



TRANSPORT AFFORDABILITY INDEX



Australian
Automobile
Association



SGS
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Foreword

Transport Affordability Index: March 2019

Following large increases in transport costs in 2018, costs remain high but have now stabilised.

In the March 2019 quarter, national average household total weekly transport costs were \$317, down slightly from \$319 in the previous quarter. However, there were localised cost increases in Melbourne, Adelaide, Hobart and Alice Springs.

Lower fuel prices mean there has been a welcome pause in price rises. But rather than falling back to the levels of 2017, transport costs have stabilised at the high levels of 2018.

From 1 January 2018 to 31 March 2019, metropolitan transport costs rose at about 1.7 times the rate of general inflation. Regional cost increases were even more dramatic—2.2 times greater than the consumer price index (CPI).

From 31 December 2017 to 31 March 2019, the CPI increased by 1.8 per cent, but transport costs for a typical metropolitan Australian household rose from \$17,606 to \$18,147—a jump of 3.1 per cent. The typical regional household spends \$14,565 per year on transport—up from \$14,007—over the course of the year, a jump of 4 per cent.

The cumulative effect of continued high transport costs is a heavy burden at a time when Australians are feeling cost of living pressures across the board.

Transport is a significant and unavoidable cost to households. Policymakers around the country must recognise that households are facing these rising costs and deliver policy solutions that help minimise this burden.



Michael Bradley

Chief Executive
Australian Automobile Association



Section One

Summary of results

Household total weekly transport costs

Transport costs for typical households fell in most parts of Australia. But there were localised cost increases in Melbourne, Adelaide, Hobart and Alice Springs.

Capital cities The average for benchmark capital city households was \$349 per week compared with \$351 in the previous quarter.

Sydney remains the most expensive capital city with total transport costs of \$425 (unchanged from the December quarter). Hobart remains the least expensive capital with weekly costs of \$305, up from \$303 in the previous quarter.

City rankings changed slightly with Adelaide and Darwin swapping places at sixth and seventh as Adelaide's prices rose slightly and Darwin's fell.

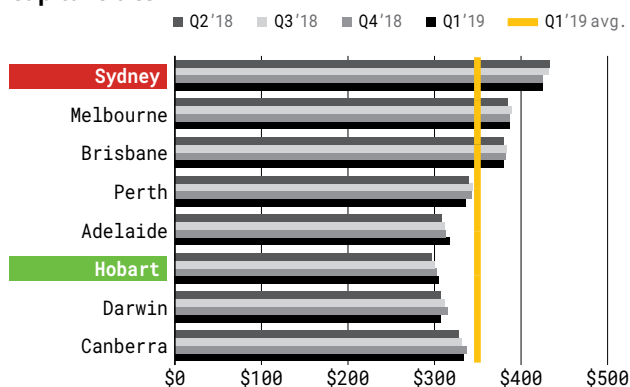
Hobart remains the least expensive city with weekly costs of \$305, although costs did increase slightly from the last quarter.

Regional Average weekly transport costs for benchmark regional centres are \$280 per week — down slightly from \$282 in the previous quarter.

Among regional centres, Alice Springs has the highest total weekly transport costs — \$304 per week, up from \$301 the previous quarter.

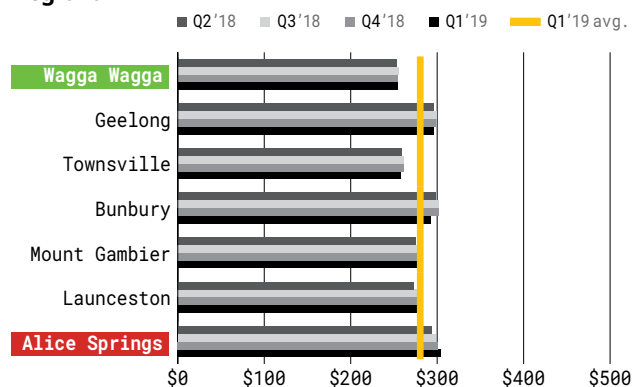
Wagga Wagga remains the least expensive at \$254 per week, the same as in the December quarter.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$433.11	\$431.64	\$425.17	\$425.10	1
Melbourne	\$384.30	\$388.64	\$386.84	\$387.34	2
Brisbane	\$379.85	\$383.31	\$381.63	\$380.28	3
Perth	\$339.27	\$343.50	\$342.90	\$336.09	4
Adelaide	\$308.74	\$311.71	\$313.13	\$317.40	6
Hobart	\$297.01	\$300.50	\$302.83	\$305.20	8
Darwin	\$306.86	\$311.90	\$314.94	\$307.20	7
Canberra	\$327.63	\$331.63	\$336.79	\$333.25	5
Capital avg.	\$347.10	\$350.35	\$350.53	\$348.98	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$253.22	\$255.33	\$254.17	\$254.09	7
Geelong	\$296.50	\$299.94	\$298.81	\$295.68	2
Townsville	\$259.06	\$261.12	\$261.13	\$258.14	6
Bunbury	\$297.98	\$302.21	\$301.32	\$292.81	3
Mount Gambier	\$274.71	\$276.62	\$278.76	\$276.71	5
Launceston	\$273.02	\$276.48	\$278.42	\$278.01	4
Alice Springs	\$293.21	\$297.78	\$300.84	\$304.10	1
Regional avg.	\$278.24	\$281.35	\$281.92	\$279.93	

Section One

Household total annual transport costs

The typical Australian city household's average annual cost of transport fell by \$80. This household now spends \$18,147 a year on transport. But even though costs fell in most parts of the country, there were some localised increases in transport costs.

Adelaide recorded the greatest increase — equivalent to \$222 per year.

Darwin recorded the largest decrease in capital city transport costs — its typical household saved \$403 per year compared to the previous quarter.

The average annual cost of transport for the typical regional household decreased by \$103. The typical regional household now spends \$14,556 per annum on transport.

The greatest increase among the benchmark regions was recorded in Alice Springs, where transport costs increased by \$170 per year compared to the previous quarter.

Fuel excise, registration, CTP and licensing alone cost the average two-car family around \$2,682 per annum for city households and \$2,619 per annum for the regional households. These figures are slightly lower than the previous quarter, and this reduction is largely due to lower fuel prices. 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, Townsville and Alice Springs where regional drivers pay the same state levies as city drivers.

Capital cities

City	2018 Q4	2019 Q1	Change	Rank
Sydney	\$22,108.61	\$22,105.10	-\$3.50	1
Melbourne	\$20,115.52	\$20,141.72	\$26.20	2
Brisbane	\$19,844.71	\$19,774.71	-\$70.00	3
Perth	\$17,830.67	\$17,476.63	-\$354.05	4
Adelaide	\$16,282.62	\$16,504.80	\$222.18	6
Hobart	\$15,747.11	\$15,870.38	\$123.27	8
Darwin	\$16,376.91	\$15,974.39	-\$402.51	7
Canberra	\$17,513.10	\$17,329.22	-\$183.88	5
Capital avg.	\$18,227.41	\$18,147.12	-\$80.29	

Average taxes	2018 Q4	2019 Q1	Change
Fuel excise	\$1,083.56	\$1,094.08	\$10.52
Registration, CTP and licensing	\$1,618.54 (\$1,664.16)*	\$1,588.10 (\$1,634.48)*	-\$30.43 (-\$29.68)*
Household total	\$2,702.10 (\$2,747.72)*	\$2,682.18 (\$2,728.56)*	-\$19.91 (-\$19.16)*

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	2018 Q4	2019 Q1	Change	Rank
Wagga Wagga	\$13,216.81	\$13,212.46	-\$4.35	7
Geelong	\$15,537.89	\$15,375.16	-\$162.73	2
Townsville	\$13,578.52	\$13,423.02	-\$155.49	6
Bunbury	\$15,668.64	\$15,226.16	-\$442.48	3
Mount Gambier	\$14,495.59	\$14,388.78	-\$106.81	5
Launceston	\$14,478.02	\$14,456.53	-\$21.49	4
Alice Springs	\$15,643.60	\$15,813.30	\$169.71	1
Regional avg.	\$14,659.87	\$14,556.49	-\$103.38	

Average taxes	2018 Q4	2019 Q1	Change
Fuel excise	\$1,136.43	\$1,147.46	\$11.03
Registration, CTP and licensing	\$1,508.43	\$1,472.09	-\$36.34
Household total	\$2,644.86	\$2,619.55	-\$25.30

Section One

Household average weekly expenses

National household average weekly transport expenses declined by less than \$2 per week for both city and regional households.

The decrease in transport costs over the quarter was driven by changes in two cost categories:

- **Fuel** — prices fell in all capital cities and regions.
- **Registration, CTP and licensing** — average costs fell for both typical city households (by \$30 a year) and regional households (by \$36 a year).

Costs in other categories remained much the same or increased only slightly:

- **Car loan payments** — average interest rates for a secured motor vehicle loan remained the same. But car payments went up slightly (by about \$4 per week) largely because the cost of the new car reference vehicle rose.
- **Car maintenance** — largely unchanged with rises of less than \$1 for typical city and regional households across Australia.
- **Tolls** — increased slightly in Sydney (by \$1 a week) and Melbourne (by 40 cents a week).
- **Comprehensive insurance** — rose slightly (by just over \$1 a week) in typical Australian cities and regional centres.

In the ranking of capital city expenses, Adelaide and Darwin swapped places at sixth and seventh as Adelaide's prices rose slightly and Darwin's fell. Otherwise cities' rankings remained the same.

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

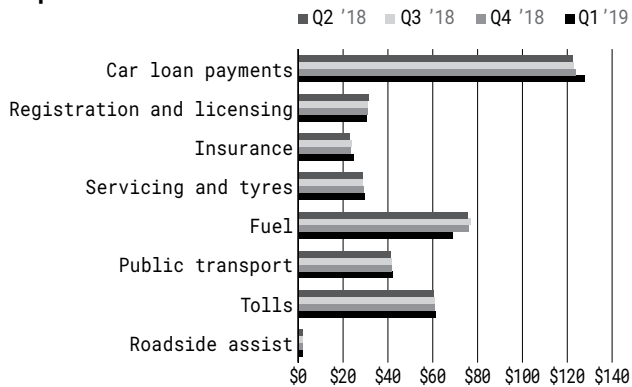
There are a few notable differences between capital city and regional transport costs:

- 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, annual registration and CTP costs are \$386 cheaper in regional areas. In Victoria, the Geelong household's annual CTP insurance premiums are \$646 cheaper than its Melbourne counterpart, and its CTP costs are \$108 cheaper. Registration and CTP are relatively expensive for the typical NSW regional household because Sydney vehicle owners are eligible for free vehicle registration costs under the state's Toll Relief Scheme.
- 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

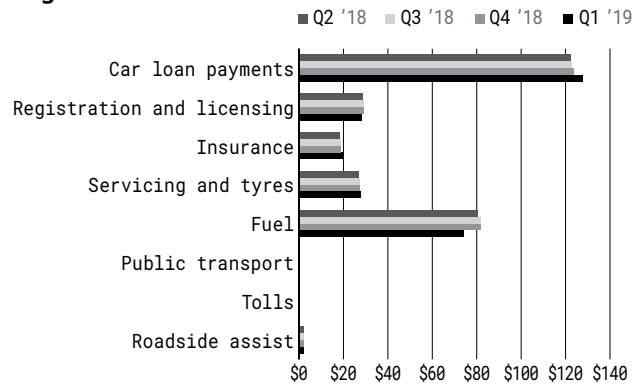
Capital cities



Expenses	Q2	Q3	Q4	Q1	Rank
Car loan payments	\$122.28	\$122.92	\$123.76	\$127.94	1
Registration, CTP and licensing	\$31.44	\$31.17	\$31.13	\$30.54	5
Insurance	\$23.04	\$23.68	\$23.60	\$24.63	7
Servicing and tyres	\$28.87	\$28.95	\$29.07	\$29.55	6
Fuel	\$75.45	\$77.00	\$76.26	\$68.99	2
Public transport	\$41.39	\$41.77	\$41.77	\$42.22	4
Tolls	\$60.31	\$60.83	\$61.06	\$61.53	3
Roadside assist	\$2.00	\$2.04	\$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	Q2	Q3	Q4	Q1	Rank
Car loan payments	\$122.23	\$122.86	\$123.40	\$127.67	1
Registration, CTP and licensing	\$28.52	\$29.05	\$29.01	\$28.31	3
Insurance	\$18.28	\$18.52	\$18.51	\$19.80	5
Servicing and tyres	\$26.94	\$27.03	\$27.16	\$27.86	4
Fuel	\$80.29	\$81.87	\$81.82	\$74.26	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.99	\$2.02	\$2.02	\$2.02	6

Section One

Affordability: transport costs as share of income

The relationship between a region'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 decreased from 13.7 per cent to 13.5 per cent, returning to the level of the March 2018 quarter.

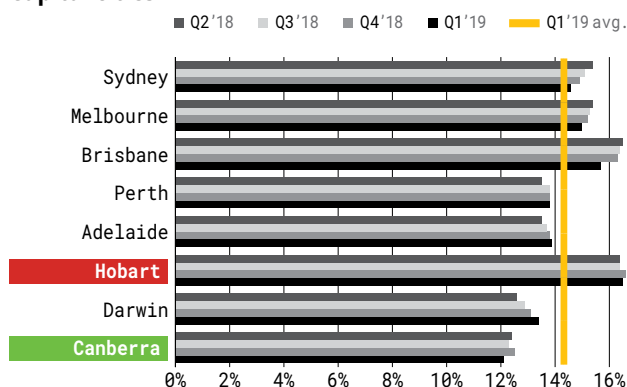
For the typical city household, the average cost of transport was 14.3 per cent of average income, down slightly from 14.4 per cent the previous quarter.

Regional household transport costs were equivalent to 12.6 per cent of average income, down slightly from 12.7 per cent the previous quarter.

However, there were exceptions to this trend—transport affordability declined in three of the surveyed areas. Transport costs as a share of income increased in Adelaide (from 13.8 per cent to 13.9 per cent), Darwin (from 13.1 per cent to 13.4 per cent) and Alice Springs (from 13.3 per cent to 14.1 per cent). In all other capitals and benchmark regional centres, affordability improved.

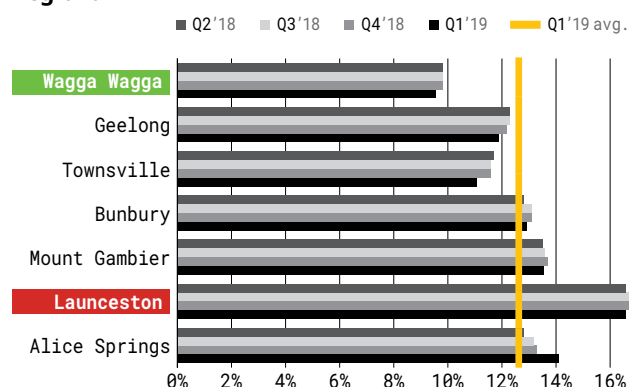
Across Australia, regional households earn around \$213 per week less than their city counterparts (based on ABS data). But the difference is more pronounced in NSW and South Australia—households in Wagga Wagga and Mount Gambier earn considerably less per week than their city counterparts, around \$256 and \$242 per week less on average.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	15.4%	15.1%	14.9%	14.6%	4
Melbourne	15.4%	15.3%	15.2%	15.0%	3
Brisbane	16.5%	16.4%	16.3%	15.7%	2
Perth	13.5%	13.8%	13.8%	13.8%	6
Adelaide	13.5%	13.7%	13.8%	13.9%	5
Hobart	16.4%	16.4%	16.6%	16.5%	1
Darwin	12.6%	12.9%	13.1%	13.4%	7
Canberra	12.4%	12.3%	12.5%	12.1%	8
Capital avg.	14.4%	14.4%	14.4%	14.3%	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	9.8%	9.8%	9.8%	9.6%	7
Geelong	12.3%	12.3%	12.2%	11.9%	5
Townsville	11.7%	11.6%	11.6%	11.1%	6
Bunbury	12.8%	13.1%	13.1%	12.9%	4
Mount Gambier	13.5%	13.6%	13.7%	13.6%	3
Launceston	16.6%	16.7%	16.8%	16.6%	1
Alice Springs	12.8%	13.2%	13.3%	14.1%	2
Regional avg.	12.6%	12.7%	12.7%	12.6%	



Section Two

Household weekly car loan payment costs

The top 10 vehicles sold in 2018 were updated for this edition of the Index. Substantially more light commercial vehicles (LCVs) were sold than last year and much fewer passenger cars were sold. As a result, the average cost per new vehicle increased by \$951.¹

Average interest rates on secured motor vehicle loans remained unchanged compared with the previous quarter.

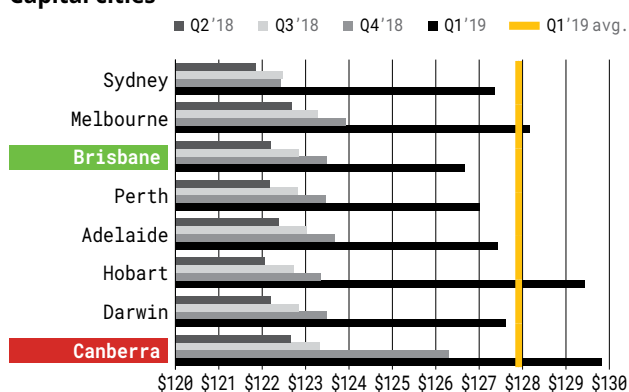
The cost of servicing car loan payments increased on average for the benchmark city household by just over \$4 per week (or about \$217 per year).

In the March 2019 quarter, Canberra remained the most expensive city in which to service weekly new car loan payments (at \$130 per week) because of higher up-front purchasing costs. Hobart (\$129 per week) and Melbourne (\$128 per week) are almost as expensive.

The difference between the least expensive city for car loan payments—Brisbane—and the most expensive—Canberra—is just over \$3 per week (or about \$164 per annum).

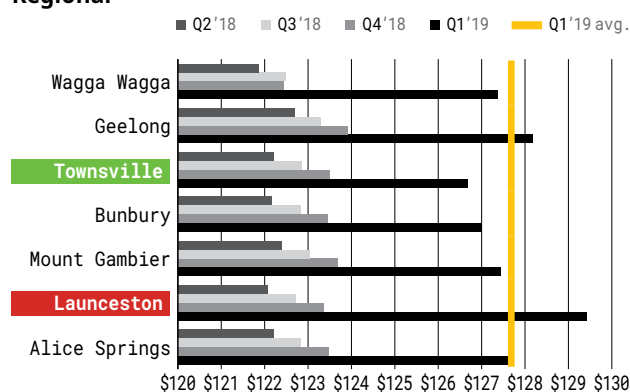
Regional households incurred the same costs in this category as their capital city counterparts because it is assumed that interest rates and new car purchases costs are the same in regional and city locations.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$121.85	\$122.48	\$122.43	\$127.37	6
Melbourne	\$122.68	\$123.29	\$123.92	\$128.17	3
Brisbane	\$122.21	\$122.85	\$123.49	\$126.67	8
Perth	\$122.17	\$122.83	\$123.46	\$127.01	7
Adelaide	\$122.38	\$123.04	\$123.68	\$127.44	5
Hobart	\$122.07	\$122.72	\$123.35	\$129.43	2
Darwin	\$122.20	\$122.84	\$123.48	\$127.62	4
Canberra	\$122.66	\$123.33	\$126.30	\$129.83	1
Capital avg.	\$122.28	\$122.92	\$123.76	\$127.94	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$121.85	\$122.48	\$122.43	\$127.37	5
Geelong	\$122.68	\$123.29	\$123.92	\$128.17	2
Townsville	\$122.21	\$122.85	\$123.49	\$126.67	7
Bunbury	\$122.17	\$122.83	\$123.46	\$127.01	6
Mount Gambier	\$122.38	\$123.04	\$123.68	\$127.44	4
Launceston	\$122.07	\$122.72	\$123.35	\$129.43	1
Alice Springs	\$122.20	\$122.84	\$123.48	\$127.62	3
Regional avg.	\$122.23	\$122.86	\$123.40	\$127.67	

Section Two

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

There was little change in this category in the March quarter.

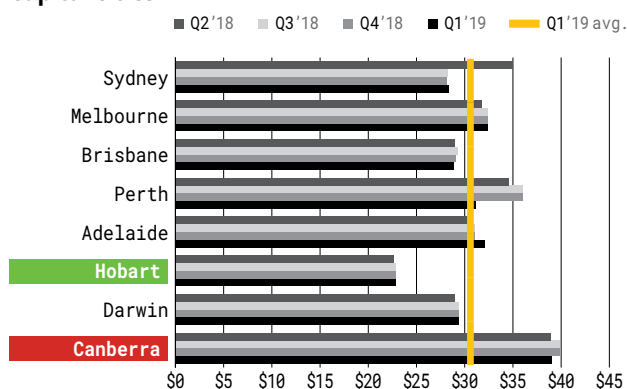
Canberra remains the most expensive city for registration, CTP and licensing, while Hobart is the least expensive. The typical Hobart household spends \$837 less per year in this category than the typical Canberra household.

Bunbury remains the most expensive regional town in this cost category,² while Launceston remains the least expensive. Annually, the difference between Bunbury and Launceston is \$429 per year.

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

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

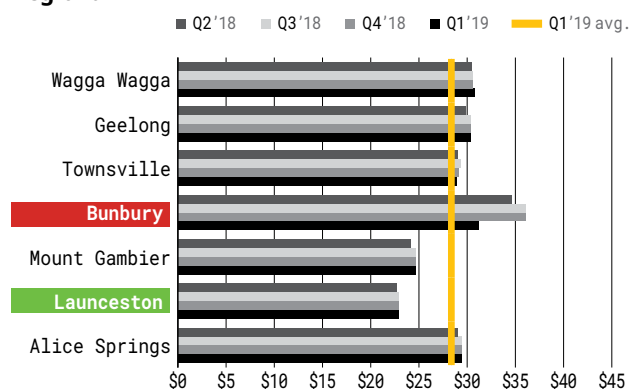
Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$35.05	\$28.24 (\$35.25)*	\$28.14 (\$35.16)*	\$28.39 (\$35.53)*	7 ↑ (2)*
Melbourne	\$31.82	\$32.44	\$32.44	\$32.44	2 ↑
Brisbane	\$28.99	\$29.34	\$29.11	\$28.92	6
Perth	\$34.61	\$36.06	\$36.06	\$31.15	4 ↓
Adelaide	\$30.45	\$31.09	\$31.09	\$32.09	3 ↑
Hobart	\$22.65	\$22.90	\$22.90	\$22.90	8
Darwin	\$29.00	\$29.42	\$29.42	\$29.42	5
Canberra	\$38.97	\$39.84	\$39.84	\$39.01	1
Capital avg.	\$31.44	\$31.17	\$31.13	\$30.54	

* 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	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$30.42	\$30.59	\$30.52	\$30.73	2
Geelong	\$29.79	\$30.37	\$30.37	\$30.37	3
Townsville	\$28.99	\$29.34	\$29.11	\$28.92	5
Bunbury	\$34.61	\$36.06	\$36.06	\$31.15	1
Mount Gambier	\$24.18	\$24.67	\$24.67	\$24.67	6
Launceston	\$22.65	\$22.90	\$22.90	\$22.90	7
Alice Springs	\$29.00	\$29.42	\$29.42	\$29.42	4
Regional avg.	\$28.52	\$29.05	\$29.01	\$28.31	

Section Two

Household weekly comprehensive insurance costs

The weekly cost of comprehensive insurance for both the benchmark new and used vehicles increased slightly for the typical Australian city households (by just over \$1 per week or about \$53 per year) and the typical regional households (by more than \$1 per week or about \$67 per year).³

Melbourne remains the most expensive city for comprehensive insurance at \$34 per week. Perth remains the cheapest at \$16 per week. The Perth household saves around \$909 a year in comprehensive insurance costs compared to the Melbourne household.

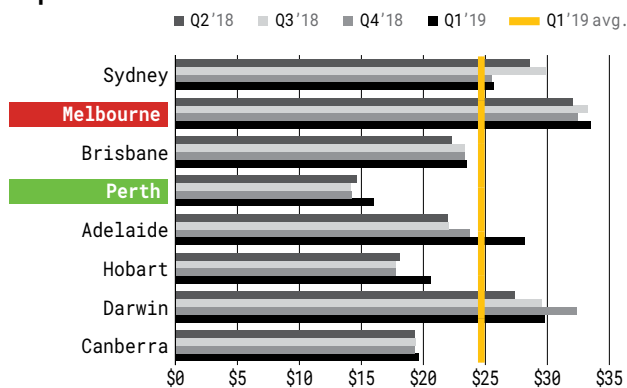
Adelaide insurance premiums increased the most — by more than \$4 per week (or about \$229 per year). Darwin had the biggest decrease — almost \$134 per year).

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

Victoria has the largest difference between city and regional households. The typical Melbourne family pays about \$647 more a year for comprehensive insurance costs than the typical Geelong family.

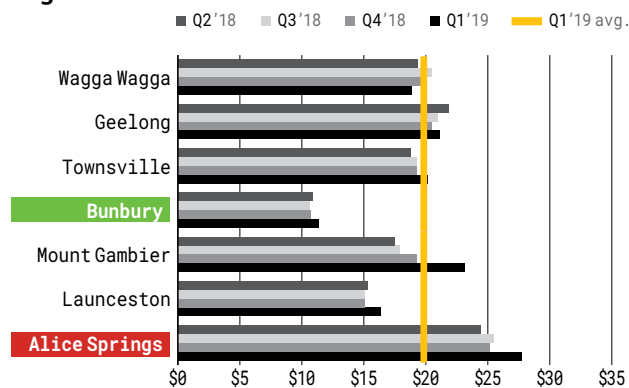
Alice Springs remained the most expensive region for comprehensive insurance, while Bunbury was the cheapest.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$28.63	\$29.87	\$25.51	\$25.70	4
Melbourne	\$32.03	\$33.30	\$32.48	\$33.52	1
Brisbane	\$22.32	\$23.38	\$23.38	\$23.51	5
Perth	\$14.65	\$14.14	\$14.25	\$16.04	8
Adelaide	\$21.94	\$22.10	\$23.75	\$28.15	3
Hobart	\$18.09	\$17.75	\$17.75	\$20.62	6
Darwin	\$27.36	\$29.57	\$32.37	\$29.80	2
Canberra	\$19.31	\$19.37	\$19.32	\$19.67	7
Capital avg.	\$23.04	\$23.68	\$23.60	\$24.63	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$19.31	\$20.45	\$19.72	\$18.89	5
Geelong	\$21.84	\$20.97	\$20.44	\$21.08	3
Townsville	\$18.76	\$19.23	\$19.23	\$20.16	4
Bunbury	\$10.85	\$10.61	\$10.68	\$11.33	7
Mount Gambier	\$17.46	\$17.85	\$19.29	\$23.12	2
Launceston	\$15.34	\$15.05	\$15.05	\$16.32	6
Alice Springs	\$24.40	\$25.48	\$25.16	\$27.70	1
Regional avg.	\$18.28	\$18.52	\$18.51	\$19.80	

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 Western Australia.

The cost of maintaining the benchmark new and used cars remains highest in Canberra and lowest in Adelaide. The annualised cost difference for these cities' typical households is \$724.

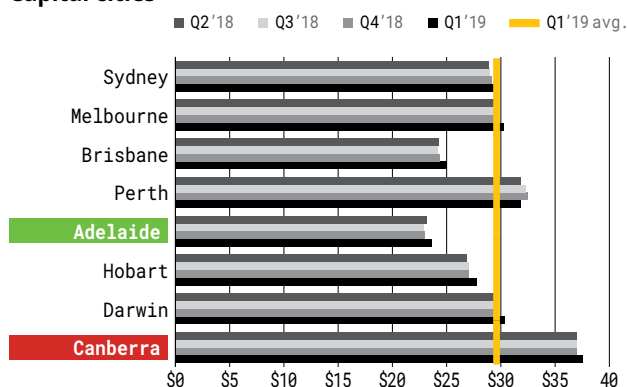
Among the regional locations, the cost of maintaining both the new and used car remains the most expensive in Alice Springs and the cheapest in Launceston. The annualised cost difference between Alice Springs and Launceston households' is \$566.

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 schedules.

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

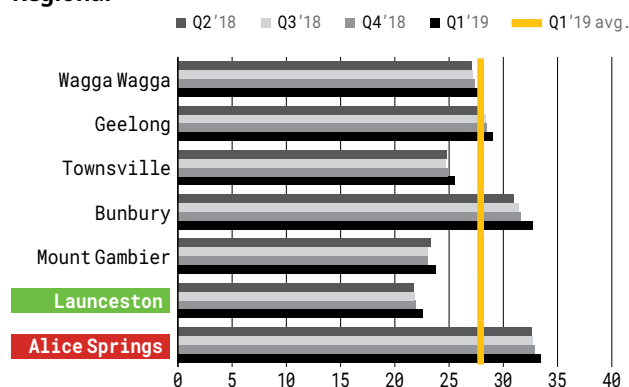
Costs associated with the older car, and tyres for both cars, are based on ABS Household Expenditure Survey⁴ data and indexed in line with the CPI *maintenance and repair of motor vehicles*.⁵

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$28.87	\$28.99	\$29.20	\$29.84	5
Melbourne	\$29.39	\$29.59	\$29.72	\$30.29	4
Brisbane	\$24.27	\$24.20	\$24.36	\$25.04	7
Perth	\$31.83	\$32.30	\$32.49	\$31.86	2
Adelaide	\$23.21	\$22.92	\$22.97	\$23.64	8
Hobart	\$26.86	\$27.02	\$27.08	\$27.82	6
Darwin	\$29.51	\$29.59	\$29.73	\$30.34	3
Canberra	\$36.99	\$37.01	\$37.01	\$37.57	1
Capital avg.	\$28.87	\$28.95	\$29.07	\$29.55	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$27.07	\$27.19	\$27.37	\$28.01	4
Geelong	\$28.15	\$28.33	\$28.46	\$29.03	3
Townsville	\$24.75	\$24.67	\$24.83	\$25.52	5
Bunbury	\$30.98	\$31.44	\$31.62	\$32.69	2
Mount Gambier	\$23.30	\$23.01	\$23.06	\$23.74	6
Launceston	\$21.72	\$21.83	\$21.88	\$22.58	7
Alice Springs	\$32.61	\$32.71	\$32.86	\$33.47	1
Regional avg.	\$26.94	\$27.03	\$27.16	\$27.86	

Section Two

Household weekly fuel costs

The cost of fuel decreased in all cities and regions in the March quarter.

Average fuel expenditure fell by more than \$7 per week for both city and regional households.

Annualised, these savings equal \$378 for the typical Australian city household and \$393 for the typical Australian regional household.

In city locations, the average cost of regular unleaded petrol fell from 149.11 cents per litre in the December 2018 quarter to 134.73 c/L in the March 2019 quarter.

In regional locations, the average cost of regular unleaded petrol fell from 152.93 c/L to 138.17 c/L.

The average cost of diesel also fell across the quarter.

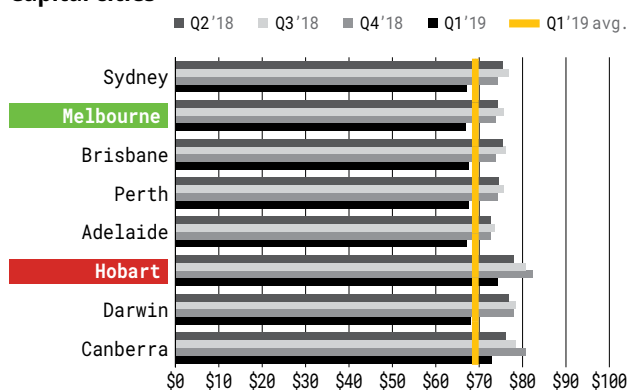
In capital cities, the average cost of diesel fell from 161.08 c/L to 146.74. In the regions, the average cost fell from 161.56 c/L to 149.65 c/L.

In the March quarter, Hobart's unleaded petrol price was 144.9 cents per litre, down 16.9 c/L from the previous quarter. But it remains the capital city with the highest fuel prices. The typical Hobart household spends \$74 a week on fuel, while the typical household in the least expensive city—Melbourne—spends \$67 per week.

The typical Alice Springs household continued to pay the highest prices in Australia for unleaded petrol, at 158.4 cents per litre, down from 166.5c/L the previous quarter. Townsville's petrol prices fell dramatically; in the March quarter it had the cheapest regional petrol prices at 132 c/L—cheaper than some capital cities.

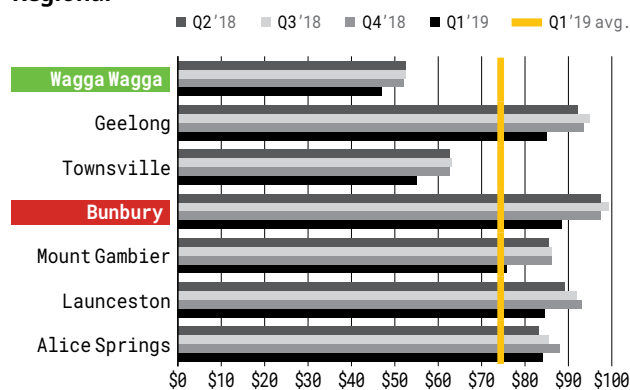
Regional households generally spend more on fuel. On average, regional residents drive further than city residents. They also usually pay more per litre for fuel. The exceptions are Townville and Wagga Wagga, as these centres' typical households drive fewer total kilometres than their capital city counterparts.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$75.38	\$76.91	\$74.25	\$67.15	6
Melbourne	\$74.36	\$75.71	\$73.76	\$67.00	8
Brisbane	\$75.57	\$76.12	\$73.88	\$67.73	4
Perth	\$74.57	\$75.79	\$74.26	\$67.65	5
Adelaide	\$72.65	\$73.63	\$72.71	\$67.13	7
Hobart	\$78.04	\$80.75	\$82.39	\$74.27	1
Darwin	\$76.87	\$78.57	\$78.04	\$68.12	3
Canberra	\$76.18	\$78.56	\$80.81	\$72.86	2
Capital avg.	\$75.45	\$77.00	\$76.26	\$68.99	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$52.46	\$52.51	\$52.01	\$46.96	7
Geelong	\$92.02	\$94.87	\$93.50	\$84.91	2
Townsville	\$62.53	\$63.16	\$62.60	\$54.99	6
Bunbury	\$97.33	\$99.19	\$97.42	\$88.55	1
Mount Gambier	\$85.48	\$86.11	\$86.12	\$75.80	5
Launceston	\$89.13	\$91.81	\$93.08	\$84.63	3
Alice Springs	\$83.09	\$85.43	\$88.02	\$84.00	4
Regional avg.	\$80.29	\$81.87	\$81.82	\$74.26	

Section Two

Household weekly public transport costs

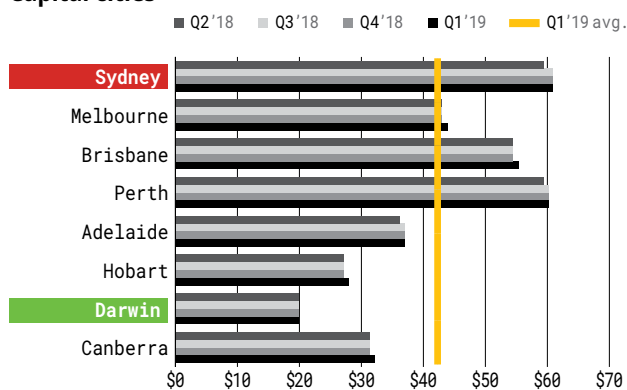
On average the cost of public transport rose slightly, in line with scheduled increases in fare prices from January 2019.

In the March 2019 quarter Sydney remained the most expensive in this cost category (closely followed by Perth) while Darwin remained the least expensive.

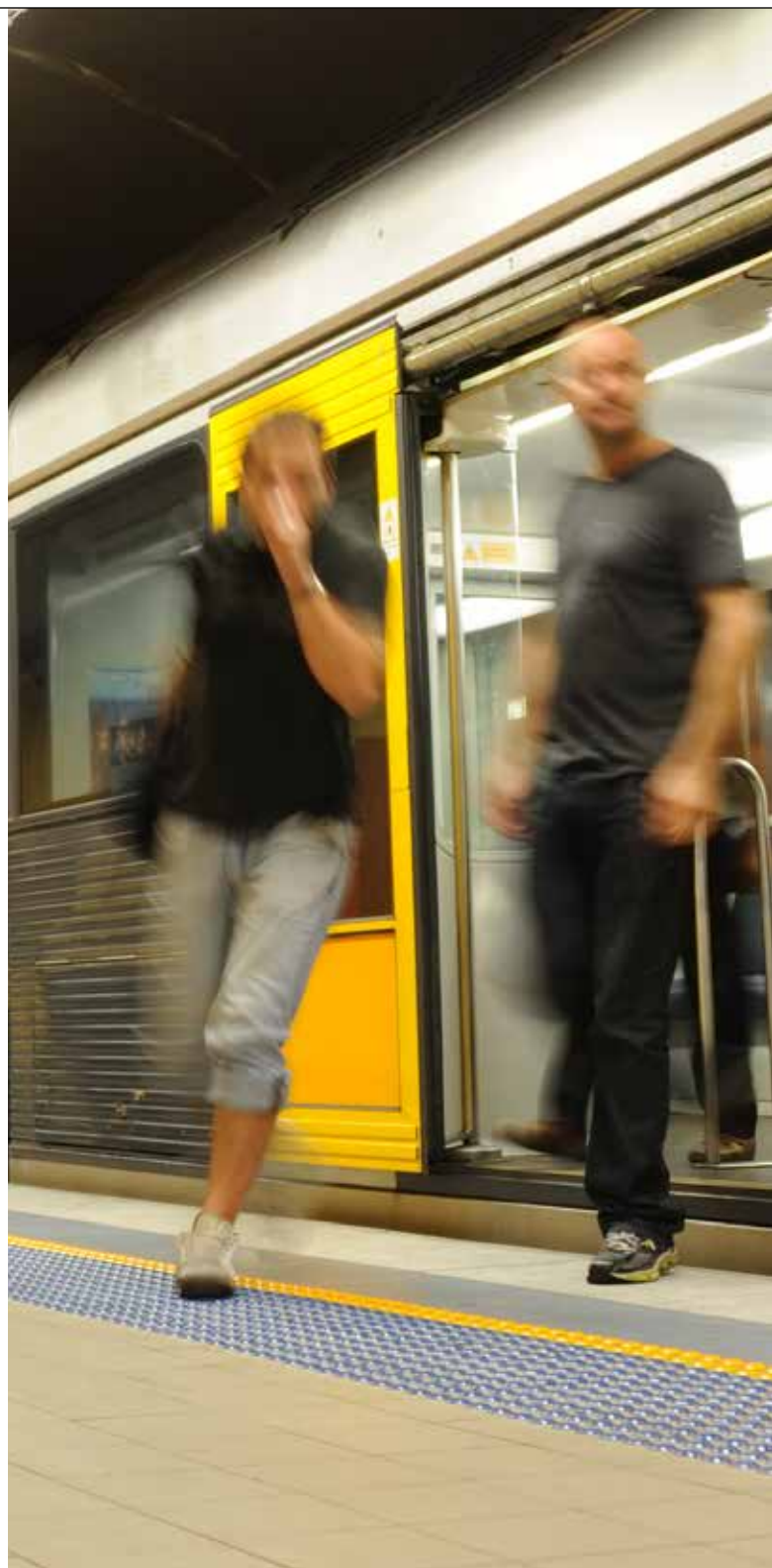
The typical Darwin family saves around \$2,123 per year in public transport costs compared to the equivalent family in Sydney.

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	Q2	Q3	Q4	Q1	Rank
Sydney	\$59.49	\$60.84	\$60.84	\$60.84	1
Melbourne	\$43.00	\$43.00	\$43.00	\$44.00	4
Brisbane	\$54.45	\$54.45	\$54.45	\$55.44	3
Perth	\$59.40	\$60.30	\$60.30	\$60.30	2
Adelaide	\$36.20	\$37.00	\$37.00	\$37.00	5
Hobart	\$27.20	\$27.20	\$27.20	\$28.00	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$31.40	\$31.40	\$31.40	\$32.20	6
Capital avg.	\$41.39	\$41.77	\$41.77	\$42.22	



Section Two

Household weekly costs of toll roads

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

Sydney and Melbourne both recorded a slight increase in tolls in the March 2019 quarter, in line with scheduled updates in toll prices from January 2019.

In Sydney, weekly toll road costs increased by 1.2 per cent from the previous quarter. This is an annual difference of \$52. In Melbourne, costs increased by 0.81 per cent, a difference of almost \$21 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 \$34 less per week on tolls compared to the equivalent family in Sydney. Annually, the difference is about \$1,762.

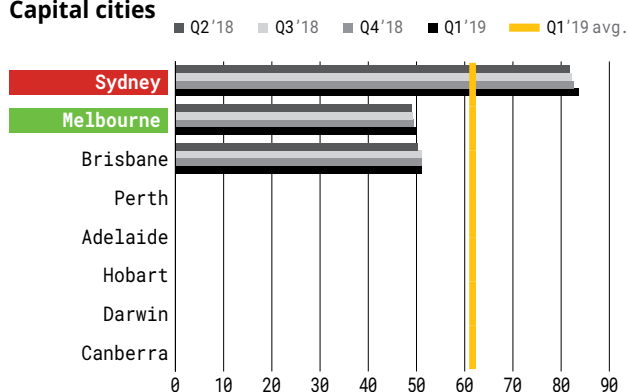
The typical Sydney family in the Index is expected to continue to be eligible for free registration costs due to their high toll usage under the NSW toll relief scheme. This is factored into registration costs.

Rankings remain unchanged since the December 2018 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 that in Melbourne and Brisbane one member of the household uses toll roads every weekday.

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

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$81.72	\$82.20	\$82.68	\$83.68	1
Melbourne	\$49.00	\$49.20	\$49.40	\$49.80	3
Brisbane	\$50.20	\$51.10	\$51.10	\$51.10	2
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
Capital avg.	\$60.31	\$60.83	\$61.06	\$61.53	

Section Two

Household weekly costs of roadside assistance

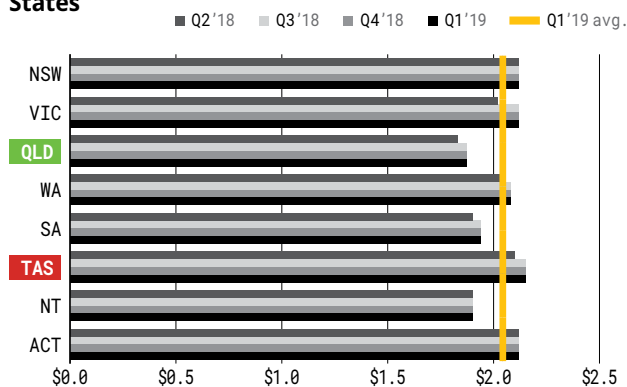
Roadside assistance costs remained constant in all jurisdictions in the March 2019 quarter.

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



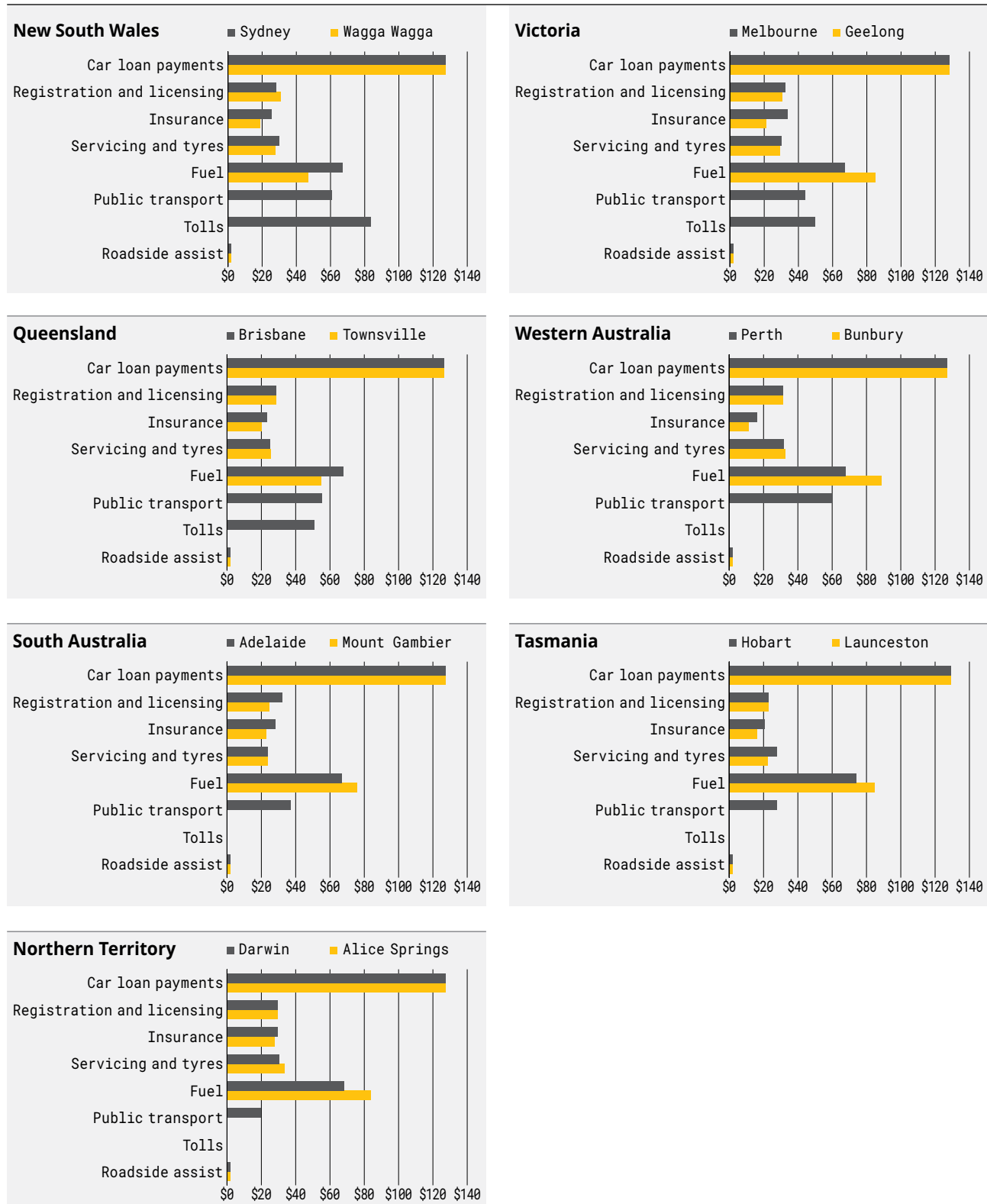
State	Q2	Q3	Q4	Q1	Rank
NSW	\$2.12	\$2.12	\$2.12	\$2.12	2
VIC	\$2.02	\$2.12	\$2.12	\$2.12	2
QLD	\$1.83	\$1.87	\$1.87	\$1.87	8
WA	\$2.04	\$2.08	\$2.08	\$2.08	5
SA	\$1.90	\$1.94	\$1.94	\$1.94	6
TAS	\$2.10	\$2.15	\$2.15	\$2.15	1
NT	\$1.90	\$1.90	\$1.90	\$1.90	7
ACT	\$2.12	\$2.12	\$2.12	\$2.12	2
National avg.	\$2.00	\$2.04	\$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 remains the most expensive capital city in Australia for transport. Transport costs totalled \$22,105 per year for the typical household, a slight decrease of about \$4 per year from the previous quarter.

Affordability has improved slightly. Transport costs as a proportion of average income fell from 14.9 per cent to 14.6 per cent following a small increase in the typical Sydney household's average weekly earnings and small decrease in its total transport costs. Under this metric, Sydney is the fourth-least affordable city for transport.

The decline in transport costs is due mostly to lower fuel prices. Fuel expenditure decreased by \$369 a year. This more than offset higher prices for car loan payments, registration, CTP and licensing, comprehensive insurance, servicing and tyres, and tolls.

Sydney has Australia's highest public transport and toll costs.

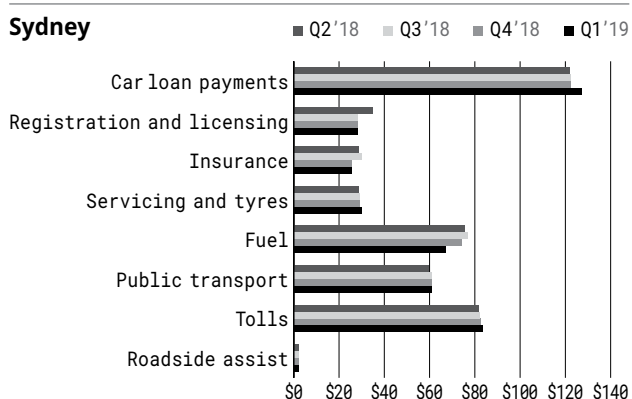
Wagga Wagga is the regional location with the lowest transport costs—both in total cost (\$13,212) and in terms of the local income-to-cost ratio (9.6 per cent).

Transport costs decreased by \$4.35 in the March 2019 quarter, primarily due to a decrease in fuel costs, which more than offset an increase in car loan payments.

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

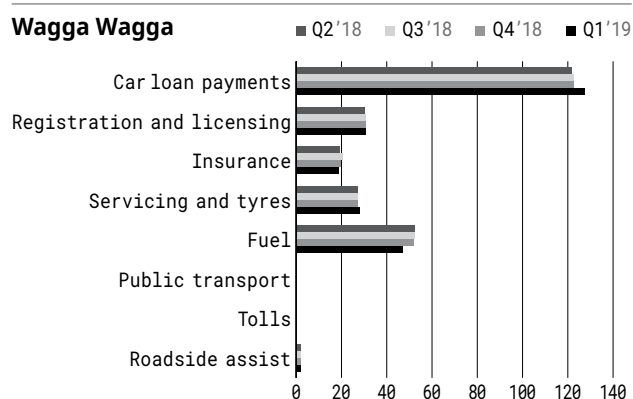
But compared to its city counterpart, the Wagga Wagga family paid more per litre for unleaded petrol in the March quarter, a difference of 1.1 cents per litre.

The Index assumes that the Wagga Wagga household pays no tolls and incurs no costs for public transport because of limited options.



Sydney	Q2	Q3	Q4	Q1	Rank
Car loan payments	\$121.85	\$122.48	\$122.43	\$127.37	1
Reg. and licensing	\$35.05	\$28.24 (\$35.25)*	\$28.14 (\$35.16)*	\$28.39 (\$35.53)*	6 (5)*
Insurance	\$28.63	\$29.87	\$25.51	\$25.70	7
Servicing and tyres	\$28.87	\$28.99	\$29.20	\$29.84	5
Fuel	\$75.38	\$76.91	\$74.25	\$67.15	3
Public transport	\$59.49	\$60.84	\$60.84	\$60.84	4
Tolls	\$81.72	\$82.20	\$82.68	\$83.68	2
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	8
Total	\$433.11	\$431.64	\$425.17	\$425.10	

* 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	Q2	Q3	Q4	Q1	Rank
Car loan payments	\$121.85	\$122.48	\$122.43	\$127.37	1
Reg. and licensing	\$30.42	\$30.59	\$30.52	\$30.73	3
Insurance	\$19.31	\$20.45	\$19.72	\$18.89	5
Servicing and tyres	\$27.07	\$27.19	\$27.37	\$28.01	4
Fuel	\$52.46	\$52.51	\$52.01	\$46.96	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	6
Total	\$253.22	\$255.33	\$254.17	\$254.09	

Section Three

Victoria weekly costs of transport

Melbourne remains Australia's second most expensive city for transport. Its typical household spends \$20,142 a year on transport—an increase of \$26 from the previous quarter. Transport costs as a percentage of average income decreased from 15.2 per cent to 15 per cent over the quarter. Melbourne remains the third least affordable city under this income metric.

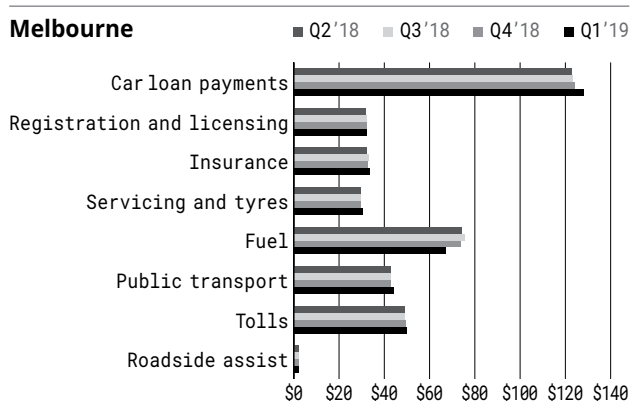
The increase in transport costs over the quarter are mainly attributable to increases in car loan payments; insurance; servicing and tyres; public transport; and tolls. The March quarter increase in car loan payment costs was equivalent to \$221 per annum. Scheduled increases in fare prices from January 2019 increased public transport costs. As a result, the typical Melbourne household pays an additional \$52 a year for public transport.

In the March quarter, the annual cost of comprehensive insurance reached \$1,743—an increase of \$54 per year. Melbourne remains the city with the highest comprehensive insurance costs. Costs associated with roadside assistance, registration, CTP and licensing did not change.

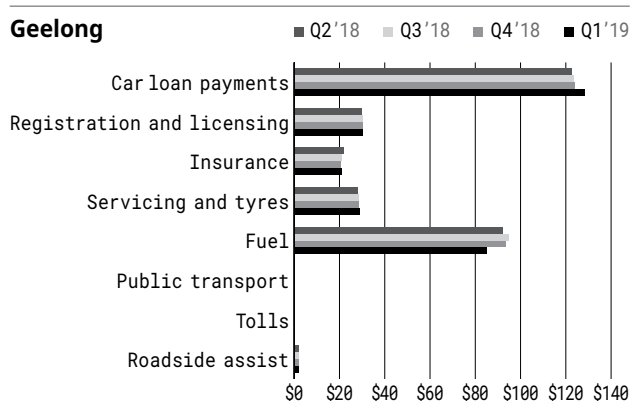
Geelong's yearly transport costs of \$15,375 make it the regional centre with the second-highest transport costs. But when transport costs are considered as a percentage of average income (11.9 per cent compared to 12.2 per cent last quarter), Geelong is the third-most affordable region for transport.

The Geelong household's annual transport costs fell by \$163, mostly because of lower costs for fuel. Fuel expenditure fell by almost \$9 per week or about \$446 per year. In the March quarter, Geelong had average unleaded petrol prices of 132.1 cents per litre—cheaper than some capital cities, but higher than Melbourne's. While its petrol prices are moderate, compared to other regional centres, fuel expenditure is relatively high as many Geelong drivers commute to Melbourne.

Costs for car loan payments, insurance, and servicing and tyres increased in the March quarter. All other costs remained unchanged. Geelong is still relatively expensive for car loan payments and comprehensive insurance.



Melbourne	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.68	\$123.29	\$123.92	\$128.17 1
Reg. and licensing	\$31.82	\$32.44	\$32.44	\$32.44 6
Insurance	\$32.03	\$33.30	\$32.48	\$33.52 5
Servicing and tyres	\$29.39	\$29.59	\$29.72	\$30.29 7
Fuel	\$74.36	\$75.71	\$73.76	\$67.00 2
Public transport	\$43.00	\$43.00	\$43.00	\$44.00 4
Tolls	\$49.00	\$49.20	\$49.40	\$49.80 3
Roadside assist	\$2.02	\$2.12	\$2.12	\$2.12 8
Total	\$384.30	\$388.64	\$386.84	\$387.34



Geelong	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.68	\$123.29	\$123.92	\$128.17 1
Reg. and licensing	\$29.79	\$30.37	\$30.37	\$30.37 3
Insurance	\$21.84	\$20.97	\$20.44	\$21.08 5
Servicing and tyres	\$28.15	\$28.33	\$28.46	\$29.03 4
Fuel	\$92.02	\$94.87	\$93.50	\$84.91 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$2.02	\$2.12	\$2.12	\$2.12 6
Total	\$296.50	\$299.94	\$298.81	\$295.68

Section Three

Queensland weekly costs of transport

Brisbane This city has Australia's third-highest transport costs. The typical Brisbane household has yearly transport expenditure of \$19,775 — a decrease of \$70 per year on the previous quarter.

The lower transport expenditure is largely because of reduced fuel costs. Spending on fuel fell by \$320 per year. This more than offset some price rises, such as car loan payments which rose by \$166 per year.

Other costs that increased in the March quarter include insurance, public transport, and servicing and tyres.

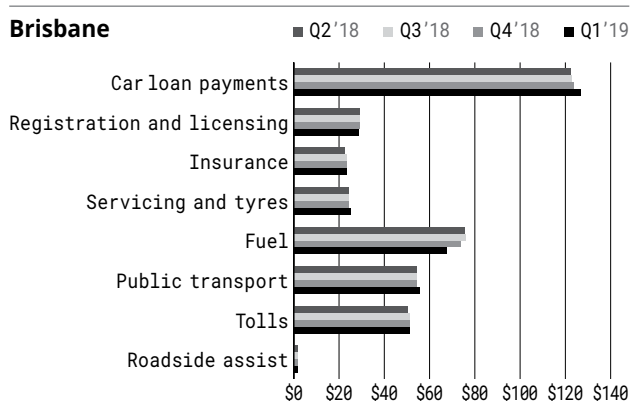
Transport affordability was further improved by a rise in the typical Brisbane family's average weekly earnings. This meant a lower percentage of average income (15.7 per cent compared to 16.3 per cent last quarter) was spent on transport. But Brisbane remains the city with the second-least affordable transport costs.

Townsville The typical Townsville household spends \$13,423 a year on transport — which is about \$155 a year less than in the previous quarter and 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 (11.1 per cent, down from 11.6 per cent the previous quarter).

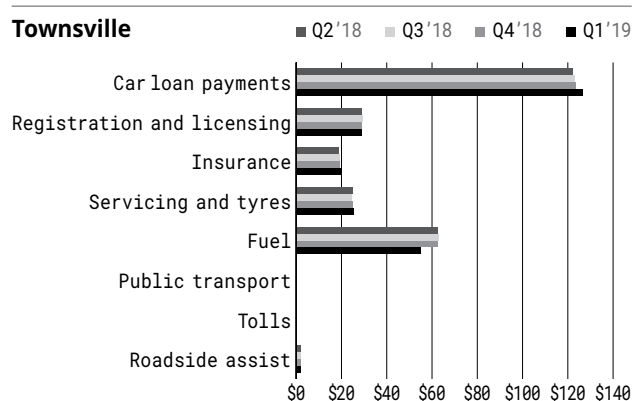
Townsville's decrease in transport costs is mainly due to lower fuel prices. Townsville also remains relatively inexpensive for car loan payments.

However, some costs rose in the March quarter for the typical Townsville household. Car loan payments cost over \$3 more per week (or about \$166 more per year). Insurance and servicing and tyres costs also increased.

The Townsville household incurs no costs for tolls and public transport due to low levels of usage in regional areas. It also has slightly lower fuel costs than its Brisbane counterpart as BITRE data suggests that it travels slightly less than the city household.



Brisbane	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.21	\$122.85	\$123.49	\$126.67 1
Reg. and licensing	\$28.99	\$29.34	\$29.11	\$28.92 5
Insurance	\$22.32	\$23.38	\$23.38	\$23.51 7
Servicing and tyres	\$24.27	\$24.20	\$24.36	\$25.04 6
Fuel	\$75.57	\$76.12	\$73.88	\$67.73 2
Public transport	\$54.45	\$54.45	\$54.45	\$55.44 3
Tolls	\$50.20	\$51.10	\$51.10	\$51.10 4
Roadside assist	\$1.83	\$1.87	\$1.87	\$1.87 8
Total	\$379.85	\$383.31	\$381.63	\$380.28



Townsville	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.21	\$122.85	\$123.49	\$126.67 1
Reg. and licensing	\$28.99	\$29.34	\$29.11	\$28.92 3
Insurance	\$18.76	\$19.23	\$19.23	\$20.16 5
Servicing and tyres	\$24.75	\$24.67	\$24.83	\$25.52 4
Fuel	\$62.53	\$63.16	\$62.60	\$54.99 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.83	\$1.87	\$1.87	\$1.87 6
Total	\$259.06	\$261.12	\$261.13	\$258.14

Section Three

Western Australia weekly costs of transport

Perth remained the fourth most expensive capital city in Australia, with transport costs equivalent to \$17,477 per year—a decrease of \$354 compared to the previous quarter. Perth is the third-most affordable city; transport costs remained at roughly 13.8 per cent of average income.

Lower fuel expenditure in the March quarter was equivalent to a drop of about \$344 a year.

Costs for servicing and tyres also fell. But the cost of car loan payments and insurance increased in the March quarter.

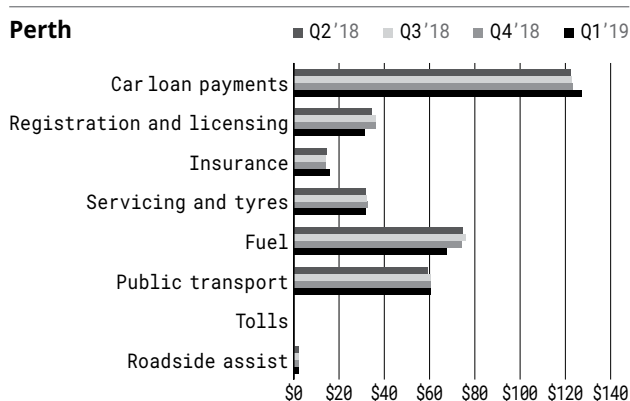
Bunbury is Australia's third most expensive region for transport, but it moderately affordable when income levels are considered. Yearly transport costs for the typical Bunbury household were \$15,226. Transport costs as a share of average income are 12.9 per cent, making Bunbury the fourth-most affordable regional centre surveyed by this Index.

In the March quarter, fuel expenditure fell by almost \$9 per week compared to the previous quarter, equivalent to about \$462 a year. But fuel expenditure remains relatively high in Bunbury when compared to other regions. This is because households travel greater distances and incur higher costs for petrol and diesel per litre.

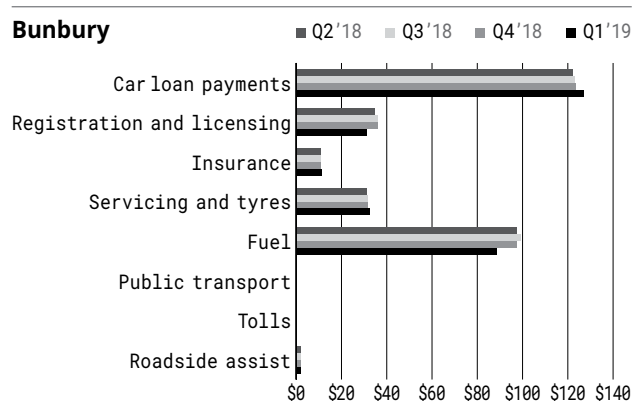
Costs that increased over the quarter are car loan payments; insurance; and servicing and tyres.

Bunbury is the most expensive region for registration, CTP and licensing,⁶ as well as for fuel. Bunbury remains the cheapest location among regional cities for comprehensive insurance costs, despite the increase in these costs.

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



Perth	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.17	\$122.83	\$123.46	\$127.01 1
Reg. and licensing	\$34.61	\$36.06	\$36.06	\$31.15 5
Insurance	\$14.65	\$14.14	\$14.25	\$16.04 6
Servicing and tyres	\$31.83	\$32.30	\$32.49	\$31.86 4
Fuel	\$74.57	\$75.79	\$74.26	\$67.65 2
Public transport	\$59.40	\$60.30	\$60.30	\$60.30 3
Tolls	-	-	-	- -
Roadside assist	\$2.04	\$2.08	\$2.08	\$2.08 7
Total	\$339.27	\$343.50	\$342.90	\$336.09



Bunbury	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.17	\$122.83	\$123.46	\$127.01 1
Reg. and licensing	\$34.61	\$36.06	\$36.06	\$31.15 4
Insurance	\$10.85	\$10.61	\$10.68	\$11.33 5
Servicing and tyres	\$30.98	\$31.44	\$31.62	\$32.69 3
Fuel	\$97.33	\$99.19	\$97.42	\$88.55 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$2.04	\$2.08	\$2.08	\$2.08 6
Total	\$297.98	\$302.21	\$301.32	\$292.81

Section Three

South Australia weekly costs of transport

Adelaide In the March quarter, annual transport costs rose in Adelaide, jumping by \$222 a year to reach \$16,505.

The city's rankings for total cost and for affordability deteriorated. Adelaide is now the third-least expensive city for total transport costs. It is now the fourth-most affordable city; costs as a percentage of average income are 13.9 per cent, up from 13.8 per cent the previous quarter despite a slight rise in the benchmark household's income.

Fuel costs decreased in the March quarter, but other costs rose.

The rise in comprehensive insurance costs was equivalent to an extra \$229 per year. Car loan payments also increased by about \$196 per year.

Other increased costs included registration, CTP and licensing, as well as servicing and tyres.

Mount Gambier is the Index's fifth-most expensive region.

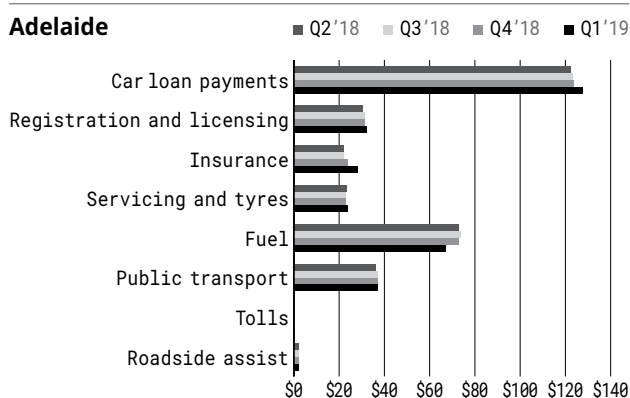
Yearly transport costs were equivalent to \$14,389, down \$106 per annum from the December 2018 quarter.

Transport expenditure is 13.6 per cent of income down from 13.7 per cent of income in the previous quarter.

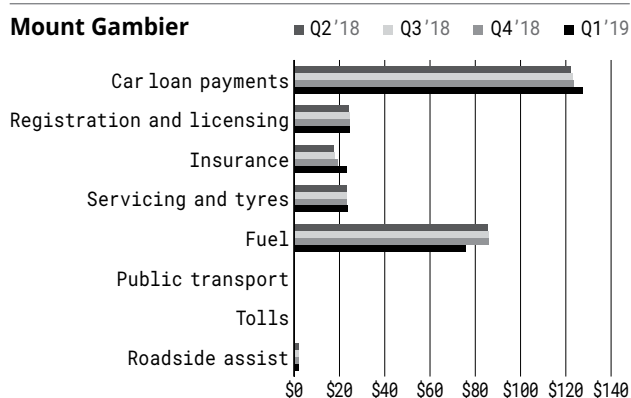
Fuel costs decreased considerably from the previous quarter—by more than \$10 a week, equivalent to about \$537 per year.

This was offset by increases in costs for car loan payments; comprehensive insurance; and servicing and tyres.

Other costs remained constant.



Adelaide	Q2	Q3	Q4	Q1 Rank	
Car loan payments	\$122.38	\$123.04	\$123.68	\$127.44	1
Reg. and licensing	\$30.45	\$31.09	\$31.09	\$32.09	4
Insurance	\$21.94	\$22.10	\$23.75	\$28.15	5
Servicing and tyres	\$23.21	\$22.92	\$22.97	\$23.64	6
Fuel	\$72.65	\$73.63	\$72.71	\$67.13	2
Public transport	\$36.20	\$37.00	\$37.00	\$37.00	3
Tolls	-	-	-	-	-
Roadside assist	\$1.90	\$1.94	\$1.94	\$1.94	7
Total	\$308.74	\$311.71	\$313.13	\$317.40	



Mount Gambier	Q2	Q3	Q4	Q1 Rank	
Car loan payments	\$122.38	\$123.04	\$123.68	\$127.44	1
Reg. and licensing	\$24.18	\$24.67	\$24.67	\$24.67	3
Insurance	\$17.46	\$17.85	\$19.29	\$23.12	5
Servicing and tyres	\$23.30	\$23.01	\$23.06	\$23.74	4
Fuel	\$85.48	\$86.11	\$86.12	\$75.80	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.90	\$1.94	\$1.94	\$1.94	6
Total	\$274.71	\$276.62	\$278.76	\$276.71	

Section Three

Tasmania weekly costs of transport

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.

Hobart transport costs rose slightly in the March quarter. The typical Hobart household's transport expenditure was equivalent to \$15,870 per annum—an increase of \$123 from the previous quarter.

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 (16.5 per cent, down from 16.6 per cent following a slight increase in earnings).

The cost increases were largely due to higher comprehensive insurance and car loan payments. Car loan payments increased by \$316 per year. Public transport fares also rose following scheduled increases in fare prices from January 2019. Servicing and tyres costs also rose.

Hobart remains the city with the highest fuel costs.

Launceston The typical Launceston household's annual transport costs were equivalent to \$14,457—a decrease of \$21 from the previous quarter.

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

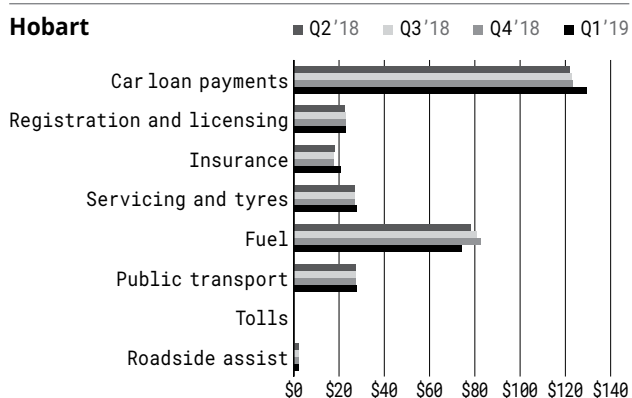
It is the least affordable regional city for transport when costs are considered as a percentage of average income (16.6 per cent, down from 16.8 per cent).

The decrease in transport expenditure was largely due to lower fuel prices—spending on fuel fell by more than \$8 per week, equivalent to about \$440 per year.

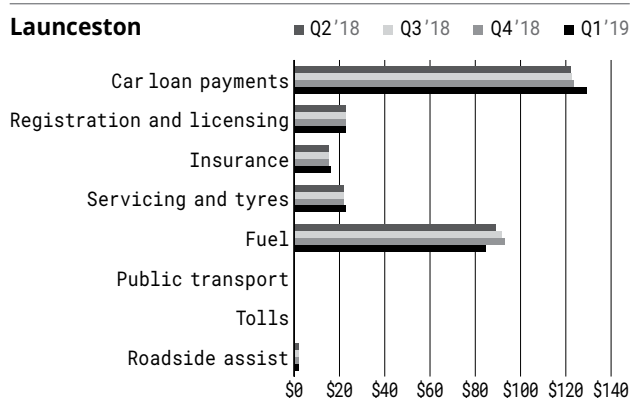
Costs for car loan payments, comprehensive insurance, and servicing and tyres rose in the March quarter.

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	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.07	\$122.72	\$123.35	1
Reg. and licensing	\$22.65	\$22.90	\$22.90	5
Insurance	\$18.09	\$17.75	\$17.75	6
Servicing and tyres	\$26.86	\$27.02	\$27.08	4
Fuel	\$78.04	\$80.75	\$82.39	2
Public transport	\$27.20	\$27.20	\$27.20	3
Tolls	-	-	-	-
Roadside assist	\$2.10	\$2.15	\$2.15	7
Total	\$297.01	\$300.50	\$302.83	\$305.20



Launceston	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.07	\$122.72	\$123.35	1
Reg. and licensing	\$22.65	\$22.90	\$22.90	3
Insurance	\$15.34	\$15.05	\$15.05	5
Servicing and tyres	\$21.72	\$21.83	\$21.88	4
Fuel	\$89.13	\$91.81	\$93.08	2
Public transport	-	-	-	-
Tolls	-	-	-	-
Roadside assist	\$2.10	\$2.15	\$2.15	6
Total	\$273.02	\$276.48	\$278.4	\$278.01

Section Three

Northern Territory weekly costs of transport

Darwin In the March quarter, the typical Darwin household's annualised transport costs were \$15,974—down by about \$403 a year from the previous quarter.

But even though transport costs fell, affordability became worse as earnings declined. In the December 2018 quarter, transport costs were 13.1 per cent of income. But in the March quarter, 13.4 per cent of income was required to cover transport costs.

Fuel expenditure fell by almost \$10 a week or about \$516 a year. Comprehensive insurance costs also decreased, falling by about \$134 a year.

Darwin remains relatively inexpensive in terms of registration, CTP and licensing; roadside assistance and public transport. On the other hand, Darwin remains the third most expensive capital city in the March 2019 quarter for fuel.

All other costs remained constant, except car loan payments and servicing and tyres, which rose slightly.

Alice Springs is the region with the highest transport costs and the second-least affordable costs.

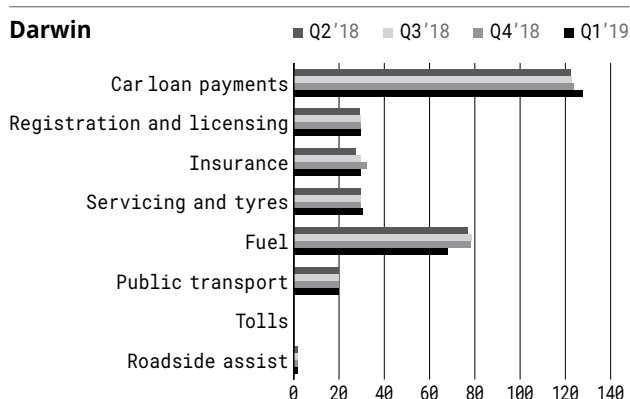
In the March quarter, the typical Alice Springs household had annualised transport costs of \$15,813—an increase of \$170 from the previous quarter.

Costs considered as a percentage of average income are now 14.1 per cent (up from 13.3 per cent in the previous quarter).

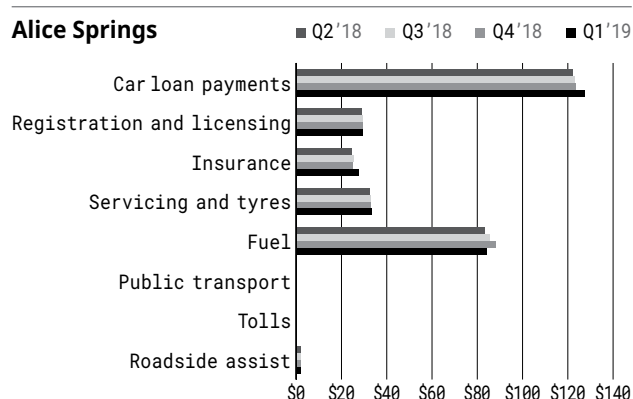
Alice Springs is one of only two regional centres (along with Launceston) where transport costs are less affordable than its city counterpart.

Costs rose for car loan payments; comprehensive insurance; and servicing and tyres. Car loan payments increased—by almost \$4 a week or about \$215 a year.

The typical Alice Springs household spends more on fuel than its Darwin counterpart. This is because of greater distances travelled and higher fuel prices.



Darwin	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.20	\$122.84	\$123.48	\$127.62 1
Reg. and licensing	\$29.00	\$29.42	\$29.42	\$29.42 5
Insurance	\$27.36	\$29.57	\$32.37	\$29.80 4
Servicing and tyres	\$29.51	\$29.59	\$29.73	\$30.34 3
Fuel	\$76.87	\$78.57	\$78.04	\$68.12 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	\$306.86	\$311.90	\$314.94	\$307.20



Alice Springs	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.20	\$122.84	\$123.48	\$127.62 1
Reg. and licensing	\$29.00	\$29.42	\$29.42	\$29.42 4
Insurance	\$24.40	\$25.48	\$25.16	\$27.70 5
Servicing and tyres	\$32.61	\$32.71	\$32.86	\$33.47 3
Fuel	\$83.09	\$85.43	\$88.02	\$84.00 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90 6
Total	\$293.21	\$297.78	\$300.84	\$304.10

Section Three

ACT weekly costs of transport

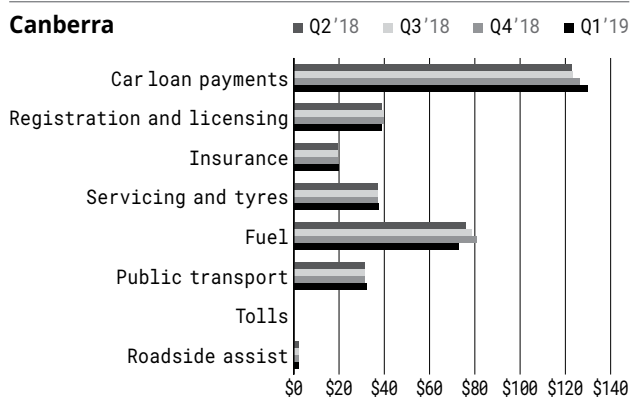
Canberra The typical Canberra household has the fifth-highest capital city transport costs. In the March quarter, annualised costs were \$17,329 per annum, a reduction of \$184 from the previous quarter.

Canberra's high median incomes mean that the typical Canberra household's transport costs are only 12.1 per cent of household income, making it the most affordable city.

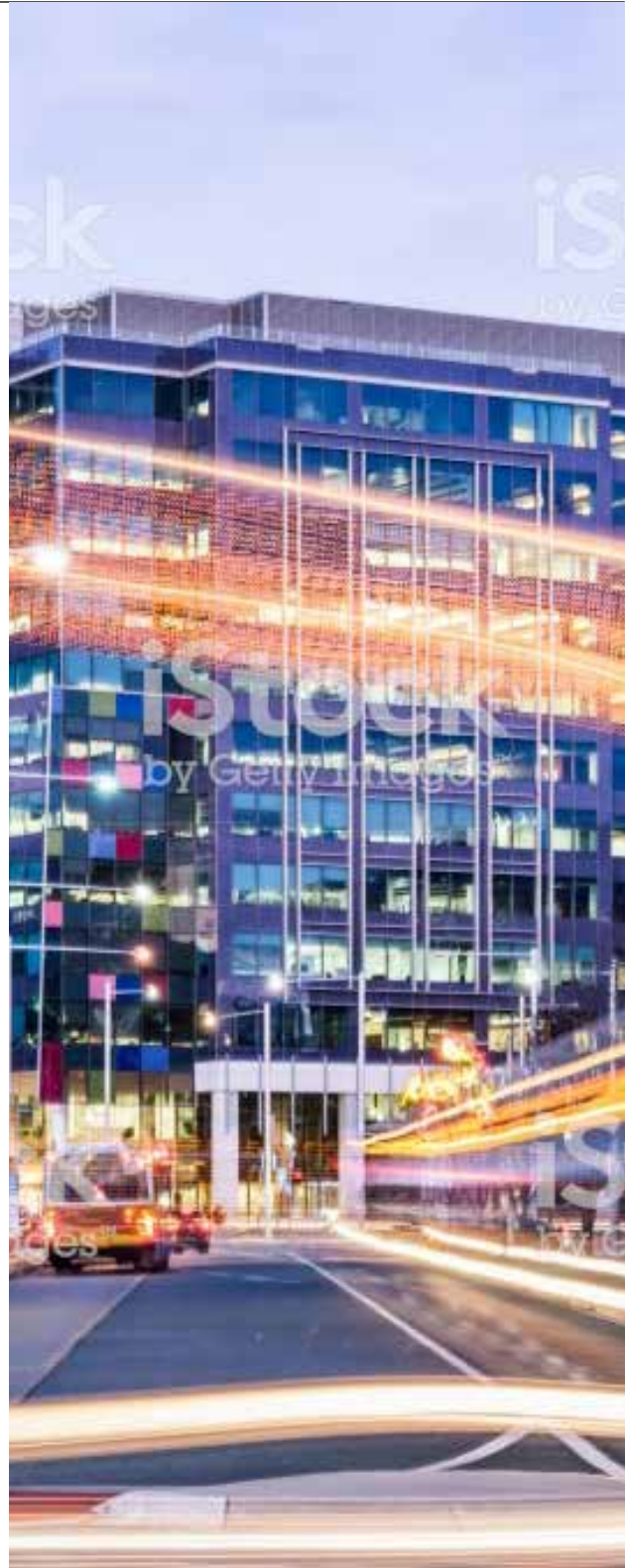
The March quarter decrease in Canberra's transport costs was largely driven by lower fuel prices.

However, car loan payments rose by \$183 a year. Comprehensive insurance and public transport costs increased slightly.

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



Canberra	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$122.66	\$123.33	\$126.30	1
Reg. and licensing	\$38.97	\$39.84	\$39.84	3
Insurance	\$19.31	\$19.37	\$19.32	6
Servicing and tyres	\$36.99	\$37.01	\$37.01	4
Fuel	\$76.18	\$78.56	\$80.81	2
Public transport	\$31.40	\$31.40	\$31.40	5
Tolls	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	7
Total	\$327.63	\$331.63	\$336.79	\$333.25



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 household's 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 will emerge 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
- Geelong
- Townsville
- Bunbury
- Mount Gambier
- Launceston
- Alice Springs.

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.⁷ 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 per cent 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 per cent 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.⁸

Endnotes

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- 1 Changes to manufacturers' vehicle offerings have affected how some costs have been calculated for the March 2019 quarter edition of the Affordability Index. Further changes can be expected over the next decade as car-makers adjust their offerings to meet changing regulatory and consumer expectations.
 - 2 In Western Australia, the *Road Traffic (Vehicles) Regulation 2014* (at section 57) specifies that car registration charges are calculated at \$22.96 per 100kg, or part of 100kg, of tare, subject to a maximum licence fee of \$484.00. Earlier versions of the Transport Affordability Index have used GVM to calculate Western Australian vehicle registration costs as this was quoted on the Department of Transport's website.
 - 3 Changes to manufacturers' vehicle offerings have affected how some costs have been calculated for the March 2019 quarter edition of the Affordability Index. Further changes can be expected over the next decade as car-makers adjust their offerings to meet changing regulatory and consumer expectations.
 - 4 Australian Bureau of Statistics (ABS) 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, <www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6530.02015-16?OpenDocument>.
 - 5 ABS 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, <www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Dec%202018?OpenDocument>.
 - 6 In Western Australia, the *Road Traffic (Vehicles) Regulation 2014* (at section 57) specifies that car registration charges are calculated at \$22.96 per 100kg, or part of 100kg, of tare, subject to a maximum licence fee of \$484.00. Earlier versions of the Transport Affordability Index have used GVM to calculate Western Australian vehicle registration cost as this was quoted on the Department of Transport's website.
 - 7 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>.
 - 8 SGS Economics and Planning 2016, *Transport Affordability Index Final Report*, August 2016. Accessed 1 February 2019, <www.aaa.asn.au/wp-content/uploads/2016/08/sgs-report-aaa-transport-affordability-index.pdf>.

Mailing Address:
GPO Box 1555
Canberra ACT 2601

02 6247 7311
@aaacomms
www.aaa.asn.au

Address:
103 Northbourne Ave
Canberra ACT 2601

