



TRANSPORT AFFORDABILITY INDEX



Australian
Automobile
Association



SGS
Economics
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Transport Affordability Index: December 2018

The latest edition of the AAA's Transport Affordability Index shows that, despite recent falls in fuel prices, transport costs continue to climb over the year, both in terms of dollars spent and as a share of household income.

The December quarter cost increases were moderate, but they followed three consecutive quarters in which transport costs rose at more than twice the rate of general inflation. This means that the total increase over the year has been considerable.

Over the course of 2018, metropolitan transport costs rose at about twice the rate of general inflation. Regional cost increases were even more dramatic—2.6 times greater than the consumer price index (CPI).

From 31 December 2017 to 31 December 2018, the CPI increased by 1.8 per cent, but transport costs for a typical metropolitan Australian household rose from \$17,606 to \$18,227—a jump of 3.5 per cent. This family now spends 14.4 per cent of its income on transport, up from 14.2 per cent a year previously.

The typical regional household spends \$14,660 per year on transport—up from \$14,007—over the course of the year, a jump of 4.7 per cent. It now spends 12.7 per cent of household income on transport, up from 12.3 per cent a year previously.

The metropolitan costs would have been even higher if the NSW Government had not introduced a toll relief scheme on 1 July 2018. Under this scheme, a typical eligible Sydney family saves \$365 a year in vehicle registration because it spends over \$1300 per year on tolls. A household paying few or no tolls, and therefore not eligible for the offset, pays \$1,833 per year in vehicle registration, CTP and licensing costs.

Transport is a significant and unavoidable cost to households. Governments at all levels must consider these cost pressures when formulating policy.



Michael Bradley

Chief Executive
Australian Automobile Association



Section One

Summary of results

Household total weekly transport costs

Transport costs increased for both the benchmark city and regional households.

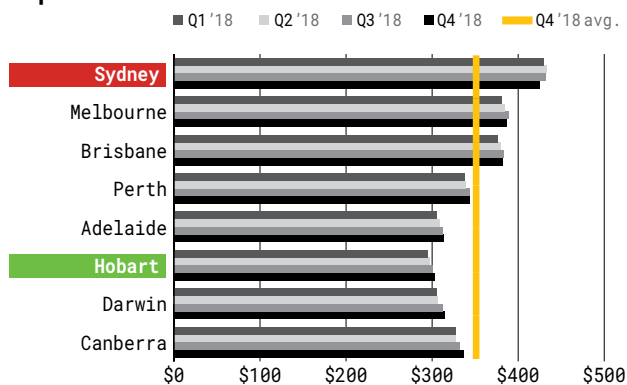
Capital cities Despite decreases in the last two quarters, the typical Sydney household still has, by a considerable margin, Australia's highest total transport costs at \$425 per week. Hobart households have the lowest total transport costs of any capital city, at \$302 per week.

City rankings remain unchanged since the previous quarter.

Regional Among the benchmark regional centres, Bunbury has the highest total transport costs, at \$301 per week, while Wagga Wagga has the lowest total transport costs, at \$254 per week. Wagga Wagga is also the regional centre with the largest cost differential from its state capital counterpart. The difference in costs between Sydney and Wagga Wagga is \$171 per week.

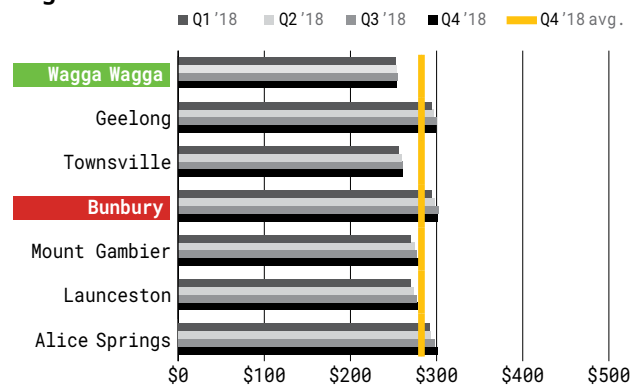
Regional rankings shifted slightly as Alice Springs surpassed Geelong as the benchmark regional centre with the second-highest transport costs.

Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$429.12	\$433.11	\$431.64	\$425.17	1
Melbourne	\$380.95	\$384.30	\$388.64	\$386.84	2
Brisbane	\$376.27	\$379.85	\$383.31	\$381.63	3
Perth	\$337.10	\$339.27	\$343.50	\$342.90	4
Adelaide	\$305.35	\$308.74	\$311.71	\$313.13	7
Hobart	\$294.66	\$297.01	\$300.50	\$302.83	8
Darwin	\$305.53	\$306.86	\$311.90	\$314.94	6
Canberra	\$327.18	\$327.63	\$331.63	\$336.79	5
Capital avg.	\$344.52	\$347.10	\$350.35	\$350.53	

Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$252.59	\$253.22	\$255.33	\$254.17	7
Geelong	\$293.98	\$296.50	\$299.94	\$298.81	3
Townsville	\$255.85	\$259.06	\$261.12	\$261.13	6
Bunbury	\$294.28	\$297.98	\$302.21	\$301.32	1
Mount Gambier	\$270.36	\$274.71	\$276.62	\$278.76	4
Launceston	\$269.84	\$273.02	\$276.48	\$278.42	5
Alice Springs	\$291.89	\$293.21	\$297.78	\$300.84	2
Regional avg.	\$275.54	\$278.24	\$281.35	\$281.92	

Section One

Household total annual transport costs

The typical Australian city household's average annual cost of transport increased marginally by \$9. This household now spends \$18,227 a year on transport.

The greatest increases in transport costs were recorded in Canberra and Darwin—equivalent to \$268 and \$158 per year, respectively.

Sydney recorded a decrease in transport costs, with the typical household saving \$337 per year compared to the previous quarter.

The average annual cost of transport for the typical regional household increased by \$29. The typical regional household now spends \$14,660 per annum on transport.

The greatest increase among the benchmark regions was recorded in Alice Springs, where transport costs increased by \$159 per year compared to the previous quarter.

Fuel excise, registration, CTP and licensing alone cost the average two-car family around \$2,702 per annum for city households and \$2,645 per annum for the regional households. However, there are other motoring taxes and charges that the Index does not seek to analyse.

Because regional residents typically drive further than their capital city counterparts, they pay more in fuel excise.

However, other motoring taxes for regional residents vary across states. In some states, regional households pay less for registration and CTP, which means the typical regional household pays less in taxes and charges than the typical city household. But this does not apply in Bunbury, Launceston and Alice Springs where regional drivers pay the same state levies as city drivers. In these regional centres, residents' higher fuel consumption means the regional households pay more fuel excise than their city counterparts.

Capital cities

City	Q3	Q4	Change	Rank
Sydney	\$22,445.17	\$22,108.61	-\$336.56	1
Melbourne	\$20,209.24	\$20,115.52	-\$93.72	2
Brisbane	\$19,932.05	\$19,844.71	-\$87.34	3
Perth	\$17,862.24	\$17,830.67	-\$31.57	4
Adelaide	\$16,209.06	\$16,282.62	\$73.56	7
Hobart	\$15,625.75	\$15,747.11	\$121.36	8
Darwin	\$16,218.55	\$16,376.91	\$158.35	6
Canberra	\$17,244.67	\$17,513.10	\$268.43	5
Capital avg.	\$18,218.34	\$18,227.41	\$9.06	

Average taxes	Q3	Q4	Change
Fuel excise	\$1,083.56	\$1,083.56	\$0.00
Registration, CTP and licensing	\$1,620.65 (\$1,666.27)*	\$1,618.54 (\$1,664.16)*	-\$2.11 (-\$2.11)*
Household total	\$2,704.10 (\$2,749.83)*	\$2,702.10 (\$2,747.72)*	-\$2.11 (-\$2.11)*

* The figures bracketed in the table above show the fees and charges that would apply in the absence of the Toll Relief Scheme in NSW.

Regional

City	Q3	Q4	Change	Rank
Wagga Wagga	\$13,277.25	\$13,216.81	-\$60.44	7
Geelong	\$15,596.99	\$15,537.89	-\$59.10	3
Townsville	\$13,578.16	\$13,578.52	\$0.36	6
Bunbury	\$15,714.83	\$15,668.64	-\$46.19	1
Mount Gambier	\$14,384.45	\$14,495.59	\$111.14	4
Launceston	\$14,376.71	\$14,478.02	\$101.31	5
Alice Springs	\$15,484.59	\$15,643.60	\$159.01	2
Regional avg.	\$14,630.43	\$14,659.87	\$29.44	

Average taxes	Q3	Q4	Change
Fuel excise	\$1,136.43	\$1,136.43	\$0.00
Registration, CTP and licensing	\$1,510.67	\$1,508.43	-\$2.24
Household total	\$2,647.10	\$2,644.86	-\$2.24

Section One

Household average weekly expenses

Overall, there was a marginal increase in household average weekly transport expenses.

The increase in transport costs over the quarter was driven by changes in three cost categories:

- **Car loan payments** — average interest rates for a secured motor vehicle loan rose slightly higher.
- **Car maintenance** — due to a price revision of fixed price servicing and an increase in the Consumer Price Index (CPI) for maintenance and repair of motor vehicles.
- **Tolls** — increased in Sydney and Melbourne.

Costs in three categories decreased over the quarter:

- **Fuel** — costs fell in all capital cities and regions, except Hobart, Canberra, Mount Gambier, Launceston and Alice Springs.
- **Comprehensive insurance** — average premiums fell.
- **Registration, CTP and licensing** — due to CTP premiums declining in NSW and Queensland.

The ranking of average expenses for the typical city and regional families remained the same over the quarter.

Car loan payments remain the highest expense in the families' transport budgets. Roadside assistance and insurance are the cheapest transport expenses.

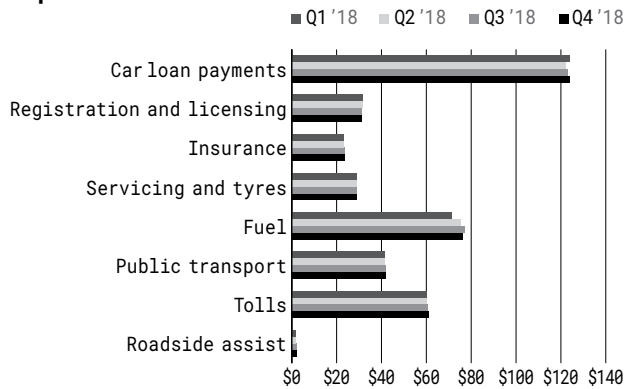
There are a few notable differences between capital city and regional transport costs:

- Households in most regions spend more on fuel because they drive more and face higher fuel prices than their city counterparts.
- Some states and territories offer lower comprehensive insurance premiums for regional areas.
- In South Australia, registration and CTP costs are \$334 cheaper in regional areas. In Victoria, CTP costs are \$108 cheaper in regional areas. However, in NSW vehicle owners in Sydney are eligible for free vehicle registration costs under the state's Toll Relief Scheme, which more than offsets the cheaper CTP costs for regional NSW vehicle owners.
- In all other jurisdictions, registration and CTP costs are the same for city and regional families.
- Regional households don't incur tolls.
- Because many regional areas lack public transport, the Index assumes regional households don't use public transport.

The Index assumes that city and regional households have the same costs for purchasing and financing a new car and for roadside assistance. Because city and regional households drive similar cars, assumptions about fuel efficiency and fuel mix are the same.

Section One

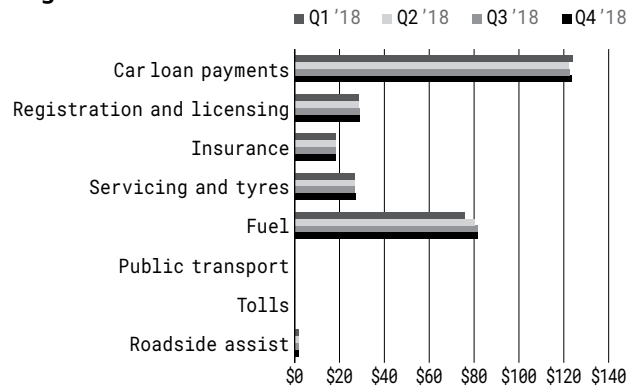
Capital cities



Expenses	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.10	\$122.28	\$122.92	\$123.76	1
Registration and licensing	\$31.45	\$31.44	\$31.17	\$31.13	5
Insurance	\$23.02	\$23.04	\$23.68	\$23.60	7
Servicing and tyres	\$28.78	\$28.87	\$28.95	\$29.07	6
Fuel	\$71.27	\$75.45	\$77.00	\$76.26	2
Public transport	\$41.39	\$41.39	\$41.77	\$41.77	4
Tolls	\$59.99	\$60.31	\$60.83	\$61.06	3
Roadside assist	\$2.00	\$2.00	\$2.04	\$2.04	8

NOTE: The toll figure is averaged only across the three cities where tolls are charged, all other expenses are averaged across all capital cities.

Regional



Expenses	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.07	\$122.23	\$122.86	\$123.40	1
Registration and licensing	\$28.52	\$28.52	\$29.05	\$29.01	3
Insurance	\$18.41	\$18.28	\$18.52	\$18.51	5
Servicing and tyres	\$26.86	\$26.94	\$27.03	\$27.16	4
Fuel	\$75.70	\$80.29	\$81.87	\$81.82	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.99	\$1.99	\$2.02	\$2.02	6

Section One

Affordability: transport costs as share of income

The relationship between an area's typical income and typical costs determines local purchasing power—or affordability.

Measuring transport costs as a share of income determines local affordability; the higher the percentage of income, the lower the affordability.

For example, in total dollar terms, Hobart has the least expensive total transport costs, while Sydney has the highest.

However, when this cost is measured as a share of typical household income, Hobart—not Sydney—ranks as the Australian city with the least affordable transport costs.

Nationally, the average cost of transport as a percentage of income for the typical household increased from 13.6 per cent to 13.7 per cent.

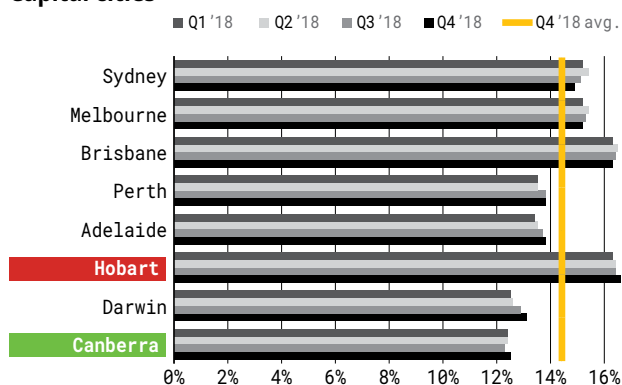
For the typical city household, the average cost of transport remained at 14.4 per cent of average income. Regional household transport costs remained unchanged at 12.7 per cent of average income.

Among the capital cities, Canberra recorded the largest increase—0.2 per cent more than the previous quarter.

Across Australia, regional households earn around \$207 per week less than their city counterparts (according to income data in the 2016 Census). But the difference is more pronounced in NSW and South Australia—households in Wagga Wagga and Mount Gambier earn considerably less per week than their city counterparts, around \$250 and \$241 per week less on average.

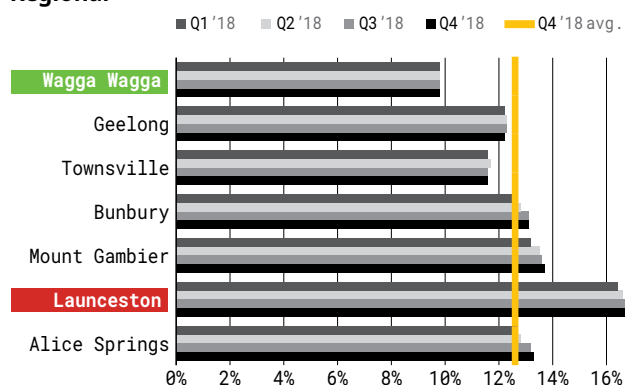
The affordability rankings of cities and regions remain unchanged from the previous quarter.

Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	15.2%	15.4%	15.1%	14.9%	4
Melbourne	15.2%	15.4%	15.3%	15.2%	3
Brisbane	16.3%	16.5%	16.4%	16.3%	2
Perth	13.5%	13.5%	13.8%	13.8%	5
Adelaide	13.4%	13.5%	13.7%	13.8%	6
Hobart	16.3%	16.4%	16.4%	16.6%	1
Darwin	12.5%	12.6%	12.9%	13.1%	7
Canberra	12.4%	12.4%	12.3%	12.5%	8
Capital avg.	14.3%	14.4%	14.4%	14.4%	

Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	9.8%	9.8%	9.8%	9.8%	7
Geelong	12.2%	12.3%	12.3%	12.2%	5
Townsville	11.6%	11.7%	11.6%	11.6%	6
Bunbury	12.7%	12.8%	13.1%	13.1%	4
Mount Gambier	13.2%	13.5%	13.6%	13.7%	2
Launceston	16.4%	16.6%	16.7%	16.8%	1
Alice Springs	12.7%	12.8%	13.2%	13.3%	3
Regional avg.	12.5%	12.6%	12.7%	12.7%	



GEORGE
STREET
CLOSED

NO
RIGHT
TURN

LOCAL
ACCESS
ONLY

END
ROADWORK

fastway

701

STOP

Section Two

Detailed results

Household weekly car loan payment costs

The cost of purchasing a new car increased slightly on average for the typical city household by around \$54 despite end of year sales on several models of the top 10 selling vehicles. Average interest rates on secured motor vehicle loans increased in all capital cities except Sydney, where rates remained constant. As a result, the cost of car loan payments increased on average for the cityhousehold by around \$44 per annum.

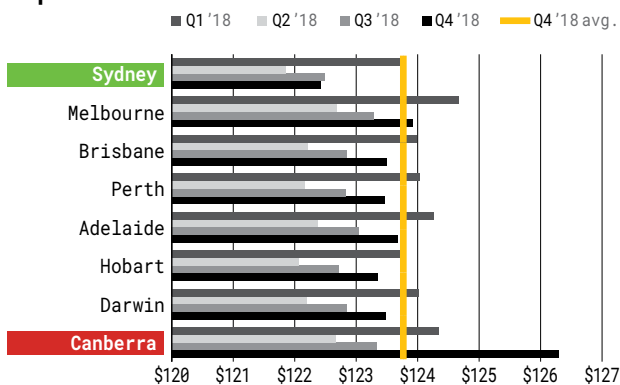
In the December 2018 quarter, Sydney remained the cheapest city to take out a loan for a new car. This was due to marginally lower upfront purchasing costs and interest rates.

Of the city households, Canberra recorded the highest increase in car loan payments this quarter due to higher upfront costs. Canberra remains the most expensive city for car loan payments.

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.

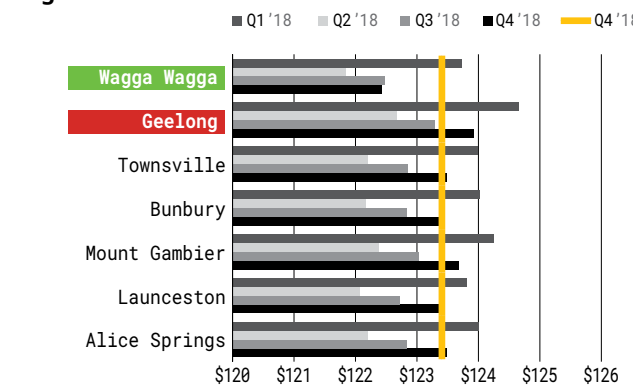
The rankings of cities and regions remain unchanged.

Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$123.74	\$121.85	\$122.48	\$122.43	8
Melbourne	\$124.66	\$122.68	\$123.29	\$123.92	2
Brisbane	\$123.99	\$122.21	\$122.85	\$123.49	4
Perth	\$124.03	\$122.17	\$122.83	\$123.46	6
Adelaide	\$124.26	\$122.38	\$123.04	\$123.68	3
Hobart	\$123.81	\$122.07	\$122.72	\$123.35	7
Darwin	\$124.01	\$122.20	\$122.84	\$123.48	5
Canberra	\$124.34	\$122.66	\$123.33	\$126.30	1
Capital avg.	\$124.10	\$122.28	\$122.92	\$123.76	

Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$123.74	\$121.85	\$122.48	\$122.43	7
Geelong	\$124.66	\$122.68	\$123.29	\$123.92	1
Townsville	\$123.99	\$122.21	\$122.85	\$123.49	3
Bunbury	\$124.03	\$122.17	\$122.83	\$123.46	5
Mount Gambier	\$124.26	\$122.38	\$123.04	\$123.68	2
Launceston	\$123.81	\$122.07	\$122.72	\$123.35	6
Alice Springs	\$124.01	\$122.20	\$122.84	\$123.48	4
Regional avg.	\$124.07	\$122.23	\$122.86	\$123.40	

Section Two

Household weekly vehicle registration, CTP and driver's licence costs

CTP premiums fell slightly in New South Wales and Queensland.

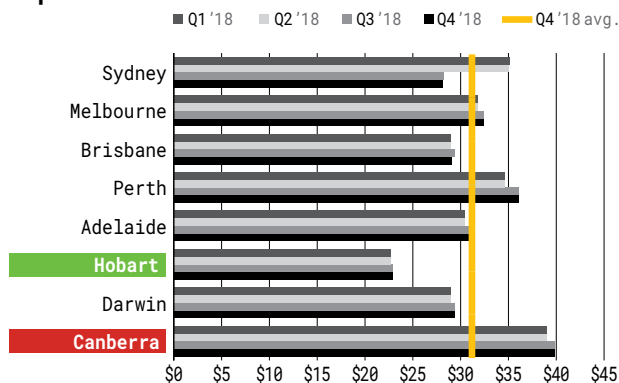
Canberra remains the most expensive city for registration, CTP and licensing, while Hobart is the least expensive. The typical Hobart household spends \$881 less per year than the typical Canberra household.

Bunbury is the most expensive regional town in this cost category, while Launceston remains the least expensive. Annually, the difference between Bunbury and Launceston is \$684 per year.

Registration, CTP and licensing costs were cheaper for regional households in South Australia and Victoria because state government policies impose different regional and metro pricing structures.

The NSW Toll Relief Scheme means the typical Sydney household pays less for vehicle registration, CTP and licensing than the typical Wagga Wagga household.

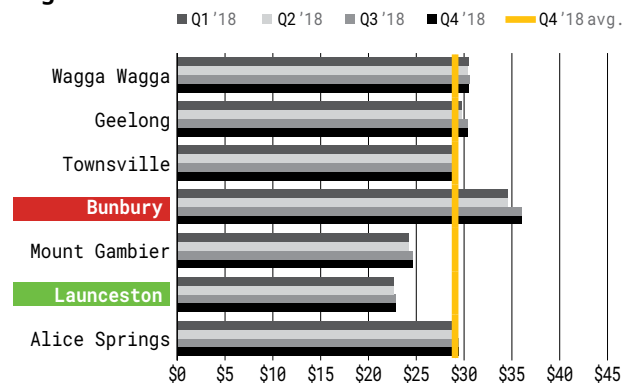
Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$35.08	\$35.05	\$28.24	\$28.14	7 (3)*
Melbourne	\$31.82	\$31.82	\$32.44	\$32.44	3
Brisbane	\$28.99	\$28.99	\$29.34	\$29.11	6
Perth	\$34.61	\$34.61	\$36.06	\$36.06	2
Adelaide	\$30.45	\$30.45	\$31.09	\$31.09	4
Hobart	\$22.65	\$22.65	\$22.90	\$22.90	8
Darwin	\$29.00	\$29.00	\$29.42	\$29.42	5
Canberra	\$38.97	\$38.97	\$39.84	\$39.84	1
Capital avg.	\$31.45	\$31.44	\$31.17	\$31.13	

* The figures bracketed in the table above show registration, CTP and licensing costs and rankings in the absence of the Toll Relief Scheme in NSW.

Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$30.44	\$30.42	\$30.59	\$30.52	2
Geelong	\$29.79	\$29.79	\$30.37	\$30.37	3
Townsville	\$28.99	\$28.99	\$29.34	\$29.11	5
Bunbury	\$34.61	\$34.61	\$36.06	\$36.06	1
Mount Gambier	\$24.18	\$24.18	\$24.67	\$24.67	6
Launceston	\$22.65	\$22.65	\$22.90	\$22.90	7
Alice Springs	\$29.00	\$29.00	\$29.42	\$29.42	4
Regional avg.	\$28.52	\$28.52	\$29.05	\$29.01	

Section Two

Household weekly comprehensive insurance costs

The weekly cost of comprehensive insurance for both the benchmark new and used vehicles decreased slightly on average for the typical Australian city household.

Melbourne remains the most expensive city for comprehensive insurance; Perth remains the cheapest. The Perth household saves around \$948 per year in comprehensive insurance costs compared to the Melbourne household.

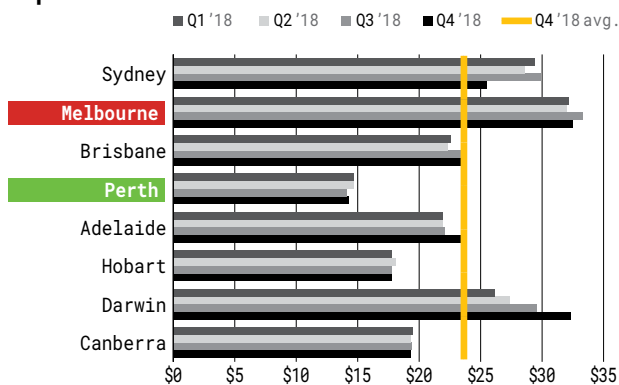
The typical Australian regional household incurs lower costs for comprehensive insurance compared to their capital city counterparts because of lower premiums.

The largest difference between the city and regional household was in Melbourne and Geelong.

The typical Geelong family saves around \$625 per annum in comprehensive insurance costs compared to the typical Melbourne family.

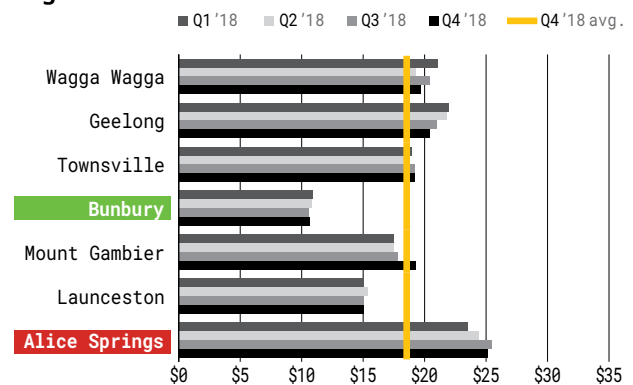
Alice Springs remained the most expensive region for comprehensive insurance, while Bunbury was the cheapest.

Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$29.44	\$28.63	\$29.87	\$25.51	3
Melbourne	\$32.20	\$32.03	\$33.30	\$32.48	1
Brisbane	\$22.59	\$22.32	\$23.38	\$23.38	5
Perth	\$14.66	\$14.65	\$14.14	\$14.25	8
Adelaide	\$21.94	\$21.94	\$22.10	\$23.75	4
Hobart	\$17.76	\$18.09	\$17.75	\$17.75	7
Darwin	\$26.14	\$27.36	\$29.57	\$32.37	2
Canberra	\$19.46	\$19.31	\$19.37	\$19.32	6
Capital avg.	\$23.02	\$23.04	\$23.68	\$23.60	

Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$21.08	\$19.31	\$20.45	\$19.72	3
Geelong	\$21.95	\$21.84	\$20.97	\$20.44	2
Townsville	\$18.98	\$18.76	\$19.23	\$19.23	5
Bunbury	\$10.86	\$10.85	\$10.61	\$10.68	7
Mount Gambier	\$17.46	\$17.46	\$17.85	\$19.29	4
Launceston	\$15.06	\$15.34	\$15.05	\$15.05	6
Alice Springs	\$23.47	\$24.40	\$25.48	\$25.16	1
Regional avg.	\$18.41	\$18.28	\$18.52	\$18.51	

Section Two

Household total weekly servicing and tyre costs

The cost of servicing and tyres increased marginally over the quarter for both the typical city and regional households. The cost of fixed-price servicing, as well as maintenance and repair of motor vehicles, increased in all jurisdictions except the ACT due to the impact of CPI.

Overall, the cost of maintaining the benchmark new and used cars remains highest in Canberra and lowest in Adelaide. Annually, the cost difference for the typical households in Canberra and Adelaide is \$730.

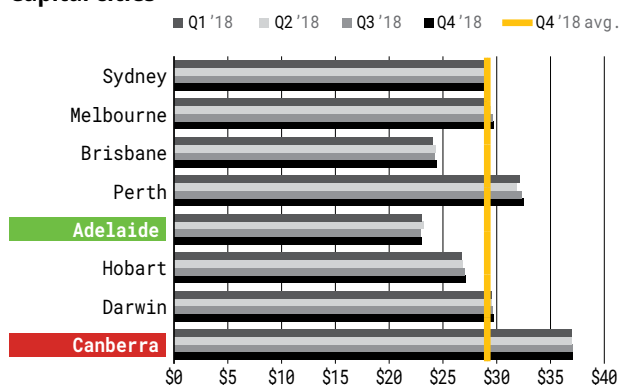
Among the regional locations, the cost of maintaining both the new and used car remains most expensive in Alice Springs and cheapest in Launceston. Annually, the difference between the Alice Springs and Launceston households' costs is \$571.

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 difference between regional and city households is attributable to differences in the cost of servicing the old car and the cost of tyres.

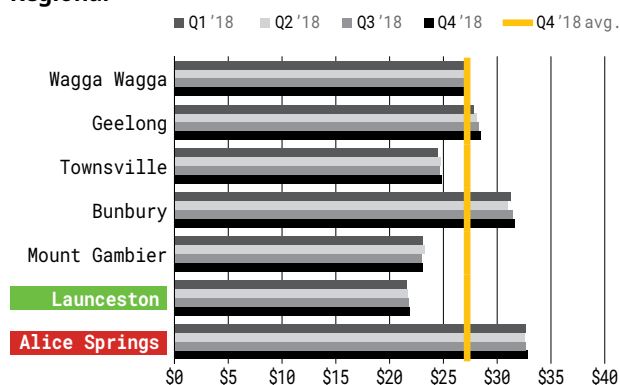
Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey (HES)¹ and indexed in line with the CPI maintenance and repair of motor vehicles.²

Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$28.76	\$28.87	\$28.99	\$29.20	5
Melbourne	\$29.07	\$29.39	\$29.59	\$29.72	4
Brisbane	\$24.07	\$24.27	\$24.20	\$24.36	7
Perth	\$32.14	\$31.83	\$32.30	\$32.49	2
Adelaide	\$23.04	\$23.21	\$22.92	\$22.97	8
Hobart	\$26.72	\$26.86	\$27.02	\$27.08	6
Darwin	\$29.52	\$29.51	\$29.59	\$29.73	3
Canberra	\$36.92	\$36.99	\$37.01	\$37.01	1
Capital avg.	\$28.78	\$28.87	\$28.95	\$29.07	

Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$26.97	\$27.07	\$27.19	\$27.37	4
Geelong	\$27.84	\$28.15	\$28.33	\$28.46	3
Townsville	\$24.53	\$24.75	\$24.67	\$24.83	5
Bunbury	\$31.28	\$30.98	\$31.44	\$31.62	2
Mount Gambier	\$23.14	\$23.30	\$23.01	\$23.06	6
Launceston	\$21.59	\$21.72	\$21.83	\$21.88	7
Alice Springs	\$32.64	\$32.61	\$32.71	\$32.86	1
Regional avg.	\$26.86	\$26.94	\$27.03	\$27.16	

Section Two

Household weekly fuel costs

The cost of fuel decreased marginally across most jurisdictions in the December 2018 quarter.

The average Australian city price of regular unleaded petrol fell 2.5 cents per litre from 151.6c to 149.1c, while the average cost of diesel increased from 156.4c to 161.1c. If costs remain at this level, the typical city household would save around \$39 per year on fuel.

Unlike the other capitals, fuel prices rose in Hobart and Canberra in the December quarter.

Hobart remains the capital city with the highest unleaded petrol prices – 161.8c per litre, up 2.6c from the previous quarter.

The typical Hobart household paid an additional \$1.65 per week for fuel in the December quarter. If Hobart had the same prices as the cheapest city, Adelaide – the typical Hobart household would save \$9.70 per week or close to \$504 per year.

The typical Canberra household paid an additional \$2.25 per week or \$117 per year for fuel compared to the previous quarter.

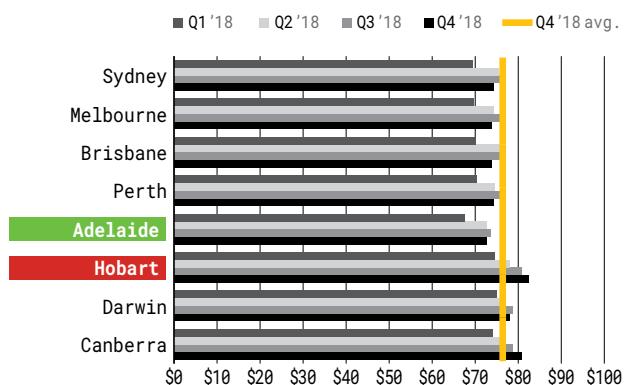
Canberra has overtaken Darwin to become Australia's second most expensive city for fuel.

Regional households generally spend more on fuel. Residents of regional households drive further on average than residents of city households. They also pay more for fuel. The exceptions are Wagga Wagga and Townsville, as the typical households in these centres drive fewer total kilometres than their city counterparts.

Averaged across the regions, the cost of regular unleaded petrol fell by 0.8 cents a litre from 153.7c to 152.9c. The cost of diesel increased from 157.3c to 161.6c.

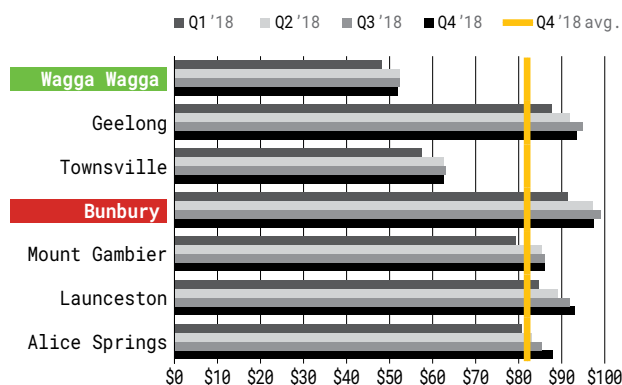
The typical household in Alice Springs household continued to pay the highest prices in Australia for petrol, at 166.5 cents per litre. Geelong had the cheapest regional petrol prices at 145.1c per litre (a difference of 21.4 cents per litre).

Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$69.35	\$75.38	\$76.91	\$74.25	5
Melbourne	\$69.58	\$74.36	\$75.71	\$73.76	7
Brisbane	\$70.16	\$75.57	\$76.12	\$73.88	6
Perth	\$70.21	\$74.57	\$75.79	\$74.26	4
Adelaide	\$67.54	\$72.65	\$73.63	\$72.71	8
Hobart	\$74.42	\$78.04	\$80.75	\$82.39	1
Darwin	\$74.95	\$76.87	\$78.57	\$78.04	3
Canberra	\$73.98	\$76.18	\$78.56	\$80.81	2
Capital avg.	\$71.27	\$75.45	\$77.00	\$76.26	

Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$48.25	\$52.46	\$52.51	\$52.01	7
Geelong	\$87.72	\$92.02	\$94.87	\$93.50	2
Townsville	\$57.53	\$62.53	\$63.16	\$62.60	6
Bunbury	\$91.46	\$97.33	\$99.19	\$97.42	1
Mount Gambier	\$79.42	\$85.48	\$86.11	\$86.12	5
Launceston	\$84.63	\$89.13	\$91.81	\$93.08	3
Alice Springs	\$80.87	\$83.09	\$85.43	\$88.02	4
Regional avg.	\$75.70	\$80.29	\$81.87	\$81.82	

Section Two

Household weekly public transport costs

The cost of public transport remained unchanged across all jurisdictions.

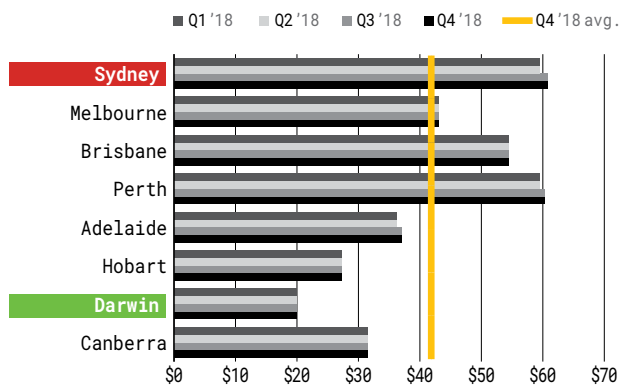
Public transport costs are flagged to rise across most jurisdictions from January 2019.

In the December 2018 quarter, Sydney remained the most expensive capital city for public transport, followed closely by Perth.

Darwin remained the least expensive. The typical Darwin family saves around \$2,124 per year in public transport costs compared to the equivalent family in Sydney.

The Index assumes the regional households do not incur public transport costs as the locations analysed lack reliable services and have low usage rates.

Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$59.49	\$59.49	\$60.84	\$60.84	1
Melbourne	\$43.00	\$43.00	\$43.00	\$43.00	4
Brisbane	\$54.45	\$54.45	\$54.45	\$54.45	3
Perth	\$59.40	\$59.40	\$60.30	\$60.30	2
Adelaide	\$36.20	\$36.20	\$37.00	\$37.00	5
Hobart	\$27.20	\$27.20	\$27.20	\$27.20	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$31.40	\$31.40	\$31.40	\$31.40	6
Capital avg.	\$41.39	\$41.39	\$41.77	\$41.77	



Section Two

Household weekly costs of toll roads

Only three Australian cities — Sydney, Melbourne and Brisbane — use toll roads.

Sydney and Melbourne toll costs increased because of scheduled quarterly rises.

Toll costs for the typical Sydney and Melbourne households increased by around \$25 and \$10.40 per year, respectively.

The typical Sydney household incurred the greatest costs for toll road usage, while the typical household in Melbourne incurred the least cost for toll road usage. The typical Melbourne household spends around \$33 per week or \$1,730 per year less on tolls compared to the typical Sydney household.

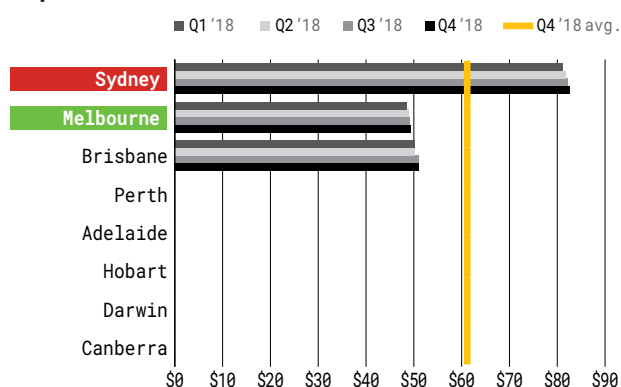
The ranking of the three cities' toll costs remained unchanged over the quarter.

In Sydney, the Index assumes that one member of the family uses toll roads only two days per week to travel to central Sydney because toll costs are high and alternate routes are available.

The Index assumes one member of the benchmark household uses toll roads every weekday in Melbourne and Brisbane.

The Index assumes that the regional households do not incur regular toll costs as there are no toll roads in these regions.

Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$81.16	\$81.72	\$82.20	\$82.68	1
Melbourne	\$48.60	\$49.00	\$49.20	\$49.40	3
Brisbane	\$50.20	\$50.20	\$51.10	\$51.10	2
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
Capital avg.	\$59.99	\$60.31	\$60.83	\$61.06	

Section Two

Household weekly costs of roadside assistance

Roadside assistance costs remained constant in all jurisdictions in the December 2018 quarter.

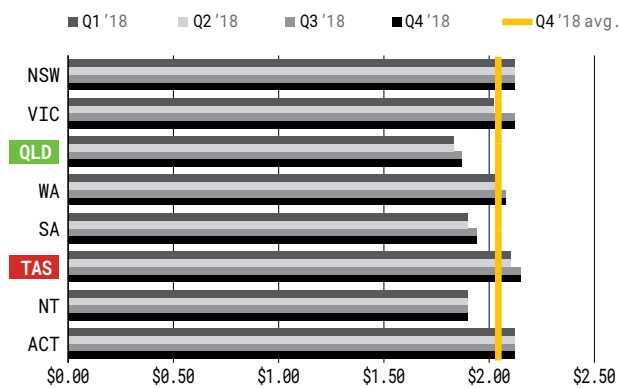
The differences between states are small.

Tasmania has the highest ongoing roadside assistance costs at \$112 per year, while Queensland has the lowest at \$97 per year.

Roadside assistance costs are based on state and Northern Territory motoring clubs' basic or standard packages, but services included in these packages vary from club to club.

The Index assumes that the regional households face the same costs as their capital city counterparts, as roadside assistance providers offer standard state-wide pricing.

States



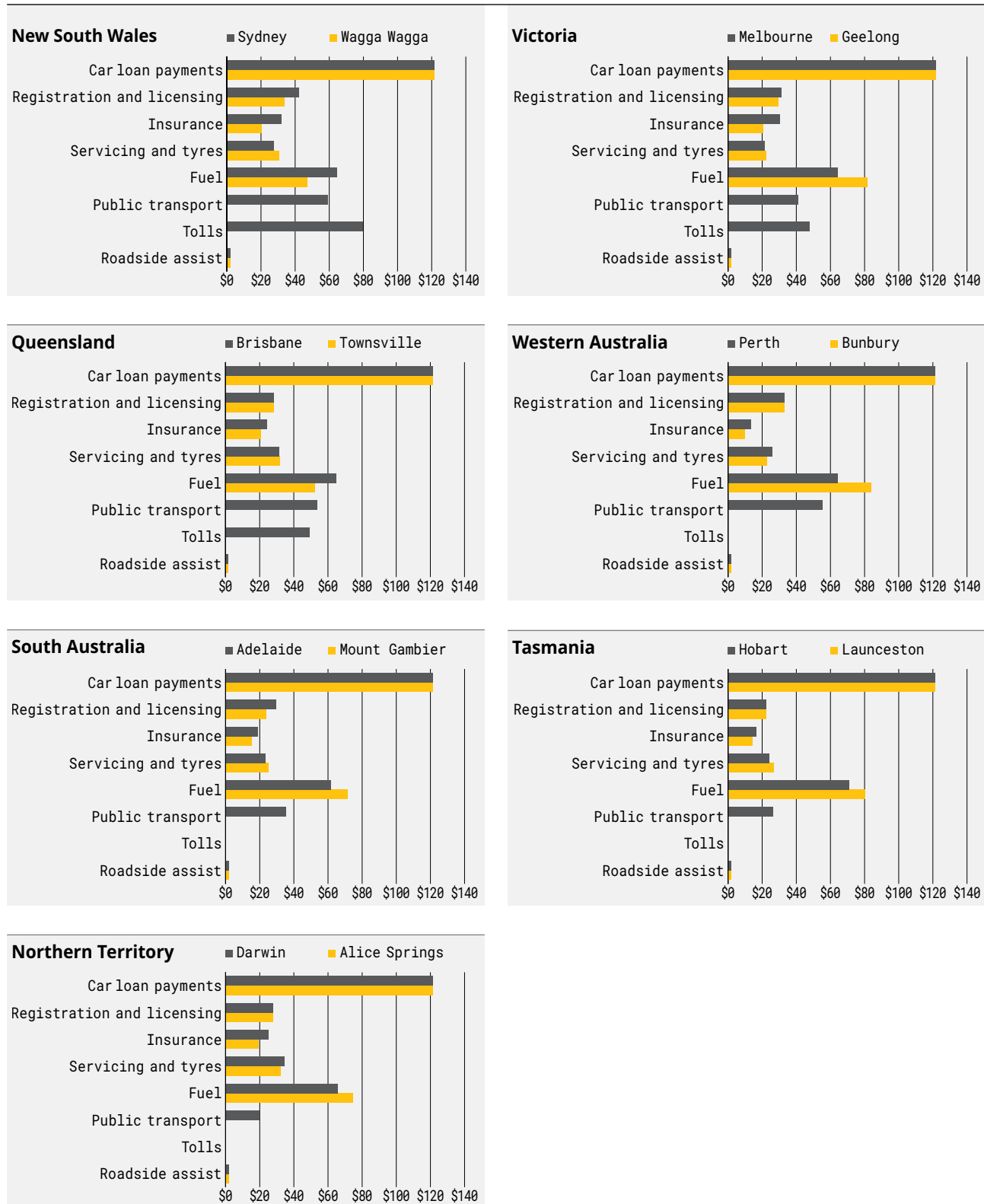
State	Q1	Q2	Q3	Q4	Rank
NSW	\$2.12	\$2.12	\$2.12	\$2.12	2
VIC	\$2.02	\$2.02	\$2.12	\$2.12	2
QLD	\$1.83	\$1.83	\$1.87	\$1.87	8
WA	\$2.04	\$2.04	\$2.08	\$2.08	5
SA	\$1.90	\$1.90	\$1.94	\$1.94	6
TAS	\$2.10	\$2.10	\$2.15	\$2.15	1
NT	\$1.90	\$1.90	\$1.90	\$1.90	7
ACT	\$2.12	\$2.12	\$2.12	\$2.12	2
National avg.	\$2.00	\$2.00	\$2.04	\$2.04	



Section Three

State by state comparison

Capital city vs regional comparison by state



Section Three

New South Wales weekly costs of transport

Sydney Sydney transport costs fell considerably, but the city still has Australia's highest transport costs; the typical Sydney household spends \$22,109 per annum on transport (down \$337 per annum from the previous quarter). Transport costs measured as a percentage of average income also fell in Sydney this quarter — dropping from 15.1 per cent to 14.9 per cent. Sydney recorded the greatest decrease in transport costs over the quarter — \$337. This was largely because costs for fuel and comprehensive insurance fell.

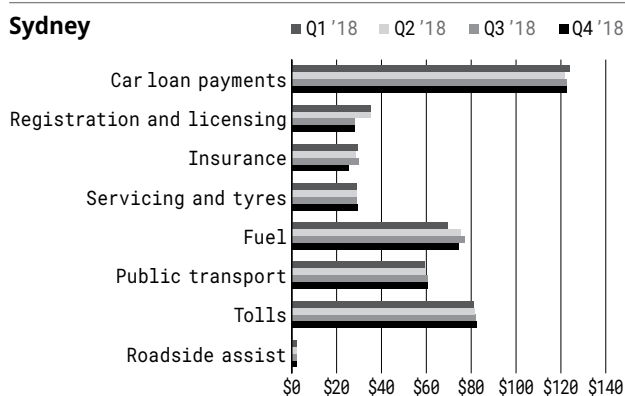
The typical Sydney household saved \$2.65 a week in fuel costs compared to the previous quarter, equivalent to \$138 per year. Average comprehensive insurance premiums decreased by \$227 per year. Car loan payments also fell marginally due to lower upfront purchasing costs and constant interest rates. Only toll costs and servicing and tyres increased in Sydney in the December quarter. CTP costs fell slightly. All other costs remained unchanged. Sydney has Australia's highest public transport and toll costs; but it is the capital city with the lowest car loan payments.

Wagga Wagga Wagga Wagga is the regional location with the lowest transport costs—both in total cost (\$13,217) and in terms of the local income-to-cost ratio (9.8 per cent). Transport costs declined over the quarter by around \$60, largely driven by falls in comprehensive insurance and fuel costs, which decreased by \$38 and \$26, respectively.

The typical Wagga Wagga household also incurs slightly lower fuel costs than its Sydney counterpart as BITRE data suggests that the family travels less than the city household.

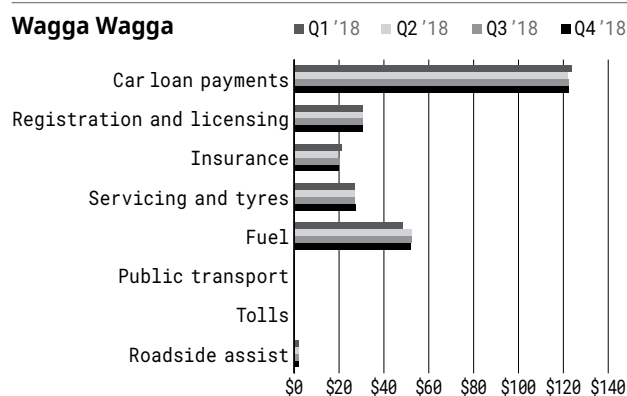
But the Wagga Wagga family paid relatively more for unleaded petrol prices this quarter, by a difference of 2.1 cents per litre, compared to its city counterpart. Registration, CTP and licensing fell slightly due to lower CTP premiums. Only servicing and tyres increased over the quarter, albeit marginally.

The Index assumes that the Wagga Wagga household does not incur any costs for public transport because the region's limited options lead to low levels of usage.



Sydney	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$123.74	\$121.85	\$122.48	\$122.43	1
Reg. and licensing	\$35.08	\$35.05	\$28.24	\$28.14	6 (5)*
Insurance	\$29.44	\$28.63	\$29.87	\$25.51	7 (5)*
Servicing and tyres	\$28.76	\$28.87	\$28.99	\$29.20	5 (5)*
Fuel	\$69.35	\$75.38	\$76.91	\$74.25	3
Public transport	\$59.49	\$59.49	\$60.84	\$60.84	4
Tolls	\$81.16	\$81.72	\$82.20	\$82.68	2
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	8
Total	\$429.12	\$433.11	\$431.64	\$425.17	

* The figures bracketed in the table above show the costs and rankings that would apply to the Sydney household in the absence of the Toll Relief Scheme.



Wagga Wagga	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$123.74	\$121.85	\$122.48	\$122.43	1
Reg. and licensing	\$30.44	\$30.42	\$30.59	\$30.52	3
Insurance	\$21.08	\$19.31	\$20.45	\$19.72	5
Servicing and tyres	\$26.97	\$27.07	\$27.19	\$27.37	4
Fuel	\$48.25	\$52.46	\$52.51	\$52.01	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	6
Total	\$252.59	\$253.22	\$255.33	\$254.17	

Section Three

Victoria weekly costs of transport

Melbourne Melbourne remains Australia's second most expensive city for transport, but both total costs and costs as a percentage of average income fell in the December quarter. The typical household spends \$20,116 a year on transport—a decrease of \$94 over the quarter. Transport costs as a percentage of average income decreased from 15.3 per cent to 15.2 per cent over the quarter. Melbourne is the third least affordable city under the income metric.

The decrease in transport costs over the quarter are mainly attributable to fuel and comprehensive insurance. Fuel decreased by around \$1.96 per week or \$102 per year assuming costs remain constant. The cost of car loan payments and tolls increased over the quarter by \$33 and \$10.40 per year, respectively. Servicing and tyres also increased, but only marginally.

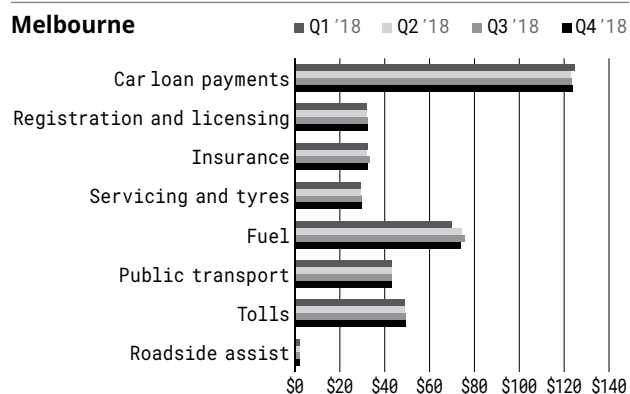
All other costs remain unchanged. Melbourne remains the most expensive city in Australia for comprehensive insurance.

Geelong With yearly transport costs of \$15,538, Geelong is now the regional centre with the third-highest transport costs.

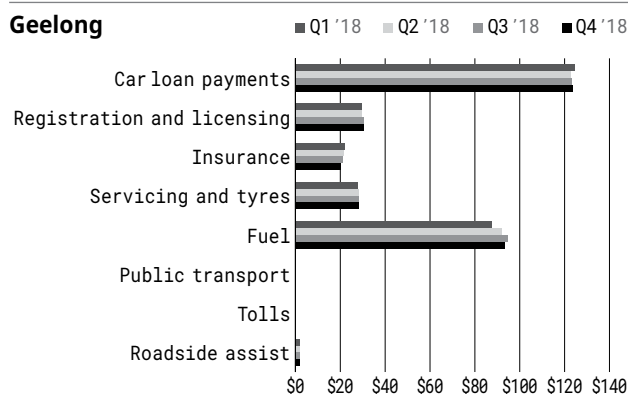
But when transport costs are considered as a percentage of average income (12.2 per cent compared to 12.3 per cent last quarter), Geelong is the third-most affordable region for transport.

Transport costs fell by \$59, mostly because of lower costs for fuel and comprehensive insurance. Fuel decreased by \$1.38 per week or \$72 per year. The cost of car loan payments and servicing and tyres increased in the December quarter. All other costs remained unchanged.

Geelong remains the most expensive region for car loan payments and is still relatively expensive for fuel and comprehensive insurance.



Melbourne	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.66	\$122.68	\$123.29	\$123.92	1
Reg. and licensing	\$31.82	\$31.82	\$32.44	\$32.44	6
Insurance	\$32.20	\$32.03	\$33.30	\$32.48	5
Servicing and tyres	\$29.07	\$29.39	\$29.59	\$29.72	7
Fuel	\$69.58	\$74.36	\$75.71	\$73.76	2
Public transport	\$43.00	\$43.00	\$43.00	\$43.00	4
Tolls	\$48.60	\$49.00	\$49.20	\$49.40	3
Roadside assist	\$2.02	\$2.02	\$2.12	\$2.12	8
Total	\$380.95	\$384.30	\$388.64	\$386.84	



Geelong	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.66	\$122.68	\$123.29	\$123.92	1
Reg. and licensing	\$29.79	\$29.79	\$30.37	\$30.37	3
Insurance	\$21.95	\$21.84	\$20.97	\$20.44	5
Servicing and tyres	\$27.84	\$28.15	\$28.33	\$28.46	4
Fuel	\$87.72	\$92.02	\$94.87	\$93.50	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.02	\$2.02	\$2.12	\$2.12	6
Total	\$293.98	\$296.50	\$299.94	\$298.81	

Section Three

Queensland weekly costs of transport

Brisbane The typical Brisbane household has yearly transport costs of \$19,845, giving the city Australia's third highest transport costs. When transport costs are considered as a percentage of average income (16.3 per cent compared to 16.4 per cent last quarter) Brisbane is the second least affordable city.

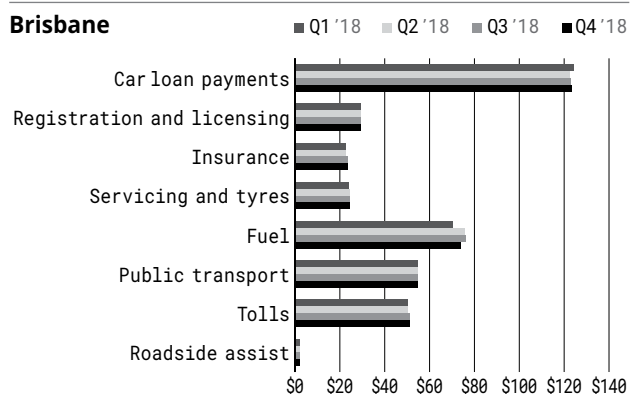
Transport costs decreased by \$87 in the December quarter, largely due to lower costs for fuel, as well as registration, CTP and licensing. The typical Brisbane household saved about \$2.24 per week on fuel costs compared to the previous quarter, equivalent to \$117 per year. Registration, CTP and licensing fell marginally as the household's CTP premiums once again declined. The cost of car loan payments and servicing and tyres rose, while all other costs remained constant.

Brisbane's public transport costs are the third-highest in Australia. All other cost categories remain relatively less expensive at between fourth and eighth place.

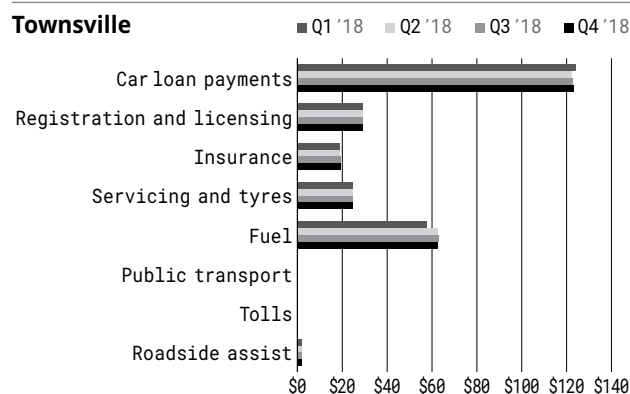
Townsville The typical Townsville household spends \$13,579 a year on transport—considerably less than its Brisbane counterpart. Townsville is the second-least expensive region, and the second-most affordable when costs are considered as a percentage of average income (11.6 per cent).

Transport costs increased very marginally due to rising costs for car loan payments and servicing and tyres. However, the household's costs for registration, CTP and licensing, as well as fuel decreased by \$12 and \$29, respectively. Compared to other regions, Townsville remains relatively inexpensive for registration, licensing and CTP; servicing and tyres; fuel; and roadside assistance.

The Townsville 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 it travels slightly less than its Brisbane counterpart.



Brisbane	Q1	Q2	Q3	Q4 Rank
Car loan payments	\$123.99	\$122.21	\$122.85	\$123.49 1
Reg. and licensing	\$28.99	\$28.99	\$29.34	\$29.11 5
Insurance	\$22.59	\$22.32	\$23.38	\$23.38 7
Servicing and tyres	\$24.07	\$24.27	\$24.20	\$24.36 6
Fuel	\$70.16	\$75.57	\$76.12	\$73.88 2
Public transport	\$54.45	\$54.45	\$54.45	\$54.45 3
Tolls	\$50.20	\$50.20	\$51.10	\$51.10 4
Roadside assist	\$1.83	\$1.83	\$1.87	\$1.87 8
Total	\$376.27	\$379.85	\$383.31	\$381.63



Townsville	Q1	Q2	Q3	Q4 Rank
Car loan payments	\$123.99	\$122.21	\$122.85	\$123.49 1
Reg. and licensing	\$28.99	\$28.99	\$29.34	\$29.11 3
Insurance	\$18.98	\$18.76	\$19.23	\$19.23 5
Servicing and tyres	\$24.53	\$24.75	\$24.67	\$24.83 4
Fuel	\$57.53	\$62.53	\$63.16	\$62.60 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.83	\$1.83	\$1.87	\$1.87 6
Total	\$255.85	\$259.06	\$261.12	\$261.13

Section Three

Western Australia weekly costs of transport

Perth In total dollar terms, Perth is Australia fourth-most expensive city for transport. The typical Perth household's annual transport costs were \$17,831 — a small decrease of \$32 over the quarter. Perth is the fifth-least affordable city when transport costs are considered as a share of average income (13.8 per cent).

The cost of fuel decreased by \$1.53 per week, or \$80 per year assuming costs remain constant. Perth is now the fourth most expensive city for fuel. The cost of car loan payments, comprehensive insurance and servicing and tyres increased over the quarter. Car loan payments increased by \$33 per year due to higher interest rates on secured motor vehicle loans. All other costs remained constant.

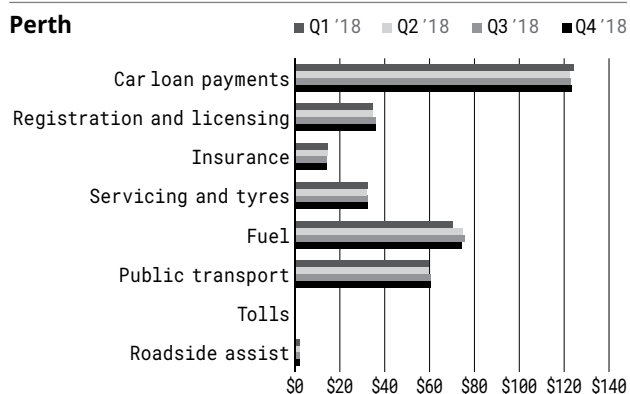
Perth is the least expensive city for comprehensive insurance. But it remains relatively expensive for registration, CTP and licensing; servicing and tyres; and public transport.

Bunbury Bunbury is Australia's most expensive region for transport. Yearly transport costs for the typical Bunbury household were \$15,669 — a decrease of \$46 over the quarter.

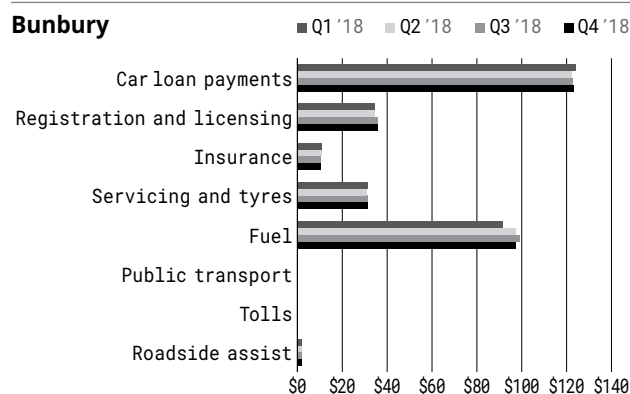
Transport costs as a share of average income remained at 13.1 per cent, ranking Bunbury fourth out of seven regions for affordability.

The decrease in transport costs was due to lower fuel prices, which fell by \$92 per year. Car loan payments, comprehensive insurance; and servicing and tyres increased over the quarter. All other costs remained constant.

Bunbury is the most expensive region for registration, CTP and licensing; and fuel. Bunbury has become relatively expensive for car loan payments, but it still has the lowest comprehensive insurance prices.



Perth	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.03	\$122.17	\$122.83	\$123.46	1
Reg. and licensing	\$34.61	\$34.61	\$36.06	\$36.06	4
Insurance	\$14.66	\$14.65	\$14.14	\$14.25	6
Servicing and tyres	\$32.14	\$31.83	\$32.30	\$32.49	5
Fuel	\$70.21	\$74.57	\$75.79	\$74.26	2
Public transport	\$59.40	\$59.40	\$60.30	\$60.30	3
Tolls	-	-	-	-	-
Roadside assist	\$2.04	\$2.04	\$2.08	\$2.08	7
Total	\$337.10	\$339.27	\$343.50	\$342.90	



Bunbury	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.03	\$122.17	\$122.83	\$123.46	1
Reg. and licensing	\$34.61	\$34.61	\$36.06	\$36.06	3
Insurance	\$10.86	\$10.85	\$10.61	\$10.68	5
Servicing and tyres	\$31.28	\$30.98	\$31.44	\$31.62	4
Fuel	\$91.46	\$97.33	\$99.19	\$97.42	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.04	\$2.04	\$2.08	\$2.08	6
Total	\$294.28	\$297.98	\$302.21	\$301.32	

Section Three

South Australia weekly costs of transport

Adelaide With yearly transport costs of \$16,283, Adelaide is the second-least expensive city for total transport costs, and the third-most affordable city when costs are considered as a percentage of average income at 13.8 per cent.

Transport costs increased by \$74 as comprehensive insurance, car loan payments, and servicing and tyres all became more expensive. Car loan payments increased by \$33 per year because of higher interest rates for a secured motor vehicle loan. Comprehensive insurance costs rose by around \$86 per year due to higher premiums. Fuel costs fell slightly, by \$48 per year assuming costs remain constant. All other costs remained unchanged over the quarter.

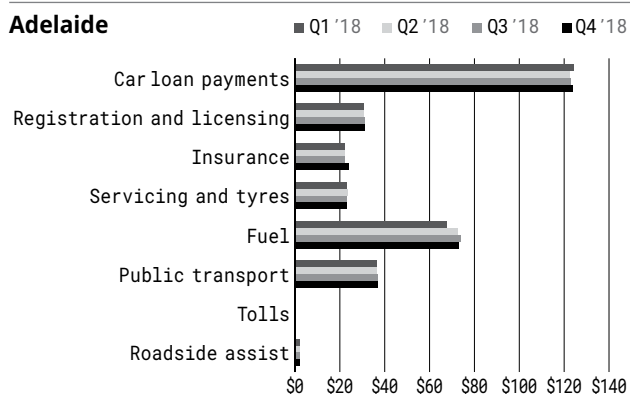
Adelaide remains the most affordable capital city for fuel, as well as servicing and tyres.

Mount Gambier The typical Mount Gambier household spends \$14,496 per year on transport—an increase of \$111 over the quarter.

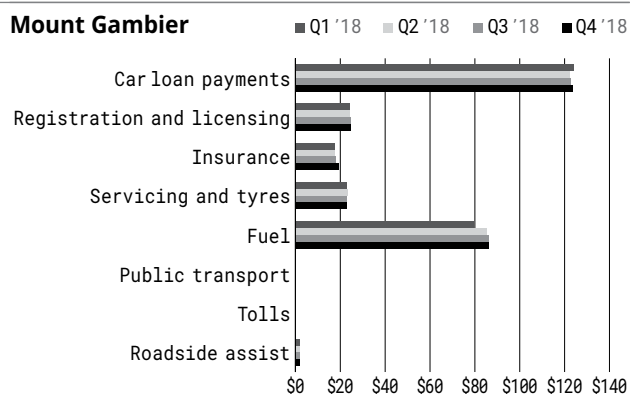
Mount Gambier is ranked fourth out of seven regions for total transport costs, but when transport costs are measured as a percentage of income, it is the second-least affordable region (13.7 per cent of income).

The household's comprehensive insurance costs and car loan payments increased by \$75 and \$33, respectively. There was also a marginal increase in the cost of fuel and servicing and tyres. All other costs remained constant.

Mount Gambier has relatively low costs for most categories compared to other regional cities but is the second-most expensive city for car loan payments.



Adelaide	Q1	Q2	Q3	Q4 Rank
Car loan payments	\$124.26	\$122.38	\$123.04	\$123.68 1
Reg. and licensing	\$30.45	\$30.45	\$31.09	\$31.09 4
Insurance	\$21.94	\$21.94	\$22.10	\$23.75 ↑ 5
Servicing and tyres	\$23.04	\$23.21	\$22.92	\$22.97 ↓ 6
Fuel	\$67.54	\$72.65	\$73.63	\$72.71 2
Public transport	\$36.20	\$36.20	\$37.00	\$37.00 3
Tolls	-	-	-	- -
Roadside assist	\$1.90	\$1.90	\$1.94	\$1.94 7
Total	\$305.35	\$308.74	\$311.71	\$313.13



Mount Gambier	Q1	Q2	Q3	Q4 Rank
Car loan payments	\$124.26	\$122.38	\$123.04	\$123.68 1
Reg. and licensing	\$24.18	\$24.18	\$24.67	\$24.67 3
Insurance	\$17.46	\$17.46	\$17.85	\$19.29 5
Servicing and tyres	\$23.14	\$23.30	\$23.01	\$23.06 4
Fuel	\$79.42	\$85.48	\$86.11	\$86.12 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.90	\$1.90	\$1.94	\$1.94 6
Total	\$270.36	\$274.71	\$276.62	\$278.76

Section Three

Tasmania weekly costs of transport

Hobart Hobart has Australia's lowest capital city transport costs, but in terms of local purchasing power, it is the city with the least affordable transport costs.

The typical Hobart household spends \$15,747 per annum on transport—an increase of \$121 over the quarter. But because Hobart has the lowest average earnings of any capital city, it has the least affordable transport costs of any capital city when costs are measured as a percentage of average income (16.6 per cent).

The December quarter increase in transport costs was mainly due to rising fuel costs. Hobart was one of only two cities that recorded an increase in fuel costs in the quarter. The household's fuel costs rose by \$1.65 per week, or \$86 per year assuming costs remain constant. Car loan payments also increased by \$33 per year. Servicing and tyre costs increased marginally. All other costs remained constant over the quarter.

Hobart is the most expensive city for fuel, but the cheapest for registration, CTP and licensing fees.

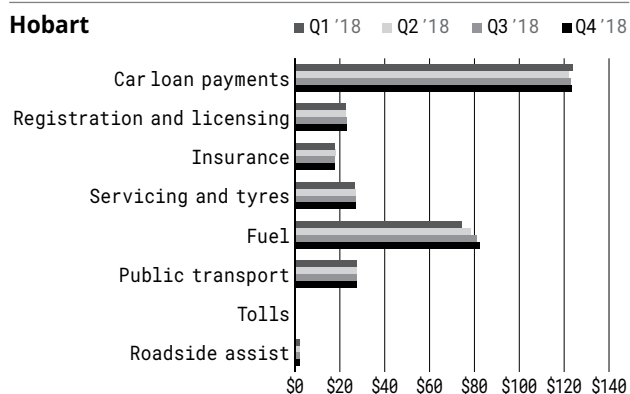
Launceston The typical Launceston household's annual transport costs were equivalent to \$14,478—an increase of \$101 over the quarter.

Launceston has the lowest average earnings among all the capital cities and regional centres analysed by the Index.

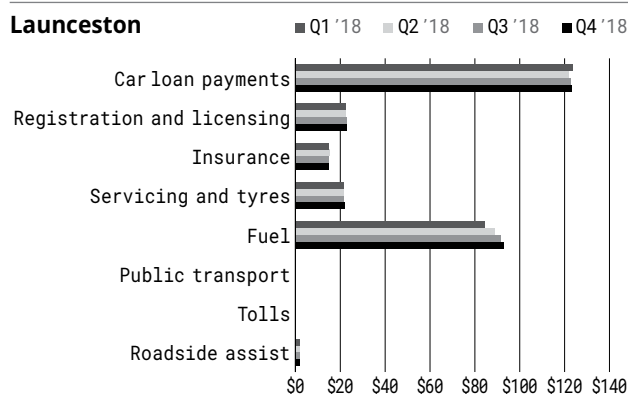
When costs are considered as a percentage of average income (16.8 per cent), Launceston is the least affordable regional city for transport.

As in Hobart, fuel costs rose in the December quarter, by around \$1.27 per week or \$66 per year. Car loan payments increased in line with Hobart costs, while servicing and tyre costs increased marginally. All other costs remained constant.

Launceston is the region with the lowest costs for registration, CTP and licensing; and servicing and tyres. But it remains relatively expensive for fuel.



Hobart	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$123.81	\$122.07	\$122.72	\$123.35	1
Reg. and licensing	\$22.65	\$22.65	\$22.90	\$22.90	5
Insurance	\$17.76	\$18.09	\$17.75	\$17.75	6
Servicing and tyres	\$26.72	\$26.86	\$27.02	\$27.08	4
Fuel	\$74.42	\$78.04	\$80.75	\$82.39	2
Public transport	\$27.20	\$27.20	\$27.20	\$27.20	3
Tolls	-	-	-	-	-
Roadside assist	\$2.10	\$2.10	\$2.15	\$2.15	7
Total	\$294.66	\$297.01	\$300.50	\$302.83	



Launceston	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$123.81	\$122.07	\$122.72	\$123.35	1
Reg. and licensing	\$22.65	\$22.65	\$22.90	\$22.90	3
Insurance	\$15.06	\$15.34	\$15.05	\$15.05	5
Servicing and tyres	\$21.59	\$21.72	\$21.83	\$21.88	4
Fuel	\$84.63	\$89.13	\$91.81	\$93.08	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.10	\$2.10	\$2.15	\$2.15	6
Total	\$269.84	\$273.02	\$276.48	\$278.42	

Section Three

Northern Territory weekly costs of transport

Darwin The typical Darwin household spends \$16,377 on transport, giving it the third lowest capital city transport costs.

When transport costs are measured as a proportion of income—13.1 per cent—Darwin is the second-most affordable capital city.

The household's transport costs increased by \$158 over the quarter mainly due to rises in comprehensive insurance and car loan payments. Comprehensive insurance rose by \$146 due to higher premiums, while car loan payments increased by \$33 due to higher interest rates.

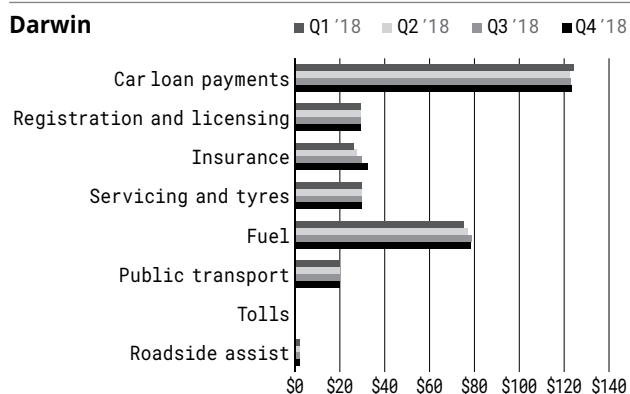
The household's fuel costs fell by \$28 per year. All other costs remained constant, except servicing and tyres, which rose slightly.³

Darwin remains the city with the lowest public transport costs.

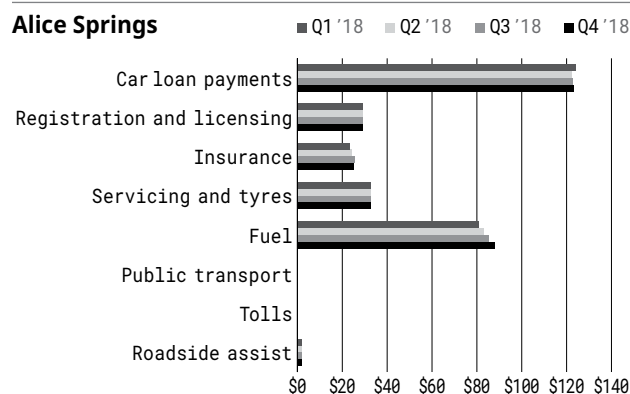
Alice Springs Alice Springs is now the region with the second-highest transport costs. The typical Alice Springs household has yearly transport costs of \$15,644. Alice Springs is the third-least affordable region when costs are considered as a percentage of average income (13.3 per cent). Alice Springs is one of only two regional centres (along with Launceston) where transport costs are less affordable than its city counterpart.

Transport costs increased \$159 over the quarter primarily due to rising fuel prices. The typical Alice Springs household spends more on fuel than its Darwin counterpart. This is because of greater distances travelled and higher per litre fuel costs. Fuel costs increased considerably for the Alice Springs household—by around \$2.59 per week or \$135 per year, assuming costs remain constant. Car loan payments increased in line with Darwin. Comprehensive insurance costs fell by \$17 per year. All other costs, except servicing and tyres, remained constant over the quarter.

Alice Springs is the most expensive region for comprehensive insurance, as well as servicing and tyres.



Darwin	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.01	\$122.20	\$122.84	\$123.48	1
Reg. and licensing	\$29.00	\$29.00	\$29.42	\$29.42	5
Insurance	\$26.14	\$27.36	\$29.57	\$32.37	3
Servicing and tyres	\$29.52	\$29.51	\$29.59	\$29.73	4
Fuel	\$74.95	\$76.87	\$78.57	\$78.04	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	\$305.53	\$306.86	\$311.90	\$314.94	



Alice Springs	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.01	\$122.20	\$122.84	\$123.48	1
Reg. and licensing	\$29.00	\$29.00	\$29.42	\$29.42	4
Insurance	\$23.47	\$24.40	\$25.48	\$25.16	5
Servicing and tyres	\$32.64	\$32.61	\$32.71	\$32.86	3
Fuel	\$80.87	\$83.09	\$85.43	\$88.02	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90	6
Total	\$291.89	\$293.21	\$297.78	\$300.84	

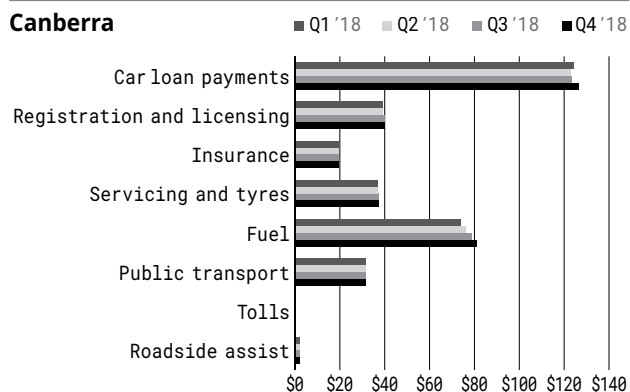
Section Three

ACT weekly costs of transport

Canberra The typical Canberra household has the fifth-highest capital city transport costs at \$17,513 per annum. Its transport cost increased by around \$268 over the quarter — more than any other location assessed by the Index.

But because of Canberra's high median incomes, the typical Canberra household's transport costs are only 12.5 per cent of household income, making it the most affordable city. The December quarter increase in Canberra's transport costs was largely driven by rising fuel prices and car loan payments. The household's fuel costs rose by \$2.25 per week, or \$117 per year assuming costs remain constant. Car loan payments increased considerably, by \$154 per year due to higher upfront purchasing costs and interest rates. Only comprehensive insurance and servicing and tyre costs decreased over the quarter. All other costs remained unchanged.

Canberra remains the most expensive city for car loan payments; registration, CTP and licensing costs; and servicing and tyres.



Canberra	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$124.34	\$122.66	\$123.33	\$126.30	1
Reg. and licensing	\$38.97	\$38.97	\$39.84	\$39.84	3
Insurance	\$19.46	\$19.31	\$19.37	\$19.32	6
Servicing and tyres	\$36.92	\$36.99	\$37.01	\$37.01	4
Fuel	\$73.98	\$76.18	\$78.56	\$80.81	2
Public transport	\$31.40	\$31.40	\$31.40	\$31.40	5
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	7
Total	\$327.18	\$327.63	\$331.63	\$336.79	



Section Four

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, but since the June 2017 quarter, the Index includes a regional household in every state and the Northern Territory.

The Index provides a snapshot of the costs of transport for typical households in Australia and is regularly updated to show how transport costs change relative to incomes. The baseline is quarter one (January to March) 2016 for the city households and quarter two (April to June 2017) for the regional households.

The characteristics of the household reflect the most common or average characteristics of the population. In some cases, household characteristics have been chosen to ensure some typical transport costs are well illustrated, while still being representative. The hypothetical households in different regions are largely identical to allow for ready comparison.

The Index considers a full range of costs families face when they own a car, as well as public transport costs.

These fall into two broad 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 (fuel costs, tolls and car maintenance) increase the more the vehicle is driven.

Public transport costs for a city household's typical commute to work are also measured as these form 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 must 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 because consistent data is not available.

The Index seeks to compare the affordability of household transport costs across Australia by comparing them with an estimate of the hypothetical households median weekly income.

Total household transport costs in each city are compared with the average income of a typical family in that city, to illustrate the proportion of income spent on transport-related costs.

As the Index is updated over time, a clearer picture is emerging on which household transport costs are putting pressure on Australian household budgets, and whether this differs across the country's capital cities and regional centres.

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 about transport affect their overall household budgets.

Section Four

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 with 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

There are key differences between metropolitan and regional households transport costs.

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
- doesn't pay tolls
- doesn't have public transport as there is little 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 the ACT's small size and a lack of discernible differences in costs between suburbs, a second location for that jurisdiction has not been included.

The regional locations included for comparison include:

- | | |
|---------------|-----------------|
| • Wagga Wagga | • Mount Gambier |
| • Geelong | • Launceston |
| • Townsville | • Alice Springs |
| • Bunbury | |

The underlying assumptions for the regional household are largely the same as for the city household, but vehicle use and household income have been adjusted. The Index also assumes that regional households do not use public transport due to low usage rates and service provision. As there are no toll roads in any of the 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 location.⁴ 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 hypothetical household's car use 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 access 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 regional city is selected to be compared to its city counterpart rather than compared to other regional centres given that distances travelled vary.

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 lower 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.⁵

Endnotes

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- 1 Australian Bureau of Statistics. 2017. Table 13.9A HOUSEHOLD EXPENDITURE, Detailed expenditure items, All households – Estimates. 65300DO013_201516 Household Expenditure Survey, Australia: Summary of Results, 2015–16. Accessed 1 February, 2019. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6530.02015-16?OpenDocument>
 - 2 Australian Bureau of Statistics. 2019. TABLE 9. CPI: Group, Sub-group and Expenditure Class, Index Numbers by Capital City. 6401.0 - Consumer Price Index, Australia, Dec 2018. Accessed 1 February, 2019. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Dec%202018?OpenDocument>
 - 3 A minor correction has been made for Quarter 3 2018 cost estimates for vehicle registration.
 - 4 Commonwealth of Australia. 2015. Information Sheet 73: Australia’s commuting distance: cities and regions. Bureau of Infrastructure, Transport and Regional Economics. Accessed 21 January, 2019. https://bitre.gov.au/publications/2015/files/is_073.pdf
 - 5 SGS Economics and Planning. 2016. Transport Affordability Index Final Report. August 2016. Accessed 1 February, 2019. <https://www.aaa.asn.au/wp-content/uploads/2016/08/sgs-report-aaa-transport-affordability-index.pdf>

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