Transport Affordability Index Insights



Key trends in state and territory taxes and fares

In 2016, the Australian Automobile Association (AAA) commissioned SGS Economics and Planning to design and develop the Transport Affordability Index, which tracks the financial pressures transport costs impose on Australian households.

This paper is the first in a series that will draw out key insights from the data supporting the Transport Affordability Index.

What state taxes and fares do Australians pay?

Motoring-related fees and charges differ significantly across Australia's states and territories. This paper looks at Compulsory Third Party (CTP) insurance, driver licensing, and vehicle registration fees charged at the state and territory level. State and territory governments also have significant control over how much households pay for public transport, so these costs have also been analysed.

Motoring fees and charges: who's paying more, who's paying less?

The Transport Affordability Index began collecting data in Quarter 1, 2016. Since then, state and territory governments have changed motoring-related fees and charges across Australia.

In most states and territories, overall fees and charges have either increased in line with Consumer Price Index (CPI) or remained relatively stable. The outliers were Sydney and Perth.

Sydney's fees and charges fell by around 18 per cent (or \$400 per year), while Perth's rose by 25 per cent (or \$360 per year). These changes can be partly explained by the NSW Government's green slip reforms and the introduction of no-fault motor injury insurance in Western Australia. However, holding the change to motor injury insurance in WA constant, vehicle taxes still increased by 11 per cent (or \$160 per year), largely due to fees and charges increasing to help with budget repair.

	Q1, 2016	Q1, 2018	Change per year	% change
Sydney	\$2,223.79	\$1,823.99	-\$399.81	-17.98%
Melbourne	\$1,593.87	\$1,654.60	\$60.73	3.81%
Brisbane	\$1,417.76	\$1,507.60	\$89.84	6.34%
Perth	\$1,441.98	\$1,799.70	\$357.72	24.81%
Adelaide	\$1,522.00	\$1,583.50	\$61.50	4.04%
Hobart	\$1,192.26	\$1,178.01	-\$14.25	-1.20%
Darwin	\$1,434.30	\$1,508.10	\$73.80	5.15%
Canberra	\$1,988.64	\$2,026.64	\$38.00	1.91%
Capital City Average	\$1,601.82	\$1,635.27	\$33.44	2.09%
Consumer Price Index			\$65.14	4.10%

Table 1: Household annual rego CTP & drivers' licence costs for a two-car family

\$2,500 \$2,000 \$1,500 Q1 2016 Q2 2016 Q3 2016 Q4 2016 Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Sydney Melbourne Brisbane Perth Adelaide Hobart Darwin Canberra



Public transport fares: who's paying more, who's paying less?

The Transport Affordability Index assumes one member of the family catches public transport from an outer suburb to the CBD five days a week.

Sydney experienced the largest increase in fares – about 15 per cent, or \$400 per year – largely because in September 2016 the state government ended the free travel incentive, which had been triggered after a commuter completed eight trips.

Melbourne and Perth also had fare increases of about 10 per cent to cover for indexation and operational requirements.

Adelaide, Canberra and Hobart had smaller increases in the range of roughly 4-6 per cent, broadly in line with CPI.

Brisbane went against this trend: a restructuring of zones in mid-2016 significantly reduced fares for the index household by about 17 per cent or \$571 per year.

	Q1, 2016	Q1, 2018	Change per year	% change
Sydney	\$2,687.36	\$3,093.48	\$406.12	15.11%
Melbourne	\$2,028.00	\$2,236.00	\$208.00	10.26%
Brisbane	\$3,402.36	\$2,831.40	-\$570.96	-16.78%
Perth	\$2,828.80	\$3,088.80	\$260.00	9.19%
Adelaide	\$1,809.60	\$1,882.40	\$72.80	4.02%
Hobart	\$1,331.20	\$1,414.40	\$83.20	6.25%
Darwin	\$1,040.00	\$1,040.00	-	0.00%
Canberra	\$1,549.60	\$1,632.80	\$83.20	5.37%
Capital City Average	\$2,084.62	\$2,152.41	\$67.79	3.25%
Consumer Price Index			\$84.77	4.10%

Table 2: Household annual cost of public transport

Weekly cost of public transport - Capital Cities















