50.20	\$50.20	4
Roadside Assist	\$1.71	\$1.83	\$1.83	\$1.83	8
TOTAL	\$374.85	\$366.67	\$371.39	\$376.17	

Townsville



Townsville	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.35	\$123.28	\$121.69	\$123.99	1
Registration & licensing	\$28.38	\$28.88	\$28.88	\$28.99	3
Insurance	\$20.87	\$18.55	\$18.55	\$18.98	5
Servicing & tyres	\$31.87	\$23.78	\$23.68	\$24.42	4
Fuel	\$52.54	\$51.09	\$56.10	\$57.53	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	\$1.71	\$1.83	\$1.83	\$1.83	6
TOTAL	\$256.72	\$247.40	\$250.73	\$255.73	

Western Australia weekly costs of transport

Perth remained the fourth most expensive capital city in Australia, with transport costs equivalent to \$17,527 per year. This represents an increase of \$308 on the previous quarter. Transport costs as a share of income increased from 13.2 per cent to 13.5 per cent. This is consistent with a decrease in average weekly earnings for the household.

Transport costs increased largely due to the cost of car loan payments and fuel, which increased by \$120 and \$108 per year respectively. Fuel, however, remains relatively affordable in Perth compared to some other capital cities.

The cost of insurance; and servicing and tyres also contributed to the overall cost increase. All other costs remained constant this quarter.

In the Bunbury household, the cost of transport was \$15,300 per year, an increase of \$379 over the quarter. While this cost is affordable when compared to Perth, Bunbury has surpassed Geelong to become the most expensive regional location in Australia. Transport costs, when

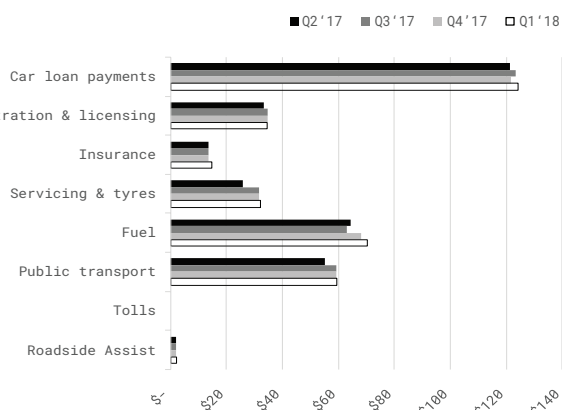
expressed as a share of income have also increased, from 12.4 per cent to 12.7 per cent.

The cost of fuel this quarter largely contributed to the overall increase. Fuel increased by a differential of \$3.79 per week. This is equivalent to \$197 per year if fuel prices remain constant. Fuel remains relatively expensive in Bunbury compared to other cities in Australia. This is because households travel greater distances and incur higher costs for petrol and diesel per litre. Other costs that increased over the quarter are car loan payments; insurance; and servicing and tyres.

Bunbury is the most expensive region for registration, CTP and licensing costs; as well as fuel. It also is relatively expensive for servicing and tyres. Bunbury is the cheapest location among the regional cities for comprehensive insurance.

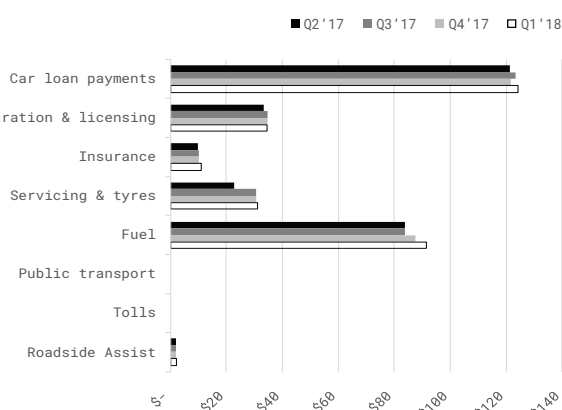
The Index assumes that the household does not incur any costs for tolls and public transport due to low levels of usage in regional areas.

Perth



Perth	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.33	\$123.33	\$121.73	\$124.03	1
Registration & licensing	\$33.23	\$34.61	\$34.61	\$34.61	4
Insurance	\$13.41	\$13.47	\$13.64	\$14.66	6
Servicing & tyres	\$25.92	\$31.56	\$31.58	\$32.09	5
Fuel	\$64.25	\$62.95	\$68.13	\$70.21	2
Public transport	\$55.30	\$59.40	\$59.40	\$59.40	3
Tolls	\$0.00	\$0.00	\$0.00	\$0.00	-
Roadside Assist	\$2.00	\$2.04	\$2.04	\$2.04	7
TOTAL	\$315.46	\$327.36	\$331.13	\$337.05	

Bunbury



Bunbury	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.33	\$123.33	\$121.73	\$124.03	1
Registration & licensing	\$33.23	\$34.61	\$34.61	\$34.61	3
Insurance	\$9.97	\$10.10	\$10.16	\$10.86	5
Servicing & tyres	\$22.94	\$30.71	\$30.73	\$31.23	4
Fuel	\$83.94	\$83.77	\$87.67	\$91.46	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	\$2.00	\$2.04	\$2.04	\$2.04	6
TOTAL	\$273.42	\$284.56	\$286.94	\$294.23	

South Australia weekly costs of transport

In the March 2018 quarter, Adelaide was the second most affordable city for transport. Yearly transport costs were equivalent to \$15,874. This represents an increase of \$249 on the previous quarter. Transport costs, when expressed as a percentage of average income increased from 13.1 per cent to 13.4 per cent over the quarter. This is consistent with the decrease in average weekly earnings for the Adelaide family. Despite this, Adelaide is the third most affordable city when transport costs are considered as a percentage of average income.

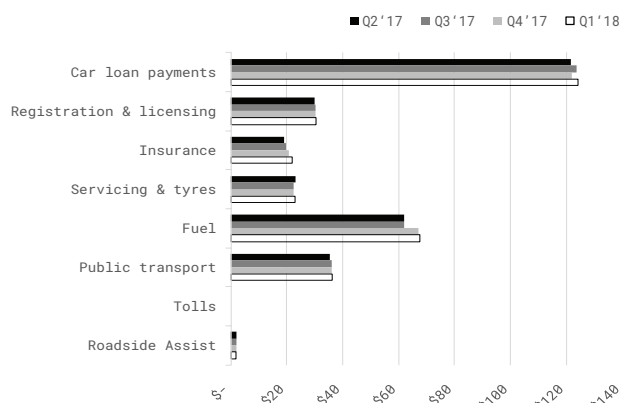
The cost of car loan payments increased the most over the quarter, resulting in the household paying an additional \$124 per year. This was due to updates in the top ten selling vehicles for 2017, as well as higher interest rates. Comprehensive insurance also increased by around \$71 per year.

Other costs that increased over the quarter are servicing and tyres; and fuel. All other costs remained unchanged.

Mount Gambier is the fourth most expensive region in Australia. Yearly transport costs were \$14,055, an increase of \$311 on the previous quarter. Mount Gambier becomes the second most expensive region when transport costs are expressed as a share of income (13.2 per cent). This is largely explained by a decline in average weekly earnings for the family.

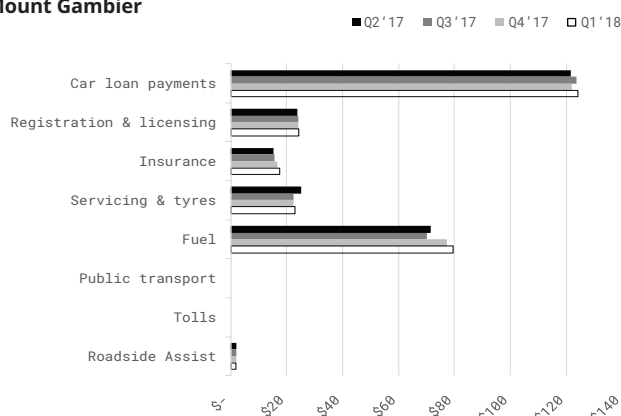
Besides car loan payments, the cost of fuel contributed to the overall increase in transport costs. The cost of fuel increased by \$2.06 per week for the Mount Gambier household. This is equivalent to \$107 per year, if fuel prices remain high. Other factors which contributed to the increase was insurance; and servicing and tyres.

Adelaide



Adelaide	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.64	\$123.58	\$121.88	\$124.26	1
Registration & licensing	\$29.85	\$30.45	\$30.45	\$30.45	4
Insurance	\$19.13	\$19.71	\$20.58	\$21.94	6
Servicing & tyres	\$23.26	\$22.48	\$22.35	\$22.98	5
Fuel	\$61.92	\$61.92	\$67.11	\$67.54	2
Public transport	\$35.40	\$36.20	\$36.20	\$36.20	3
Tolls	-	-	-	-	-
Roadside Assist	\$1.87	\$1.90	\$1.90	\$1.90	7
TOTAL	\$293.06	\$296.25	\$300.48	\$305.28	

Mount Gambier



Mount Gambier	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.64	\$123.58	\$121.88	\$124.26	1
Registration & licensing	\$23.73	\$24.18	\$24.18	\$24.18	3
Insurance	\$15.31	\$15.79	\$16.54	\$17.46	5
Servicing & tyres	\$25.24	\$22.57	\$22.44	\$23.07	4
Fuel	\$71.60	\$70.06	\$77.36	\$79.42	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	\$1.87	\$1.90	\$1.90	\$1.90	6
TOTAL	\$259.39	\$258.07	\$264.30	\$270.29	

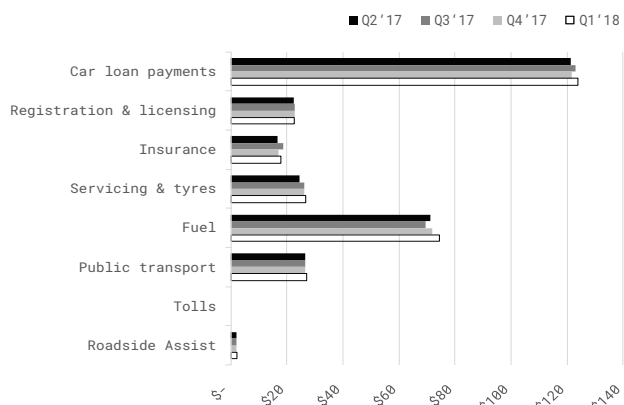
Tasmania weekly costs of transport

Hobart is the most affordable city in Australia, with transport costs equivalent to \$15,320 per year. This represents a significant increase of \$342 compared to the previous quarter. Hobart remains the second most expensive city when transport costs are considered as a percentage of average income (16.3 per cent). This is despite an increase in average weekly earnings for the household. Hobart also has the lowest average earnings of any capital city.

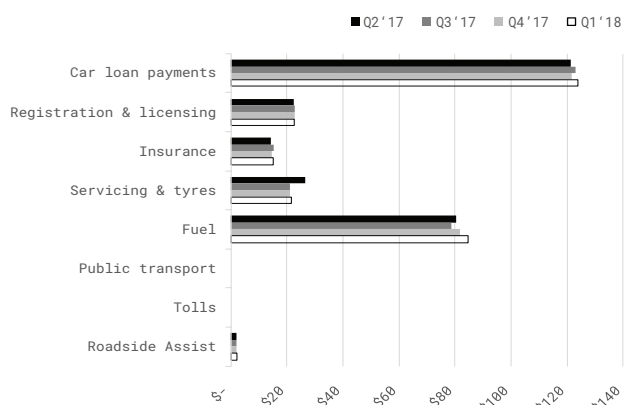
The increase in transport costs over the quarter are largely attributable to car loan payments, fuel and public transport. Car loan payments increased by \$116 per year due to the average cost of a new car increasing and an increase in interest rates. The cost of fuel increased by a difference of \$2.56 per week. As a result, the household could be expected to pay an additional \$133 per year in fuel costs. Public transport fares increased by \$42 per year due to the government raising fares to account for indexation.

Other cost categories that increased over the quarter are comprehensive insurance; and servicing and tyres.

Hobart



Launceston



Hobart remains to be the least expensive in terms of registration, CTP and licensing fees. Hobart is also relatively affordable for insurance, public transport and costs associated with servicing and tyres. Hobart no longer ranks as the most expensive city for fuel this quarter, due to a significant cost increase in Darwin.

Regionally, Launceston households incurred yearly transport costs of \$14,030, an increase of \$313 on the previous quarter. However, Launceston is the most expensive regional city in Australia when transport costs are considered with respect to average income (16.5 per cent). Launceston remains to have the lowest average earning of any capital city or regional city.

The increase in transport costs was mainly due to car loan payments and fuel. The cost of fuel increased by \$2.90 per week, or \$151 per year. Other cost increases were recorded for insurance; and servicing and tyres.

Hobart	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.13	\$123.00	\$121.57	\$123.81	1
Registration & licensing	\$22.49	\$22.65	\$22.65	\$22.65	5
Insurance	\$16.80	\$18.63	\$17.09	\$17.76	6
Servicing & tyres	\$24.34	\$26.28	\$26.35	\$26.68	4
Fuel	\$71.04	\$69.44	\$71.86	\$74.42	2
Public transport	\$26.40	\$26.40	\$26.40	\$27.20	3
Tolls	-	-	-	-	-
Roadside Assist	\$2.06	\$2.10	\$2.10	\$2.10	7
TOTAL	\$284.25	\$288.49	\$288.03	\$294.62	

Launceston	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.13	\$123.00	\$121.57	\$123.81	1
Registration & licensing	\$22.49	\$22.65	\$22.65	\$22.65	3
Insurance	\$14.27	\$15.24	\$14.49	\$15.06	5
Servicing & tyres	\$26.62	\$21.20	\$21.25	\$21.55	4
Fuel	\$80.28	\$78.81	\$81.73	\$84.63	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	\$2.06	\$2.10	\$2.10	\$2.10	6
TOTAL	\$266.84	\$263.00	\$263.79	\$269.80	

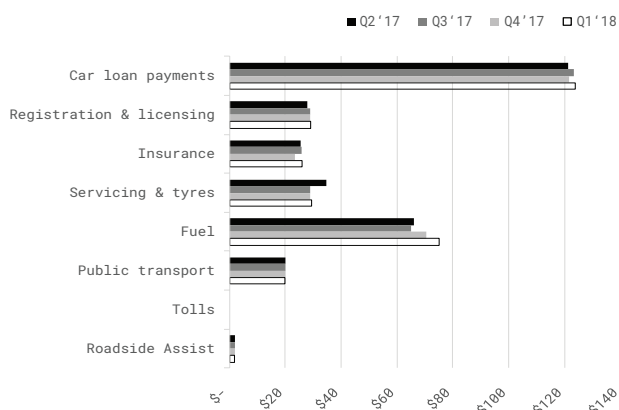
Northern Territory weekly costs of transport

At an annual cost of \$15,884, Darwin is now the third most affordable city for transport in total dollar terms. Transport costs increased significantly for the household over the quarter, by approximately \$512 per year. Transport costs also increased as a percentage of average income (from 12.4 to 12.5 per cent). This is despite a significant increase in average weekly earnings of 2.6 per cent for the household.

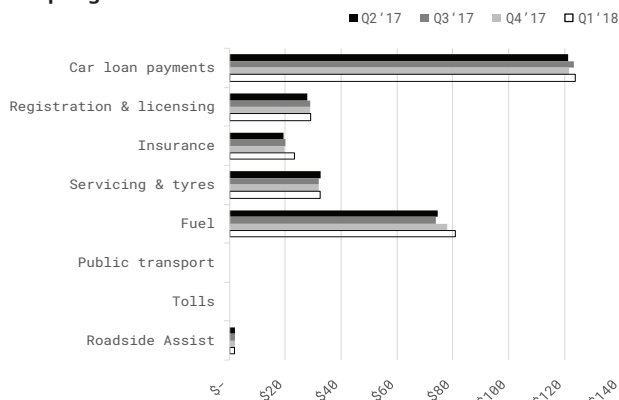
The cost of fuel increased the most over the quarter, by around \$4.40 per week or \$229 per year. The cost of car loan payments and comprehensive insurance also contributed to the overall increase by \$119 and \$140 respectively.

Darwin remains relatively inexpensive in terms of registration, CTP and licensing; roadside assistance and public transport. On the other hand, Darwin has become the most expensive capital city this quarter for fuel.

Darwin



Alice Springs



When looking at the regional household, yearly transport costs in Alice Springs were equivalent to \$15,175. This is an increase of \$482 on the previous quarter. Alice Springs remains the third most expensive region for transport both in total dollar terms and as a percentage of average income (12.7 per cent).

Transport costs increased due to comprehensive insurance; fuel; car loan payments; and servicing and tyres. Alice Springs became the most expensive region for comprehensive insurance this quarter, as costs increased by a difference of \$186 per year. Fuel also increased significantly by \$2.90 per week or \$151 per year if prices remained constant.

Fuel also remained expensive for the Alice Springs household relative to its capital city counterpart. Higher costs for Alice Springs are explained by differences in distances travelled, and higher cost of petrol and diesel per litre. Alice Springs is also the most expensive region for insurance; and servicing and tyres. All other costs remained constant.

Darwin	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.27	\$123.22	\$121.71	\$124.01	1
Registration & licensing	\$27.73	\$29.00	\$29.00	\$29.00	↓4
Insurance	\$25.36	\$25.78	\$23.45	\$26.14	5
Servicing & tyres	\$34.74	\$29.00	\$29.00	\$29.46	↑3
Fuel	\$65.98	\$65.11	\$70.56	\$74.95	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	\$296.98	\$294.01	\$295.63	\$305.47	

Alice Springs	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$121.27	\$123.22	\$121.71	\$124.01	1
Registration & licensing	\$27.73	\$29.00	\$29.00	\$29.00	4
Insurance	\$19.38	\$19.96	\$19.89	\$23.47	5
Servicing & tyres	\$32.53	\$32.07	\$32.07	\$32.57	3
Fuel	\$74.50	\$74.00	\$77.98	\$80.87	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside Assist	\$1.90	\$1.90	\$1.90	\$1.90	6
TOTAL	\$277.31	\$280.17	\$282.56	\$291.82	

ACT weekly costs of transport

Canberra has the fifth highest or fourth lowest household transport costs compared to other capital cities in Australia. The annual cost of transport was \$17,010 for the household in the March 2018 quarter. This represents an increase of \$421 on the previous quarter.

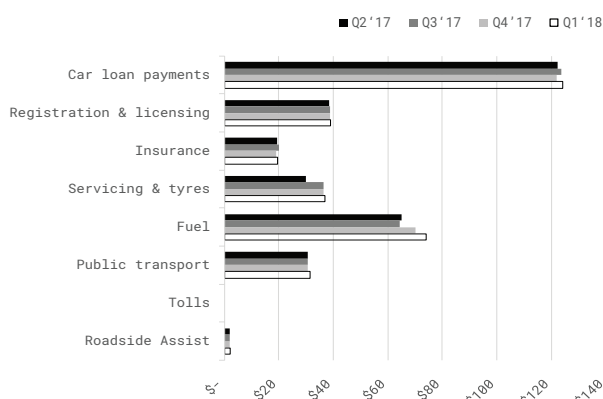
Canberra, however, is the most affordable city in Australia when transport costs are considered with respect to average income (12.4 per cent). This is likely to be explained by the fact that Canberra households have higher median incomes compared to other cities and regions.

The increase in transport costs over the quarter are mainly due to car loan payments and fuel. The cost of fuel increased by \$3.92 per week or \$204 per year. Car loan payments increased by \$127 over the quarter. Other costs that increased over the quarter are insurance, servicing and tyres and public transport. Public transport increased by \$42 per year because of the government raising fares to account for indexation.

Canberra was the most expensive capital city for registration, CTP and licensing costs; servicing and tyres; and roadside assistance. However, the costs of comprehensive insurance and public transport are relatively affordable compared to other capital cities.

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

Canberra



Canberra	Q2	Q3	Q4	Q1	Q1 Ranking
Car loan payments	\$122.19	\$123.59	\$121.89	\$124.34	1
Registration & licensing	\$38.41	\$38.97	\$38.97	\$38.97	3
Insurance	\$19.52	\$20.06	\$19.12	\$19.46	6
Servicing & tyres	\$30.09	\$36.37	\$36.28	\$36.86	4
Fuel	\$64.94	\$64.44	\$70.06	\$73.98	2
Public transport	\$30.60	\$30.60	\$30.60	\$31.40	5
Tolls	-	-	-	-	-
Roadside Assist	\$2.12	\$2.12	\$2.12	\$2.12	7
TOTAL	\$307.86	\$316.15	\$319.03	\$327.12	

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
- 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/>
- 4 <https://www.sira.nsw.gov.au/fraud-and-regulation/reforms/ctp-green-slip-reforms/green-slip-refunds>
- 5 <https://www.nsw.gov.au/news-and-events/news/free-rego-for-frequent-sydney-toll-road-users/>

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