



TRANSPORT AFFORDABILITY INDEX



Australian
Automobile
Association



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Foreword

Transport Affordability Index: September 2019

The average transport costs for Australian households stabilised in the September quarter of 2019, following a stiff increase in the previous quarter.

In terms of household expenditure on transport, Sydney, Melbourne and Brisbane remain the nation's most expensive capital cities.

This latest report also shows the average cost of transport as a percentage of income for the typical household was 13.8 per cent.

The AAA's quarterly affordability index measures household transport costs in all capital cities; as well as a regional city in each state and the Northern Territory.

National average household total weekly transport costs were about \$324 in the September quarter, on par with \$326 in the previous quarter. This represents a small decrease of 0.4 per cent juxtaposed with the quarter's rate of general inflation, which was an increase of 0.5 per cent.

While the stabilisation of transport costs from the previous quarter is good news for households, the average annual transport costs for the typical metropolitan Australian household rose from \$18,218 to \$18,518 over the 12 months to September 2019—a jump of 1.6 per cent. The typical regional households' average annualised transport costs reached \$14,972 per year, up from \$14,630, and representing a jump of almost 2.3 per cent (well above the inflation rate of 1.7 per cent for the same period).

With metropolitan and regional figures combined, that equated to a 1.9 per cent increase in transport costs for the typical Australian household: a rise from \$16,544 to \$16,863.

Transport is a significant and unavoidable cost to households. Governments at all levels must continue to focus on ways to reduce pressure on household budgets.



Michael Bradley

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Section One

Summary of results

Household total weekly transport costs

In the September quarter, transport costs decreased slightly for the benchmark capital city and regional households.

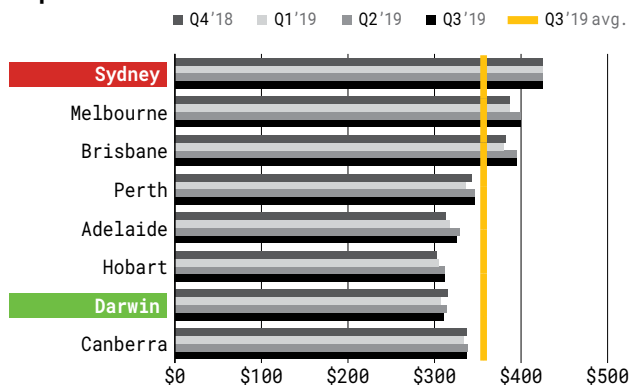
Capital cities The average total weekly transport cost for benchmark capital city households was \$356 compared with \$357 in the previous quarter.

Sydney remained the most expensive capital city for total transport costs with weekly transport costs at about \$424 per week down from \$425 in the previous quarter. Darwin became the least expensive capital with weekly costs of \$310 down from \$314 in the previous quarter.

Regional The average weekly transport expenditure for households in the benchmark regional centres was \$288 per week—down from \$289 in the previous quarter.

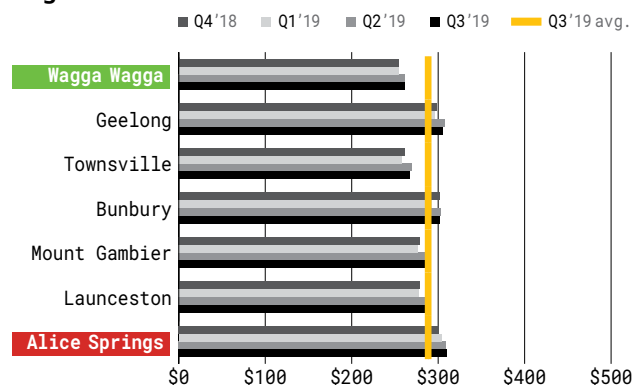
Among regional centres, Alice Springs had the highest total weekly transport costs remaining at about \$309 per week. Wagga Wagga remained the least expensive at \$261 per week, down from \$262 in the June quarter.

Capital cities



City	Q4	Q1	Q2	Q3	Rank
Sydney	\$425.17	\$425.10	\$424.51	\$424.32	1
Melbourne	\$386.84	\$387.34	\$399.75	\$399.50	2
Brisbane	\$381.63	\$380.28	\$394.78	\$394.42	3
Perth	\$342.90	\$336.09	\$346.11	\$346.26	4
Adelaide	\$313.13	\$317.40	\$328.72	\$324.97	6
Hobart	\$302.83	\$305.20	\$312.01	\$312.01	7
Darwin	\$314.94	\$307.20	\$314.19	\$310.49	8
Canberra	\$336.79	\$333.25	\$337.85	\$336.93	5
Capital avg.	\$350.53	\$348.98	\$357.24	\$356.11	

Regional



City	Q4	Q1	Q2	Q3	Rank
Wagga Wagga	\$254.17	\$254.09	\$261.50	\$261.20	7
Geelong	\$298.81	\$295.68	\$307.29	\$304.83	2
Townsville	\$261.13	\$258.14	\$269.85	\$267.19	6
Bunbury	\$301.32	\$292.81	\$303.48	\$301.89	3
Mount Gambier	\$278.76	\$276.71	\$287.25	\$285.05	5
Launceston	\$278.42	\$278.01	\$286.12	\$285.78	4
Alice Springs	\$300.84	\$304.10	\$309.17	\$309.47	1
Regional avg.	\$281.92	\$279.93	\$289.24	\$287.91	

Section One

Household total annual transport costs

In the September quarter, the typical Australian city household's average annualised cost of transport decreased by \$59. This notional household would spend \$18,518 a year on transport if the September quarter costs held constant.

The greatest decreases in transport costs were recorded in Adelaide and Darwin—equivalent to \$195 and \$192 per year, respectively. These were mainly due to changes in CTP policies in South Australia which resulted in lower registration, CTP and licensing costs as well as lower comprehensive insurance premiums in the Northern Territory.


The average annual cost of transport for the typical regional household decreased by \$69. The typical regional household would spend \$14,972 per annum on transport if the September quarter costs held constant. The greatest decreases among the benchmark regions were recorded in Townsville and Geelong, where transport costs decreased by \$138 per year and \$128 per year respectively when compared to the previous quarter. This was due to lower fuel prices in these regions compared to the June quarter.

Fuel excise, registration, CTP and licensing alone cost the typical two-car family about \$2,649 per annum for city households and \$2,609 per annum for the regional households. However, there are other motoring taxes and charges that the Index does not seek to analyse.

In most of the benchmark regions, residents typically drive further than their capital city counterparts, so they pay more in total on fuel excise. The exceptions are Wagga Wagga and Townsville; residents in these centres typically drive less than their state capital counterparts.

In Victoria and South Australia, regional households pay less for registration, CTP and licensing due to lower CTP premiums for regional areas. While in New South Wales, city households will ultimately pay less for registration, CTP and licensing due to free registration as a result of the Toll Relief Scheme. But in Queensland, Western Australia, Tasmania and the Northern Territory regional drivers pay the same state levies as city drivers. If people in those states' regional centres have higher fuel consumption they will pay more on motoring taxes than their city counterparts.



Capital cities

City	2019 Q2	2019 Q3	Change	Rank
Sydney	\$22,074.60	\$22,064.63	-\$9.97	1
Melbourne	\$20,786.81	\$20,773.75	-\$13.06	2
Brisbane	\$20,528.42	\$20,509.79	-\$18.62	3
Perth	\$17,997.48	\$18,005.69	\$8.21	4
Adelaide	\$17,093.39	\$16,898.59	-\$194.80	6
Hobart	\$16,224.73	\$16,224.42	-\$0.31	7 
Darwin	\$16,338.09	\$16,145.73	-\$192.36	8 
Canberra	\$17,568.42	\$17,520.36	-\$48.06	5
Capital avg.	\$18,576.49	\$18,517.87	-\$58.62	

Average taxes	2019 Q2	2019 Q3	Change
Fuel excise	\$1,094.08	\$1,099.34	
Registration, CTP and licensing	\$1,566.44 (\$1,612.82)*	\$1,549.97 (\$1,596.47)*	
Household total	\$2,660.52 (\$2,706.90)*	\$2,649.31 (\$2,695.81)*	-\$11.22

* 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	2019 Q2	2019 Q3	Change	Rank
Wagga Wagga	\$13,598.06	\$13,582.56	-\$15.51	7
Geelong	\$15,979.32	\$15,850.91	-\$128.40	2
Townsville	\$14,032.06	\$13,894.07	-\$138.00	6
Bunbury	\$15,781.00	\$15,698.18	-\$82.82	3
Mount Gambier	\$14,936.91	\$14,822.62	-\$114.29	5 
Launceston	\$14,878.39	\$14,860.33	-\$18.06	4 
Alice Springs	\$16,076.60	\$16,092.22	\$15.62	1
Regional avg.	\$15,040.34	\$14,971.56	-\$68.78	

Average taxes	2019 Q2	2019 Q3	Change
Fuel excise	\$1,147.46	\$1,152.98	
Registration, CTP and licensing	\$1,460.48	\$1,456.48	
Household total	\$2,607.95	\$2,609.46	\$1.51

Section One

Household average weekly expenses

Overall, there was a slight decrease in household average weekly transport expenses.

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

- **Car loan payments**—interest rates decreased in all jurisdictions except New South Wales
- **Registration, CTP and licensing**—CTP premiums decreased considerably in South Australia
- **Insurance**—comprehensive insurance premiums decreased considerably in the Northern Territory
- **Fuel**—prices declined slightly in all capital cities and regional areas except Hobart and Mount Gambier.

Increases in transport costs were seen in these three categories:

- **Public transport**—public transport fares increased in Perth and Adelaide due to scheduled indexation from 1st July
- **Toll roads**—toll road costs rose for all toll cities due to scheduled indexation from 1st July
- **Car maintenance**—costs increased due to a price revision of fixed price servicing.

The ranking of average expenses for the typical city and regional families remained the same over the quarter. Car loan payments remain the largest expense in the families' transport budgets. Roadside assistance and insurance were the smallest transport expenses.

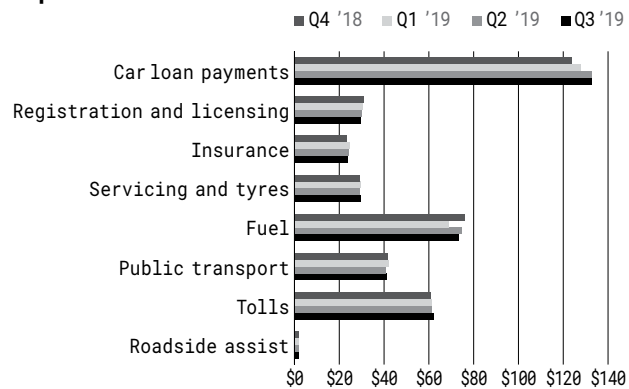
There were a few notable differences between capital city and regional transport costs:

- Households in most regional areas spend more on fuel because they usually drive more and generally face higher fuel prices than their city counterparts.
- Most states offer lower comprehensive premiums on new and used cars in regional areas compared to capital cities. This was not the case in the Northern Territory where metropolitan and regional premiums were the same.
- In South Australia, registration, CTP and licensing costs were \$239 cheaper in regional areas due to lower CTP premiums. In Victoria registration, CTP and licensing costs remained \$110 cheaper for the regional household due to lower CTP premiums. Sydney vehicle owners are eligible for free vehicle registration under the state's Toll Relief Scheme, but regional households must pay for registration.
- In all other jurisdictions, registration, CTP and licensing costs were 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, the same assumptions about fuel efficiency and fuel mix are applied.

Section One

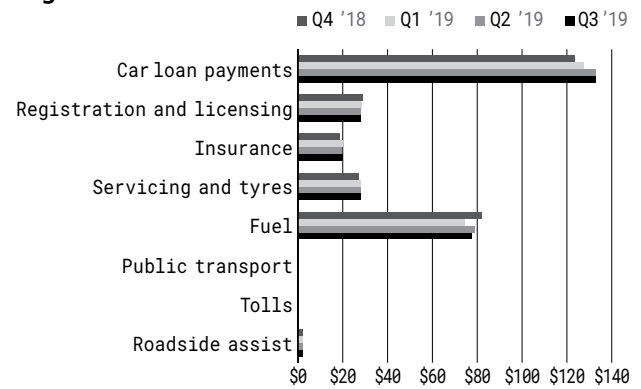
Capital cities



Expenses	Q4	Q1	Q2	Q3	Rank
Car loan payments	\$123.76	\$127.94	\$132.97	\$132.86	1
Registration, CTP and licensing	\$31.13	\$30.54	\$30.12	\$29.81	5
Insurance	\$23.60	\$24.63	\$24.11	\$23.86	7
Servicing and tyres	\$29.07	\$29.55	\$29.44	\$29.51	6
Fuel	\$76.26	\$68.99	\$74.62	\$73.54	2
Public transport	\$41.77	\$42.22	\$40.87	\$41.18	4
Tolls	\$61.06	\$61.53	\$61.53	\$62.10	3
Roadside assist	\$2.04	\$2.04	\$2.04	\$2.06	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	Q4	Q1	Q2	Q3	Rank
Car loan payments	\$123.40	\$127.67	\$132.93	\$132.82	1
Registration, CTP and licensing	\$29.01	\$28.31	\$28.09	\$28.01	3
Insurance	\$18.51	\$19.80	\$19.61	\$19.79	5
Servicing and tyres	\$27.16	\$27.86	\$27.81	\$27.91	4
Fuel	\$81.82	\$74.26	\$78.76	\$77.33	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.02	\$2.02	\$2.02	\$2.05	6

Section One

Affordability: transport costs as share of income

The relationship between a region's income and 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 second lowest total transport costs, while Sydney has the highest. But when this cost is measured as a share of average 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 14 per cent to 13.8 per cent.

For the typical Australian capital city household, the average cost of transport decreased from 14.7 per cent

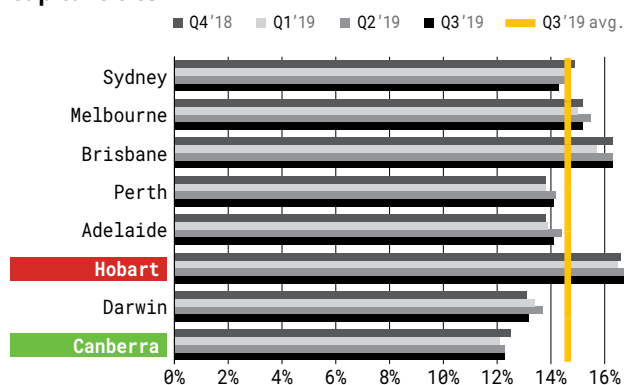
of average income to 14.6 per cent. Regional household transport costs decreased from 13.2 per cent of average income to 13.1 per cent.

Among the capital cities, Darwin recorded the largest decrease—0.5 per cent less than the previous quarter.

Across Australia, regional households earn about \$209 per week less than their city counterparts (based on ABS data). But the difference was more pronounced in New South Wales and South Australia—households in Wagga Wagga and Mount Gambier earned considerably less per week than their city counterparts, about \$259 and \$243 per week less on average.

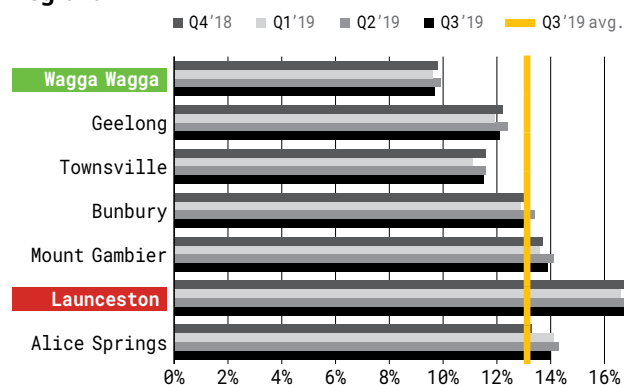
The affordability rankings of cities and regions remained unchanged from the previous quarter.

Capital cities



City	Q4	Q1	Q2	Q3	Rank
Sydney	14.9%	14.6%	14.6%	14.3%	4
Melbourne	15.2%	15.0%	15.5%	15.2%	3
Brisbane	16.3%	15.7%	16.3%	16.3%	2
Perth	13.8%	13.8%	14.2%	14.1%	6
Adelaide	13.8%	13.9%	14.4%	14.1%	5
Hobart	16.6%	16.5%	16.9%	16.8%	1
Darwin	13.1%	13.4%	13.7%	13.2%	7
Canberra	12.5%	12.1%	12.3%	12.3%	8
Capital avg.	14.4%	14.3%	14.7%	14.6%	

Regional



City	Q4	Q1	Q2	Q3	Rank
Wagga Wagga	9.8%	9.6%	9.9%	9.7%	7
Geelong	12.2%	11.9%	12.4%	12.1%	5
Townsville	11.6%	11.1%	11.6%	11.5%	6
Bunbury	13.1%	12.9%	13.4%	13.2%	4
Mount Gambier	13.7%	13.6%	14.1%	13.9%	3
Launceston	16.8%	16.6%	17.1%	17.0%	1
Alice Springs	13.3%	14.1%	14.3%	14.0%	2
Regional avg.	12.7%	12.6%	13.2%	13.1%	



Section Two

Household weekly car loan payment costs

Interest rates for new vehicle loans decreased slightly in all states except for New South Wales. This decline in interest rates off-set the slight increase in upfront costs for purchasing a new car which increased on average by \$209.

As a result, the average cost of car loan payments decreased by around 11 cents per week or \$6 per year.

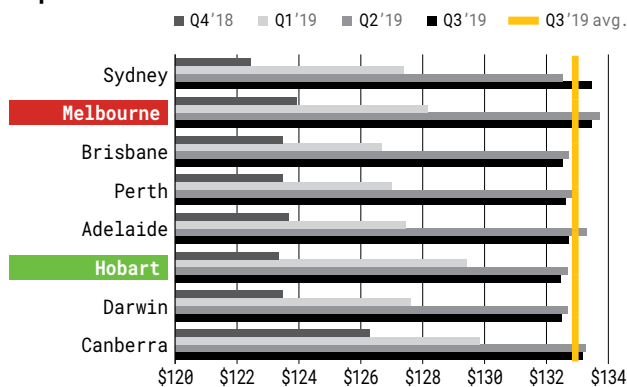
Among the capital city households, in the September 2019 quarter, Hobart became the cheapest capital city to take out a loan for a new car, while Melbourne remained the most expensive capital city for car loan payments. Sydney

recorded the only increase in car loan payments due to the increase in purchasing costs.

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 capital city locations.

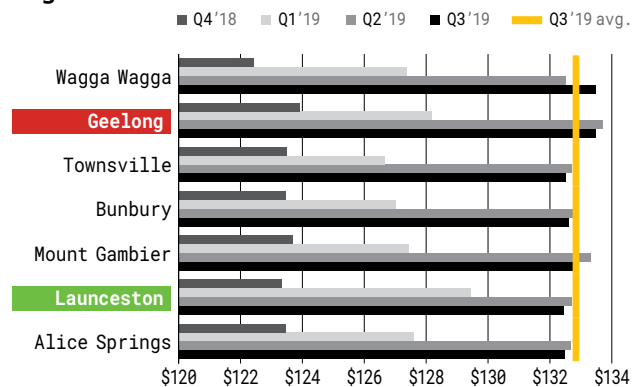
The rankings in this category changed considerably.

Capital cities



City	Q4	Q1	Q2	Q3	Rank
Sydney	\$122.43	\$127.37	\$132.51	\$133.47	2
Melbourne	\$123.92	\$128.17	\$133.72	\$133.47	1
Brisbane	\$123.49	\$126.67	\$132.72	\$132.51	6
Perth	\$123.46	\$127.01	\$132.88	\$132.62	5
Adelaide	\$123.68	\$127.44	\$133.31	\$132.73	4
Hobart	\$123.35	\$129.43	\$132.70	\$132.46	8
Darwin	\$123.48	\$127.62	\$132.69	\$132.48	7
Canberra	\$126.30	\$129.83	\$133.26	\$133.16	3
Capital avg.	\$123.76	\$127.94	\$132.97	\$132.86	

Regional



City	Q4	Q1	Q2	Q3	Rank
Wagga Wagga	\$122.43	\$127.37	\$132.51	\$133.47	2
Geelong	\$123.92	\$128.17	\$133.72	\$133.47	1
Townsville	\$123.49	\$126.67	\$132.72	\$132.51	5
Bunbury	\$123.46	\$127.01	\$132.88	\$132.62	4
Mount Gambier	\$123.68	\$127.44	\$133.31	\$132.73	3
Launceston	\$123.35	\$129.43	\$132.70	\$132.46	7
Alice Springs	\$123.48	\$127.62	\$132.69	\$132.48	6
Regional avg.	\$123.40	\$127.67	\$132.93	\$132.82	

Section Two

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

Registration, CTP and licensing costs rose slightly in Victoria, Queensland, Western Australia, the Northern Territory and the Australia Capital Territory due to scheduled indexation from 1st July.¹

Costs in this category decreased considerably for South Australia due to the introduction of private CTP insurers. Savings for the typical Adelaide household equated to \$3.69 a week (equivalent to \$192 a year), while savings for the typical Mount Gambier household equated to \$1.88 a week (equivalent to \$98 a year).

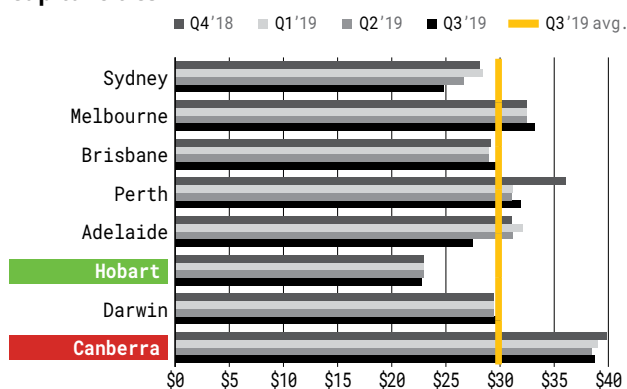
Canberra was the most expensive capital city for registration, CTP and licensing (\$38.73 a week), while Hobart was the least expensive (\$22.73 a week). When the September quarter figures are annualised, the typical

Hobart household spends \$832 less per year than the typical Canberra household.

Bunbury was the most expensive regional town in this cost category (\$31.87 a week), while Launceston was the least expensive (\$22.73 a week). The annualised difference between Bunbury and Launceston was \$475.

Registration, CTP and licensing costs were cheaper for regional households in South Australia and Victoria because state government policies impose different regional and metropolitan pricing structures in relation to CTP premiums. The New South Wales Toll Relief Scheme means the typical Sydney household pays less for vehicle registration than the typical Wagga Wagga household.

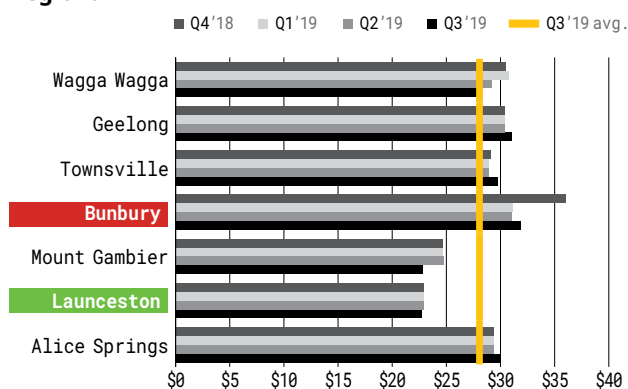
Capital cities



City	Q4	Q1	Q2	Q3	Rank
Sydney	\$28.14 (\$35.16)	\$28.39 (\$35.53)	\$26.60 (\$33.73)	\$24.79 (\$31.94)	7 ↓(3)*
Melbourne	\$32.44	\$32.44	\$32.44	\$33.17	2
Brisbane	\$29.11	\$28.92	\$28.92	\$29.74	5 ↑
Perth	\$36.06	\$31.15	\$31.07	\$31.87	3 ↑
Adelaide	\$31.09	\$32.09	\$31.15	\$27.46	6 ↓
Hobart	\$22.90	\$22.90	\$22.90	\$22.73	8
Darwin	\$29.42	\$29.42	\$29.42	\$29.97	4 ↑
Canberra	\$39.84	\$39.01	\$38.49	\$38.73	1
Capital avg.	\$31.13	\$30.54	\$30.12	\$29.81	

* 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	Q4	Q1	Q2	Q3	Rank
Wagga Wagga	\$30.52	\$30.73	\$29.18	\$27.85	5 ↓
Geelong	\$30.37	\$30.37	\$30.37	\$31.05	2
Townsville	\$29.11	\$28.92	\$28.92	\$29.74	4 ↑
Bunbury	\$36.06	\$31.15	\$31.07	\$31.87	1
Mount Gambier	\$24.67	\$24.67	\$24.74	\$22.86	6
Launceston	\$22.90	\$22.90	\$22.90	\$22.73	7
Alice Springs	\$29.42	\$29.42	\$29.42	\$29.97	3
Regional avg.	\$29.01	\$28.31	\$28.09	\$28.01	

Section Two

Household weekly comprehensive insurance costs

In the September quarter, the weekly cost of comprehensive insurance for both the benchmark new and used vehicles decreased slightly for the typical Australian city household.

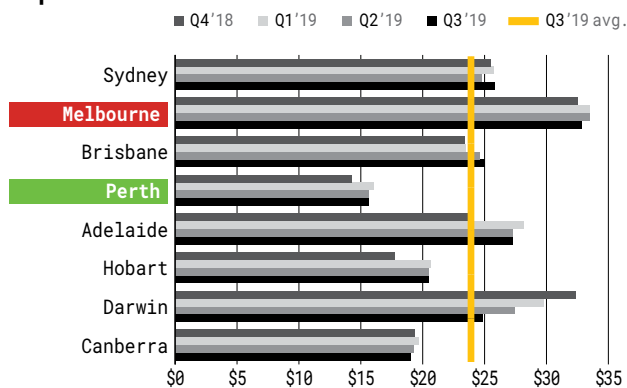
Melbourne remained the most expensive city for comprehensive insurance (\$32.87 a week); Perth remained the cheapest (\$15.63 a week). When these costs are annualised, the Perth household spends about \$897 per year less on comprehensive insurance than the Melbourne household.

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

The largest difference between the capital city and regional counterparts was in Victoria. The typical Geelong family spends about \$12.21 a week (or \$635 a year) less on comprehensive insurance costs than the typical Melbourne family.

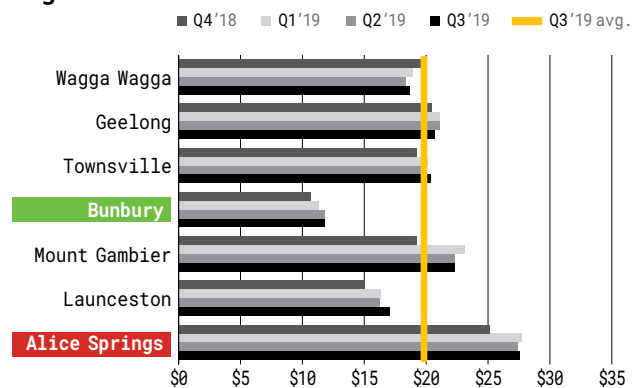
Alice Springs remained the most expensive region for comprehensive insurance, while Bunbury was the cheapest.

Capital cities



City	Q4	Q1	Q2	Q3	Rank
Sydney	\$25.51	\$25.70	\$24.76	\$25.83	3
Melbourne	\$32.48	\$33.52	\$33.52	\$32.87	1
Brisbane	\$23.38	\$23.51	\$24.60	\$25.02	4
Perth	\$14.25	\$16.04	\$15.63	\$15.63	8
Adelaide	\$23.75	\$28.15	\$27.23	\$27.23	2
Hobart	\$17.75	\$20.62	\$20.45	\$20.45	6
Darwin	\$32.37	\$29.80	\$27.44	\$24.88	5
Canberra	\$19.32	\$19.67	\$19.24	\$18.99	7
Capital avg.	\$23.60	\$24.63	\$24.11	\$23.86	

Regional



City	Q4	Q1	Q2	Q3	Rank
Wagga Wagga	\$19.72	\$18.89	\$18.39	\$18.70	5
Geelong	\$20.44	\$21.08	\$21.08	\$20.67	3
Townsville	\$19.23	\$20.16	\$20.03	\$20.38	4
Bunbury	\$10.68	\$11.33	\$11.80	\$11.79	7
Mount Gambier	\$19.29	\$23.12	\$22.33	\$22.33	2
Launceston	\$15.05	\$16.32	\$16.23	\$17.05	6
Alice Springs	\$25.16	\$27.70	\$27.44	\$27.59	1
Regional avg.	\$18.51	\$19.80	\$19.61	\$19.79	

Section Two

Household total weekly servicing and tyre costs

The cost of servicing and tyres increased marginally over the September quarter for both the typical capital city and regional households.

Overall, the cost of maintaining the new and used car remained highest in Canberra (\$38.36 a week) and lowest in Adelaide (\$23.83 a week). The annualised cost difference for the typical households in Canberra and Adelaide was \$755.

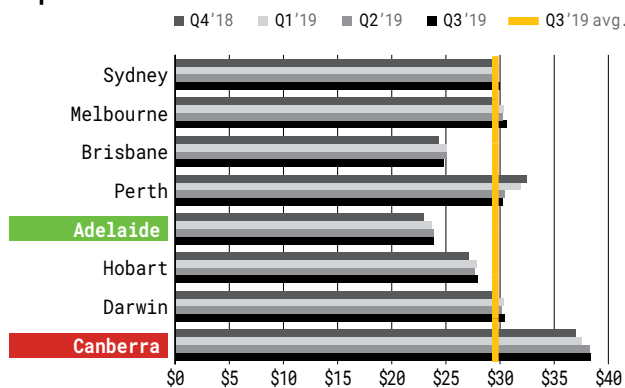
Among the regional locations, the cost of maintaining both the new and used car remained most expensive in Alice Springs (\$33.59 a week) and cheapest in Launceston (\$22.59 a week). The annualised difference

between the Alice Springs and Launceston households' costs was \$572.

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.

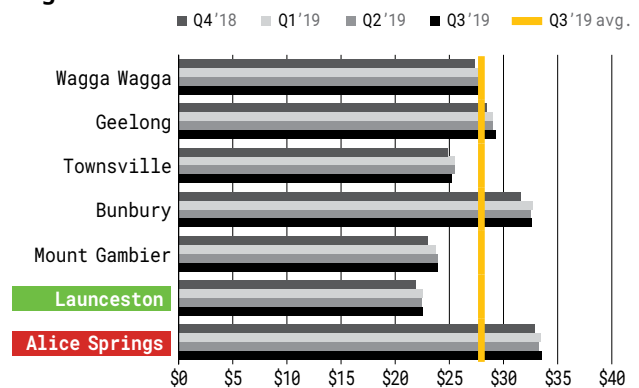
Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey (HES)² and indexed in line with the CPI maintenance and repair of motor vehicles.³

Capital cities



City	Q4	Q1	Q2	Q3	Rank
Sydney	\$29.20	\$29.84	\$29.80	\$29.93	5
Melbourne	\$29.72	\$30.29	\$30.27	\$30.57	2
Brisbane	\$24.36	\$25.04	\$25.01	\$24.80	7
Perth	\$32.49	\$31.86	\$30.42	\$30.24	4
Adelaide	\$22.97	\$23.64	\$23.89	\$23.83	8
Hobart	\$27.08	\$27.82	\$27.70	\$27.91	6
Darwin	\$29.73	\$30.34	\$30.15	\$30.41	3
Canberra	\$37.01	\$37.57	\$38.27	\$38.36	1
Capital avg.	\$29.07	\$29.55	\$29.44	\$29.51	

Regional



City	Q4	Q1	Q2	Q3	Rank
Wagga Wagga	\$27.37	\$28.01	\$27.95	\$28.08	4
Geelong	\$28.46	\$29.03	\$29.00	\$29.28	3
Townsville	\$24.83	\$25.52	\$25.50	\$25.27	5
Bunbury	\$31.62	\$32.69	\$32.55	\$32.63	2
Mount Gambier	\$23.06	\$23.74	\$23.98	\$23.93	6
Launceston	\$21.88	\$22.58	\$22.43	\$22.59	7
Alice Springs	\$32.86	\$33.47	\$33.29	\$33.59	1
Regional avg.	\$27.16	\$27.86	\$27.81	\$27.91	

Section Two

Household weekly fuel costs

The cost of fuel decreased slightly across the country in the September quarter. The average Australian capital city price of regular unleaded petrol fell 2.2 cents per litre from 146.8 cents per litre to 144.6 cents per litre. If fuel prices remained at that level, fuel expenditure for the typical city household would decrease by about \$56 per year.

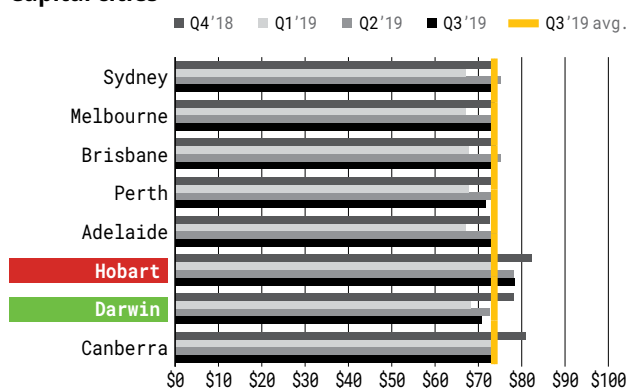
Hobart remained the capital city with the highest fuel prices and fuel expenditure. Its average petrol price was 153.3 cents per litre in the September 2019 quarter, up 0.1 cents per litre from the previous quarter. Darwin was the capital with the cheapest fuel prices. Its average price for unleaded petrol was 139.0 cents per litre in the quarter, down 3.9 cents per litre from the June 2019 quarter.

The typical Hobart household spent \$78.28 a week on fuel in the September 2019 quarter—up 17 cents from the preceding quarter. If Hobart had the same prices as the cheapest city, Darwin, its typical household would save \$7.43 per week (or \$386 a year).

Regional households generally spend more on fuel as they drive further on average than their capital city counterparts. The exceptions are Wagga Wagga and Townsville, as people in these centres drive fewer total kilometres than their city counterparts.

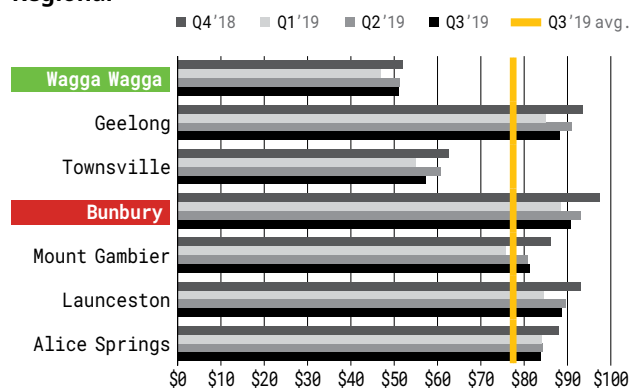
Regional households also generally pay more per litre for fuel, but in the September 2019 quarter, prices between regional and capital city locations varied. Averaged across the regions, the cost of regular unleaded petrol fell by 2.9 cents a litre from 147.7 cents per litre to 144.9 cents per litre.

Capital cities



City	Q4	Q1	Q2	Q3	Rank
Sydney	\$74.25	\$67.15	\$75.05	\$74.19	2
Melbourne	\$73.76	\$67.00	\$73.88	\$72.82	6
Brisbane	\$73.88	\$67.73	\$75.12	\$73.10	5
Perth	\$74.26	\$67.65	\$73.73	\$71.70	7
Adelaide	\$72.71	\$67.13	\$74.20	\$74.03	3
Hobart	\$82.39	\$74.27	\$78.11	\$78.28	1
Darwin	\$78.04	\$68.12	\$72.60	\$70.85	8
Canberra	\$80.81	\$72.86	\$74.28	\$73.37	4
Capital avg.	\$76.26	\$68.99	\$74.62	\$73.54	

Regional



City	Q4	Q1	Q2	Q3	Rank
Wagga Wagga	\$52.01	\$46.96	\$51.35	\$51.00	7
Geelong	\$93.50	\$84.91	\$91.01	\$88.16	3
Townsville	\$62.60	\$54.99	\$60.81	\$57.38	6
Bunbury	\$97.42	\$88.55	\$93.10	\$90.88	1
Mount Gambier	\$86.12	\$75.80	\$80.95	\$81.22	5
Launceston	\$93.08	\$84.63	\$89.70	\$88.76	2
Alice Springs	\$88.02	\$84.00	\$84.43	\$83.93	4
Regional avg.	\$81.82	\$74.26	\$78.76	\$77.33	

Section Two

The typical household in Alice Springs continued to have Australia's highest fuel prices— 158.9 cents per litre. Townsville had the cheapest regional petrol prices at 137.7 cents per litre, due to a decrease of 9.5 cents per litre from the June 2019 quarter.

The typical household in Bunbury continued to have the highest fuel expenditure among the benchmark centres at \$90.88 per week or \$4,726 per year because Bunbury residents tend to drive longer distances than people in the other benchmark centres. Wagga Wagga continued to have the lowest fuel expenditure among the benchmark centres at \$51.00 per week or \$2,652 per year because its residents typically drive less than people in the other benchmark centres.

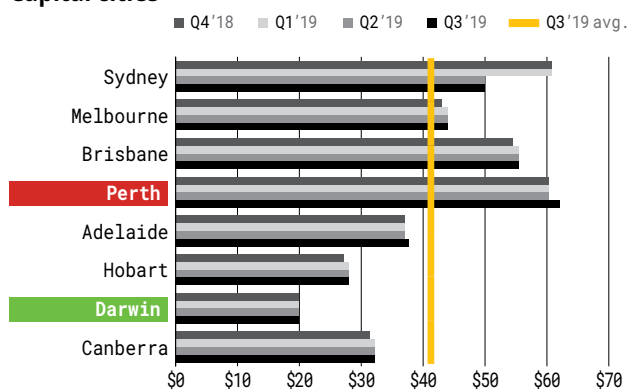
Household weekly public transport costs

In the September quarter, the cost of public transport remained unchanged, except in Perth and Adelaide, where increases were observed due to scheduled indexation from 1st July. Adelaide weekly transport costs increased by 70 cents per week (equivalent to \$36 per year). Perth saw an increase of \$1.80 per week (equivalent to \$94 per year).

Rankings remained unchanged with Perth as the most expensive and Darwin as the least expensive. The typical Darwin household spends \$42.10 per week (\$2,189 per year) less on public transport costs than its equivalent household in Perth.

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	Q4	Q1	Q2	Q3	Rank
Sydney	\$60.84	\$60.84	\$50.00	\$50.00	3
Melbourne	\$43.00	\$44.00	\$44.00	\$44.00	4
Brisbane	\$54.45	\$55.44	\$55.44	\$55.44	2
Perth	\$60.30	\$60.30	\$60.30	\$62.10	1
Adelaide	\$37.00	\$37.00	\$37.00	\$37.70	5
Hobart	\$27.20	\$28.00	\$28.00	\$28.00	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$31.40	\$32.20	\$32.20	\$32.20	6
Capital avg.	\$41.77	\$42.22	\$40.87	\$41.18	

Section Two

Household weekly costs of toll roads

Only three Australian cities—Sydney, Melbourne and Brisbane—use toll roads. The cost of toll roads increased in all these cities for the typical city households, due to scheduled indexation from 1st July.

The typical Sydney household continues to incur the greatest costs for toll road usage, while the typical household in Melbourne still had the lowest toll costs among these three cities. The typical Melbourne household spends about \$33.60 per week or \$1,747 per year less on tolls than the typical Sydney household.

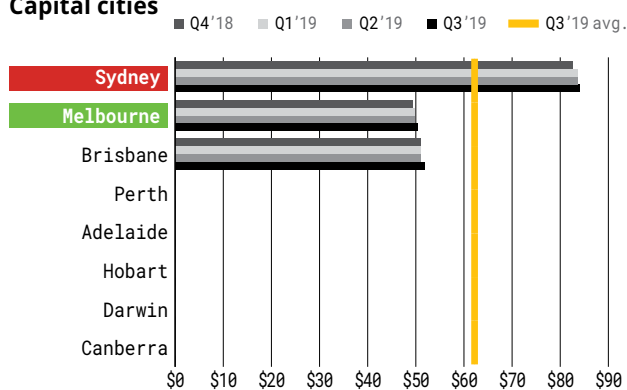
The ranking of the three cities' toll costs remained unchanged over the quarter.

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	Q4	Q1	Q2	Q3	Rank
Sydney	\$82.68	\$83.68	\$83.68	\$84.00	1
Melbourne	\$49.40	\$49.80	\$49.80	\$50.40	3
Brisbane	\$51.10	\$51.10	\$51.10	\$51.90	2
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
Capital avg.	\$61.06	\$61.53	\$61.53	\$62.10	

Section Two

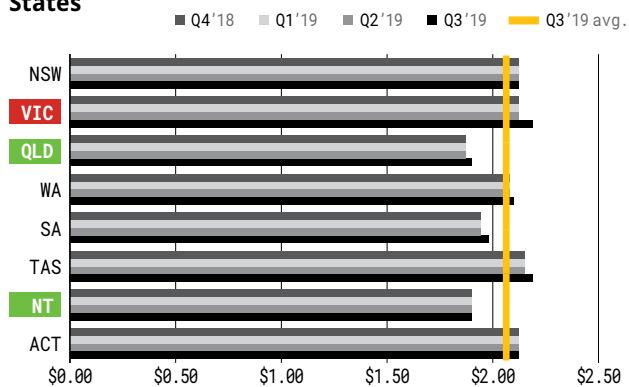
Household weekly costs of roadside assistance

The differences between states for roadside assistance costs were not large. Tasmania and Victoria had the highest ongoing roadside assistance costs at \$114 per year, while Queensland and the Northern Territory had the lowest at \$99 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



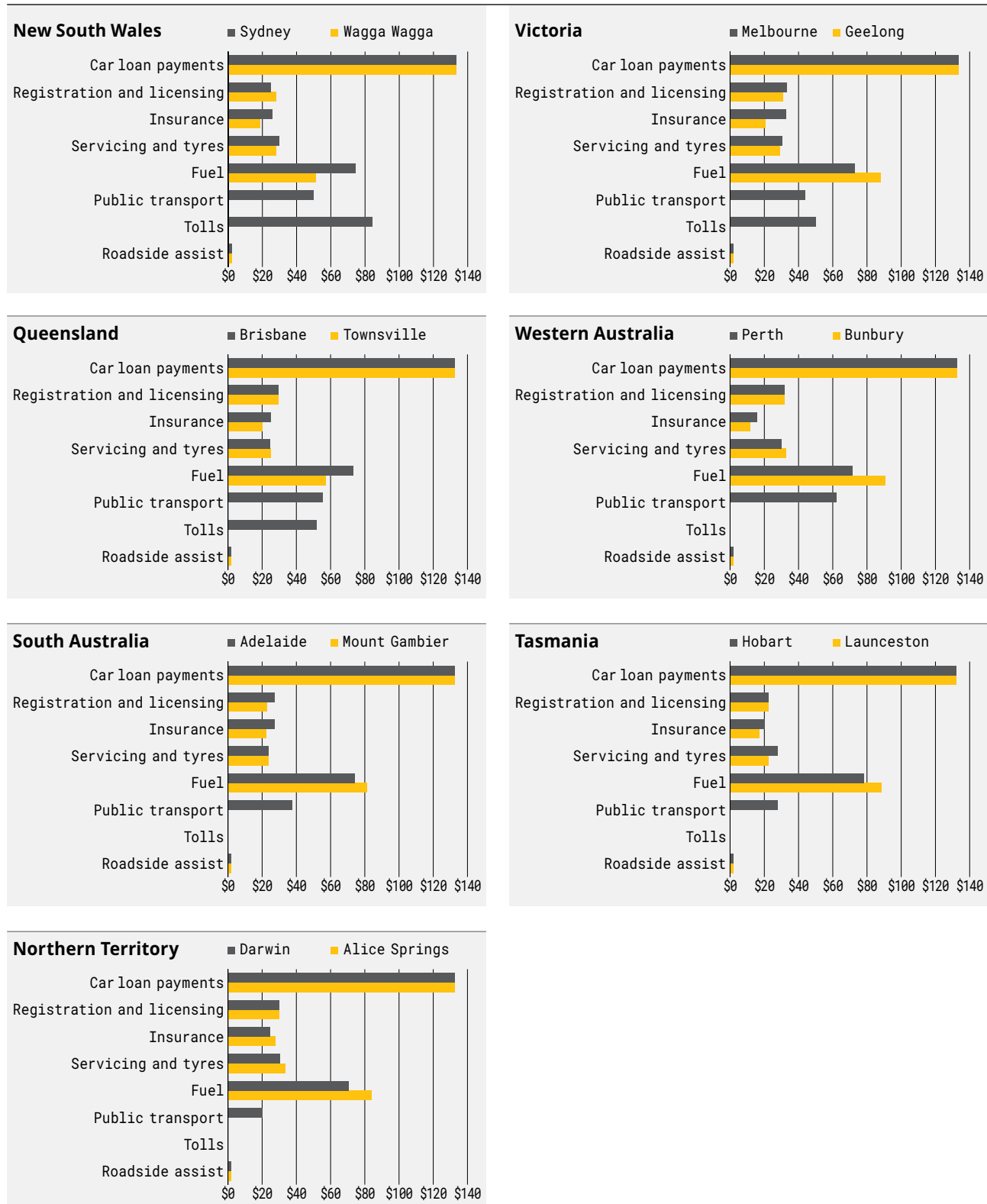
State	Q4	Q1	Q2	Q3	Rank
NSW	\$2.12	\$2.12	\$2.12	\$2.12	3
VIC	\$2.12	\$2.12	\$2.12	\$2.19	1
QLD	\$1.87	\$1.87	\$1.87	\$1.90	7
WA	\$2.08	\$2.08	\$2.08	\$2.10	5
SA	\$1.94	\$1.94	\$1.94	\$1.98	6
TAS	\$2.15	\$2.15	\$2.15	\$2.19	1
NT	\$1.90	\$1.90	\$1.90	\$1.90	7
ACT	\$2.12	\$2.12	\$2.12	\$2.12	3
National avg.	\$2.04	\$2.04	\$2.04	\$2.06	



Section Three

State by state comparison

Capital city vs regional comparison by state



Section Three

New South Wales weekly costs of transport

Sydney transport costs fell slightly, but the city still had Australia's highest transport costs. In the September quarter, the typical Sydney household spent \$424.32 a week (equivalent to \$22,065 a year) on transport (down 19 cents a week or almost \$10 per annum from the previous quarter).

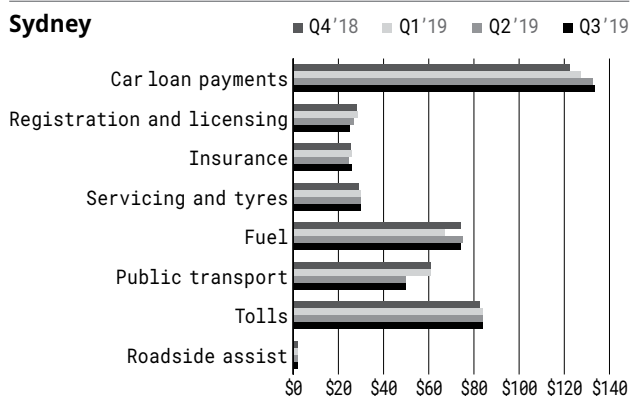
Transport costs measured as a percentage of average income also decreased from 14.6 per cent to 14.3 per cent. Under this metric, Sydney was the fourth-least affordable city for transport. This decrease was mainly attributable to lower costs in registration, CTP and licensing and fuel expenditure which decreased by \$94 and \$44 per annum respectively (assuming fuel prices remained constant). Comprehensive insurance premiums increased by \$55 per year for the typical household. Toll road costs also rose slightly by \$17 per year due to scheduled indexation from 1st July. Servicing and tyre costs also increased marginally.

Sydney remained the capital city with the lowest car loan payments, despite being the only capital city where car loan payments increased (by \$50 per year). Public transport costs remained unchanged.

Wagga Wagga was the regional benchmark location with the lowest transport costs—both in total cost (\$261.20 a week or \$13,583 a year) and in terms of the local income-to-cost ratio (9.7 per cent compared to 9.9 per cent the previous quarter).

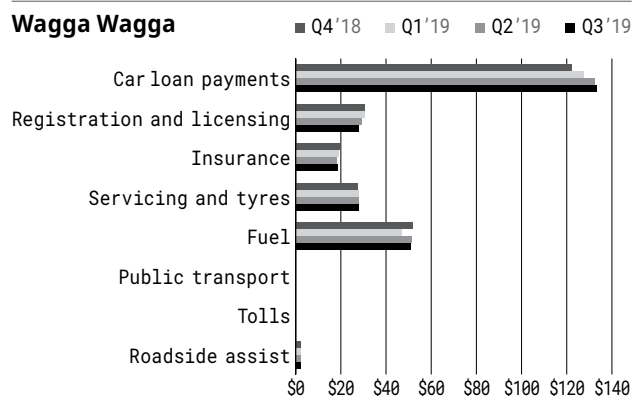
Transport costs decreased over the September quarter by about 30 cents per week (equivalent to almost \$16 per annum), driven by lower fuel prices and costs for registration, CTP and licensing. Registration, CTP and licensing fell by \$69 per annum and fuel expenditure decreased by \$18 per year. The typical Wagga Wagga household incurs lower fuel expenditure than its Sydney counterpart as BITRE data suggests that the family travels less than the city household. The Wagga Wagga family also paid less for unleaded petrol in the September quarter—1.4 cents per litre less compared to its city counterpart. Car loan payments rose in line with Sydney and comprehensive insurance costs increased over the quarter by 31 cents a week (equivalent to \$16 per annum). Servicing and tyre costs also increased marginally.

The Index assumes that limited options mean the Wagga Wagga household does not incur any public transport costs.



Sydney	Q4	Q1	Q2	Q3	Rank
Car loan payments	\$122.43	\$127.37	\$132.51	\$133.47	1
Reg. and licensing	\$28.14 (\$35.16)	\$28.39 (\$35.53)	\$26.60 (\$33.73)	\$24.79 (\$31.94)	7 (5)*
Insurance	\$25.51	\$25.70	\$24.76	\$25.83	6 ↑
Servicing and tyres	\$29.20	\$29.84	\$29.80	\$29.93	5
Fuel	\$74.25	\$67.15	\$75.05	\$74.19	3
Public transport	\$60.84	\$60.84	\$50.00	\$50.00	4
Tolls	\$82.68	\$83.68	\$83.68	\$84.00	2
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	8
Total	\$425.17	\$425.10	\$424.51	\$424.32	

* 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	Q4	Q1	Q2	Q3	Rank
Car loan payments	\$122.43	\$127.37	\$132.51	\$133.47	1
Reg. and licensing	\$30.52	\$30.73	\$29.18	\$27.85	4 ↓
Insurance	\$19.72	\$18.89	\$18.39	\$18.70	5
Servicing and tyres	\$27.37	\$28.01	\$27.95	\$28.08	3 ↑
Fuel	\$52.01	\$46.96	\$51.35	\$51.00	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12	6
Total	\$254.17	\$254.09	\$261.50	\$261.20	

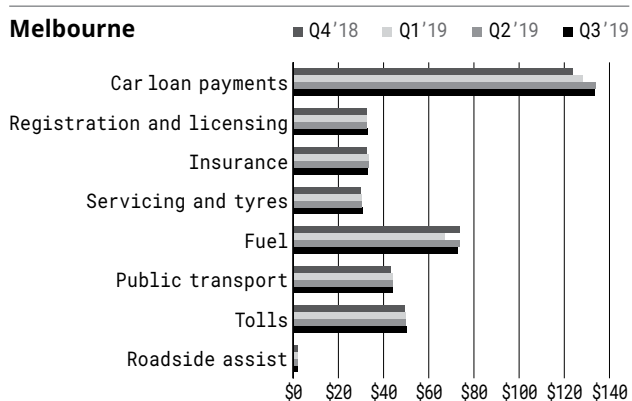
Section Three

Victoria weekly costs of transport

Melbourne remained Australia's second most expensive city for transport. Total costs and costs as a percentage of average income fell in the September quarter. The typical household spends \$20,774 a year on transport — a decrease of 25 cents a week (or \$13 a year) from the previous quarter. Transport costs as a percentage of average income decreased from 15.5 per cent to 15.2 per cent over the quarter. Melbourne was the third least affordable city under the income metric.

The decrease in transport costs over the quarter were mainly attributable to lower fuel prices and comprehensive insurance premiums. Fuel expenditure decreased by \$1.06 per week or \$55 per annum and comprehensive insurance decreased by about 65 cents per week or \$34 per annum, assuming costs remain constant. Car loan payments decreased by 25 cents per week (or \$13 per annum) while costs associated with servicing and tyres increased by 30 cents per week (or \$16 per annum). Registration, CTP and licensing costs increased by 73 cents a week (\$38 per year) and toll road costs increased by 60 cents a week (\$31 per year) due to scheduled indexation from 1st July.

Melbourne remained the most expensive city in Australia for car loan payments and comprehensive insurance.

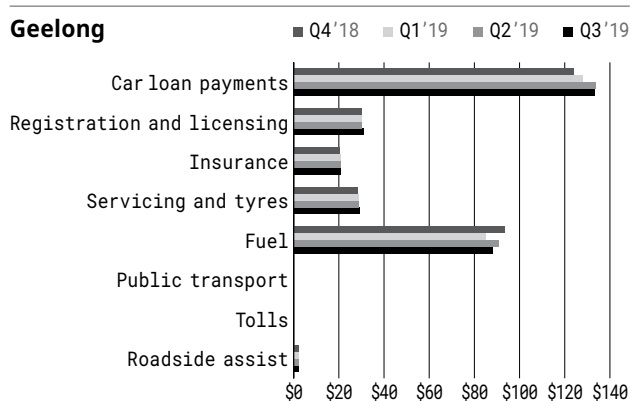


Melbourne	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.92	\$128.17	\$133.72	\$133.47 1
Reg. and licensing	\$32.44	\$32.44	\$32.44	\$33.17 5
Insurance	\$32.48	\$33.52	\$33.52	\$32.87 6
Servicing and tyres	\$29.72	\$30.29	\$30.27	\$30.57 7
Fuel	\$73.76	\$67.00	\$73.88	\$72.82 2
Public transport	\$43.00	\$44.00	\$44.00	\$44.00 4
Tolls	\$49.40	\$49.80	\$49.80	\$50.40 3
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12 8
Total	\$386.84	\$387.34	\$399.75	\$399.50

Geelong With yearly transport costs of \$15,851, Geelong remained the regional centre with the second-highest transport costs. But when transport costs are considered as a percentage of average income (12.1 per cent compared to 12.4 per cent in the previous quarter), Geelong remained the third-most affordable region for transport.

Weekly transport costs fell by \$2.47 (equivalent to \$128 a year), mostly because of lower fuel expenditure which decreased by \$2.86 per week or \$149 per year. In the September quarter, Geelong had average unleaded petrol prices of 137.9 cents per litre—cheaper than all capital cities, including Melbourne. While its petrol prices were low, compared to other regional centres, fuel expenditure was the third-highest among all benchmark centres as BITRE data suggests that the typical Geelong family travels greater distances than other regional centres.

Car loan payments decreased in-line with Melbourne and comprehensive insurance premiums decreased by 41 cents per week (or \$21 per annum). Registration, CTP and licensing increased by 69 cents per week (\$36 a year) and the cost of servicing and tyres also increased by 29 cents a week (\$15 per year) in the September quarter.



Geelong	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.92	\$128.17	\$133.72	\$133.47 1
Reg. and licensing	\$30.37	\$30.37	\$30.37	\$31.05 3
Insurance	\$20.44	\$21.08	\$21.08	\$20.67 5
Servicing and tyres	\$28.46	\$29.03	\$29.00	\$29.28 4
Fuel	\$93.50	\$84.91	\$91.01	\$88.16 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.19 6
Total	\$298.81	\$295.68	\$307.29	\$304.83

Section Three

Queensland weekly costs of transport

Brisbane In the September quarter, the typical Brisbane household had weekly transport costs of \$394.42 (or \$20,510 a year), giving it Australia's third-highest transport costs. Transport costs as a percentage of average income were 16.3 per cent—about the same as the previous quarter, making Brisbane the second-least affordable city.

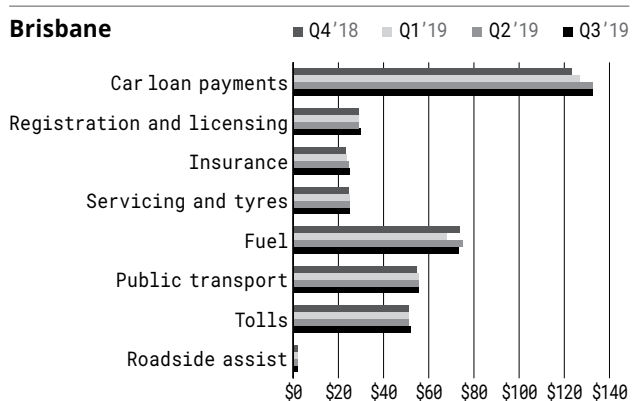
Transport costs decreased by 36 cents a week (or \$19 a year) largely due to lower fuel prices. The typical Brisbane household spent about \$2.01 per week less on fuel expenditure compared to the previous quarter (equivalent to \$105 per year). Car loan payments and costs of servicing and tyres also decreased over the quarter, both by \$11 per annum. Registration, CTP and licensing costs rose by about \$43 per year while toll road costs increased by \$42 per annum. Comprehensive insurance premiums also rose by \$22 a year. Brisbane's fuel expenditure remains the second-highest among Australian capital cities. Its tolls were the second-most expensive among the three cities with toll roads.

Brisbane ranked between fourth and eighth place in all other cost categories.

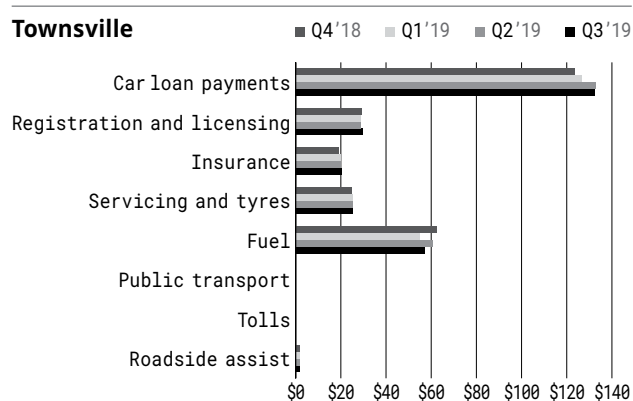
Townsville In the September quarter, the typical Townsville household's transport costs fell by \$2.65 a week to reach \$267.19 a week (or \$13,894 a year). This was considerably less than its Brisbane counterpart. BITRE data suggests that Townsville residents travel slightly less than people in Brisbane.

Townsville remained the second-least expensive region, and the second-most affordable when costs are considered as a percentage of average income (11.5 per cent compared to 11.6 per cent the previous quarter). The decrease in transport costs was largely due to lower fuel prices. Fuel expenditure decreased by \$3.43 per week or about \$178 per annum.

Compared to other regions, Townsville remained relatively inexpensive for servicing and tyres; fuel expenditure; and roadside assistance. The Townsville household incurs no costs for tolls and public transport due to low levels of usage.



Brisbane	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.49	\$126.67	\$132.72	\$132.51 1
Reg. and licensing	\$29.11	\$28.92	\$28.92	\$29.74 5
Insurance	\$23.38	\$23.51	\$24.60	\$25.02 ↑ 6
Servicing and tyres	\$24.36	\$25.04	\$25.01	\$24.80 ↓ 7
Fuel	\$73.88	\$67.73	\$75.12	\$73.10 2
Public transport	\$54.45	\$55.44	\$55.44	\$55.44 3
Tolls	\$51.10	\$51.10	\$51.10	\$51.90 4
Roadside assist	\$1.87	\$1.87	\$1.87	\$1.90 8
Total	\$381.63	\$380.28	\$394.78	\$394.42



Townsville	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.49	\$126.67	\$132.72	\$132.51 1
Reg. and licensing	\$29.11	\$28.92	\$28.92	\$29.74 3
Insurance	\$19.23	\$20.16	\$20.03	\$20.38 5
Servicing and tyres	\$24.83	\$25.52	\$25.50	\$25.27 4
Fuel	\$62.60	\$54.99	\$60.81	\$57.38 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.87	\$1.87	\$1.87	\$1.90 6
Total	\$261.13	\$258.14	\$269.85	\$267.19

Section Three

Western Australia weekly costs of transport

Perth In the September quarter, the typical Perth household's weekly transport costs were \$346.26 (annualised at \$18,006)—an increase of 16 cents a week (\$8 a year) from the previous quarter. Perth was the third-most affordable city when transport costs are considered as a share of average income (14.1 per cent compared to 14.2 per cent the previous quarter).

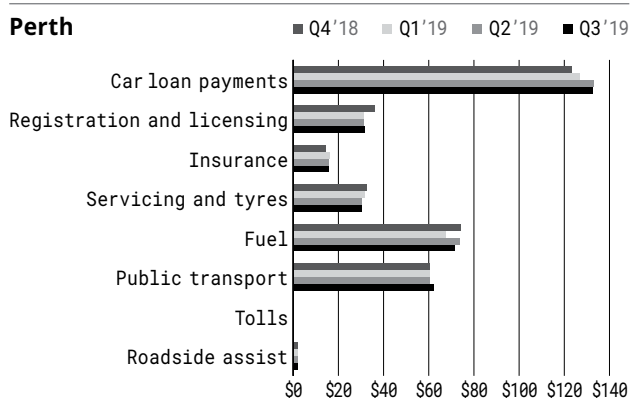
Public transport costs increased by \$1.80 per week, or \$94 per year. Registration, CTP and licensing increased by 80 cents per week, or \$42 per annum. Fuel expenditure decreased by \$2.03 per week, or \$105 per year assuming prices remain constant. Car loan payments decreased by 26 cents a week (\$14 a year) and servicing and tyre costs also decreased marginally. Perth was the second-least expensive city for fuel expenditure. Comprehensive insurance costs remained constant.

In total dollar terms, Perth was Australia's fourth-most expensive capital city for transport. Perth remained the least expensive city for comprehensive insurance. But it remained the most expensive city for public transport.

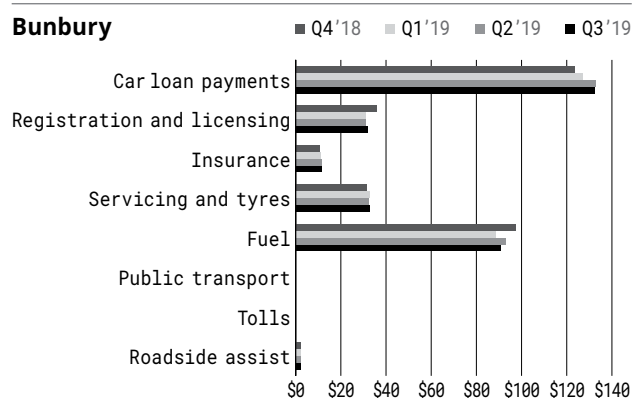
Bunbury In the September quarter, the typical Bunbury household's weekly transport costs were \$301.89 (annualised to \$15,698)—a decrease of \$1.59 (or \$83 per annum) from the previous quarter. Transport costs as a share of average income decreased from 13.4 per cent to 13.2 per cent, with Bunbury remaining at the fourth least affordable region.

The decrease in transport costs was largely driven by lower fuel prices. Fuel expenditure fell by \$2.22 per week or \$116 per annum. Car loan payments also decreased in line with Perth. Costs for registration, CTP and licensing increased in line with Perth and costs for servicing and tyres also increased marginally. Comprehensive insurance costs remained constant.

Bunbury remained the most expensive region for registration, CTP and licensing; and fuel expenditure. Bunbury still has the lowest comprehensive insurance prices.



Perth	Q4	Q1	Q2	Q3	Rank
Car loan payments	\$123.46	\$127.01	\$132.88	\$132.62	1
Reg. and licensing	\$36.06	\$31.15	\$31.07	\$31.87	4
Insurance	\$14.25	\$16.04	\$15.63	\$15.63	6
Servicing and tyres	\$32.49	\$31.86	\$30.42	\$30.24	5
Fuel	\$74.26	\$67.65	\$73.73	\$71.70	2
Public transport	\$60.30	\$60.30	\$60.30	\$62.10	3
Tolls	-	-	-	-	-
Roadside assist	\$2.08	\$2.08	\$2.08	\$2.10	7
Total	\$342.90	\$336.09	\$346.11	\$346.26	



Bunbury	Q4	Q1	Q2	Q3	Rank
Car loan payments	\$123.46	\$127.01	\$132.88	\$132.62	1
Reg. and licensing	\$36.06	\$31.15	\$31.07	\$31.87	4
Insurance	\$10.68	\$11.33	\$11.80	\$11.79	5
Servicing and tyres	\$31.62	\$32.69	\$32.55	\$32.63	3
Fuel	\$97.42	\$88.55	\$93.10	\$90.88	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.08	\$2.08	\$2.08	\$2.10	6
Total	\$301.32	\$292.81	\$303.48	\$301.89	

Section Three

South Australia weekly costs of transport

Adelaide Weekly household transport costs of \$324.97 (annualised at \$16,899) made Adelaide the third-least expensive city for total transport costs, and the fourth-most affordable city when costs are considered as a percentage of average income at 14.1 per cent (compared to 14.4 per cent in the June 2019 quarter).

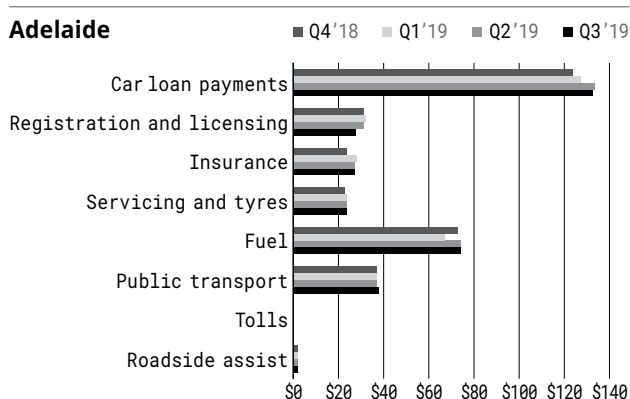
Transport costs decreased by \$3.75 a week (annualised at \$195), mainly because registration, CTP and licensing became less expensive falling by \$3.69 a week (or \$192 per annum). This was because South Australia introduced private CTP insurers which ultimately saw a drop in CTP premiums. Weekly car loan payments also decreased by 58 cents (\$30 per year) because of lower interest rates on car loans. Costs for servicing and tyres and fuel expenditure also decreased marginally. Public transport costs increased by 70 cents a week (\$36 a year) due to scheduled indexation from 1st July.

Adelaide remained the least expensive capital city for servicing and tyres.

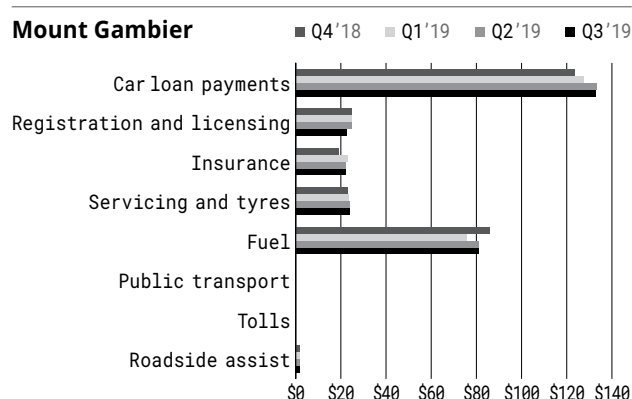
Mount Gambier In the September quarter, the typical Mount Gambier household spent \$285.05 a week on transport (or \$14,823 per year if all costs remained constant)—an increase of \$2.20 a week from the previous quarter. Mount Gambier became fifth-highest out of seven regional areas for total transport costs (previously fourth), but costs as a percentage of income meant it remained the third-least affordable region (13.9 per cent of income compared to 14.1 per cent the previous quarter).

Mount Gambier's weekly costs for registration, CTP and licensing decreased by \$1.88 (\$98 per year), also as a result of private CTP insurers. Car loan payments decreased in line with Adelaide. There was also a marginal decrease in servicing and tyre costs. Fuel expenditure rose slightly by 27 cents per week (\$14 per annum) and comprehensive insurance costs remained constant.

Mount Gambier has relatively low costs for most categories compared to other benchmark regional centres, but was relatively expensive for car loan payments and comprehensive insurance amongst regional centres.



Adelaide	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.68	\$127.44	\$133.31	\$132.73 1
Reg. and licensing	\$31.09	\$32.09	\$31.15	\$27.46 4
Insurance	\$23.75	\$28.15	\$27.23	\$27.23 5
Servicing and tyres	\$22.97	\$23.64	\$23.89	\$23.83 6
Fuel	\$72.71	\$67.13	\$74.20	\$74.03 2
Public transport	\$37.00	\$37.00	\$37.00	\$37.70 3
Tolls	-	-	-	- -
Roadside assist	\$1.94	\$1.94	\$1.94	\$1.98 7
Total	\$313.13	\$317.40	\$328.72	\$324.97



Mount Gambier	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.68	\$127.44	\$133.31	\$132.73 1
Reg. and licensing	\$24.67	\$24.67	\$24.74	\$22.86 4
Insurance	\$19.29	\$23.12	\$22.33	\$22.33 5
Servicing and tyres	\$23.06	\$23.74	\$23.98	\$23.93 3
Fuel	\$86.12	\$75.80	\$80.95	\$81.22 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.94	\$1.94	\$1.94	\$1.98 6
Total	\$278.76	\$276.71	\$287.25	\$285.05

Section Three

Tasmania weekly costs of transport

Hobart In the September quarter, the typical Hobart household spent \$312.01 per week (annualised at \$16,224) on transport, about the same as the previous quarter.

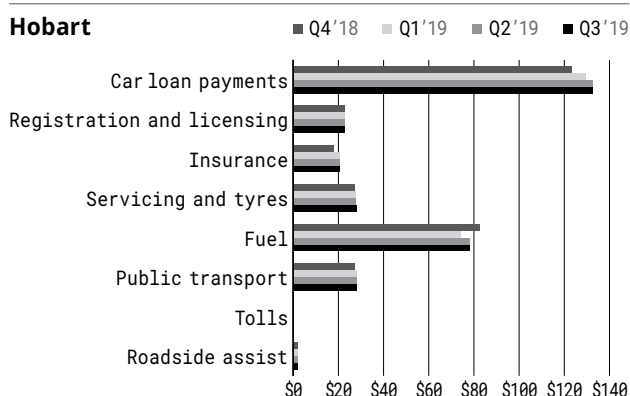
Hobart became Australia's capital city with the second-lowest transport costs (previously lowest), but in terms of local purchasing power it was the city with the least affordable transport costs. Because Hobart has the lowest average earnings of any capital city, it has the least affordable transport costs of any capital city when costs are measured as a percentage of average income (16.8 per cent compared to 16.9 per cent the previous quarter). The September quarter saw slight decreases in car loan payments of 24 cents a week (\$13 per annum) and marginal decreases in registration, CTP and licensing costs. Servicing and tyre costs increased by 21 cents a week (\$11 a year) and fuel expenditure increased marginally.

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

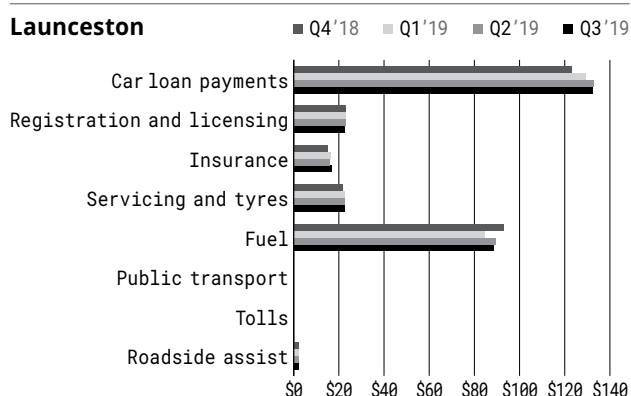
Launceston The typical Launceston household's annual transport costs were equivalent to \$14,860—a decrease of 35 cents per week (or \$18 per annum) over the quarter. Launceston became the fourth most expensive region for total transport costs (previously fifth most expensive).

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 (17 per cent compared to 17.1 per cent the previous quarter), Launceston was the least affordable region for transport. Launceston's fuel expenditure fell in the September quarter, by about 94 cents per week or \$49 per year. Car loan payments and costs for registration, CTP and licensing decreased in line with Hobart. Comprehensive insurance costs increased by 82 cents per week (or \$42 per year) and servicing and tyre costs increased marginally.

Launceston remained the region with the lowest costs for registration, CTP and licensing; and servicing and tyres. But it became the second-most expensive for fuel expenditure.



Hobart	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.35	\$129.43	\$132.70	\$132.46 1
Reg. and licensing	\$22.90	\$22.90	\$22.90	\$22.73 5
Insurance	\$17.75	\$20.62	\$20.45	\$20.45 6
Servicing and tyres	\$27.08	\$27.82	\$27.70	\$27.91 4
Fuel	\$82.39	\$74.27	\$78.11	\$78.28 2
Public transport	\$27.20	\$28.00	\$28.00	\$28.00 3
Tolls	-	-	-	- -
Roadside assist	\$2.15	\$2.15	\$2.15	\$2.19 7
Total	\$302.83	\$305.20	\$312.01	\$312.01



Launceston	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.35	\$129.43	\$132.70	\$132.46 1
Reg. and licensing	\$22.90	\$22.90	\$22.90	\$22.73 3
Insurance	\$15.05	\$16.32	\$16.23	\$17.05 5
Servicing and tyres	\$21.88	\$22.58	\$22.43	\$22.59 4
Fuel	\$93.08	\$84.63	\$89.70	\$88.76 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$2.15	\$2.15	\$2.15	\$2.19 6
Total	\$278.42	\$278.01	\$286.12	\$285.78

Section Three

Northern Territory weekly costs of transport

Darwin In the September quarter, the typical Darwin household spent \$310.49 per week on transport, a fall of \$3.70 (equivalent to \$192 per annum) from the previous quarter. If costs remained constant over the year, this would equate to \$16,146 a year.

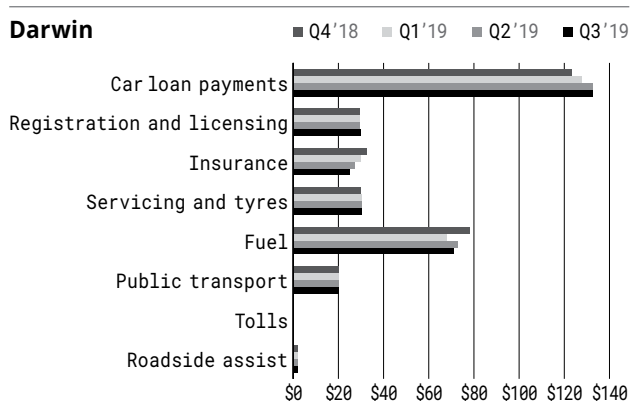
Darwin became the capital city with the lowest total transport costs. When transport costs are measured as a proportion of income—13.2 per cent (compared to 13.7 per cent the previous quarter)—Darwin was the second-most affordable capital city. The decrease in the household's transport costs over the quarter were mainly due to lower comprehensive insurance premiums and fuel prices. Comprehensive insurance costs decreased by \$133 per year and fuel expenditure decreased by \$91 per year. Car loan payments also decreased slightly by 21 cents per week (or \$11 per annum) due to lower interest rates on car loans. Costs for registration, CTP and licensing as well as servicing and tyres increased by \$28 per year and \$14 per year, respectively.

All other costs remained constant.

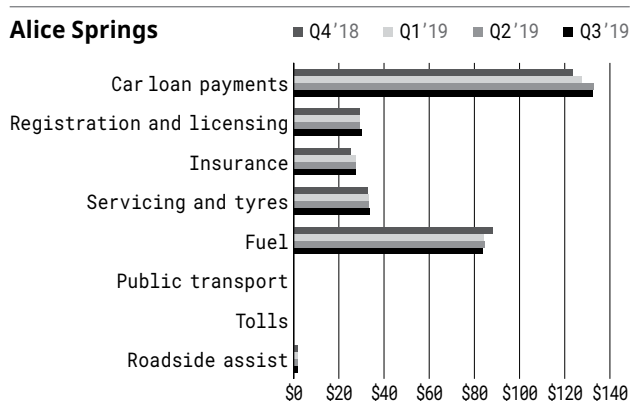
Alice Springs In the September quarter, Alice Springs remained the region with the highest transport costs. Its benchmark household spent \$309.47 per week on transport, a rise of 30 cents a week from the previous quarter. This was mainly due to higher costs for registration, CTP and licensing, as well as servicing and tyres. Annualised, these costs equate to about \$16,092 a year, a rise of \$16 per annum from the previous quarter.

Alice Springs remained the second-least affordable region when costs are considered as a percentage of average income. Alice Springs was one of only two regional centres (along with Launceston) where transport costs were less affordable than their city counterpart. The typical Alice Springs household spent more on fuel than its Darwin counterpart. This was because of greater distances travelled and higher fuel prices. The household's fuel expenditure decreased by about 50 cents per week or \$26 per year, assuming fuel prices remain constant.

Costs associated with registration, CTP and licensing increased in line with Darwin and servicing and tyre costs also increased by 30 cents a week (\$16 a year). Comprehensive insurance premiums also increased marginally.



Darwin	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.48	\$127.62	\$132.69	1
Reg. and licensing	\$29.42	\$29.42	\$29.42	4
Insurance	\$32.37	\$29.80	\$27.44	5
Servicing and tyres	\$29.73	\$30.34	\$30.15	3
Fuel	\$78.04	\$68.12	\$72.60	2
Public transport	\$20.00	\$20.00	\$20.00	6
Tolls	-	-	-	-
Roadside assist	\$1.90	\$1.90	\$1.90	7
Total	\$314.94	\$307.20	\$314.19	\$310.49



Alice Springs	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$123.48	\$127.62	\$132.69	1
Reg. and licensing	\$29.42	\$29.42	\$29.42	4
Insurance	\$25.16	\$27.70	\$27.44	5
Servicing and tyres	\$32.86	\$33.47	\$33.29	3
Fuel	\$88.02	\$84.00	\$84.43	2
Public transport	-	-	-	-
Tolls	-	-	-	-
Roadside assist	\$1.90	\$1.90	\$1.90	6
Total	\$300.84	\$304.10	\$309.17	\$309.47

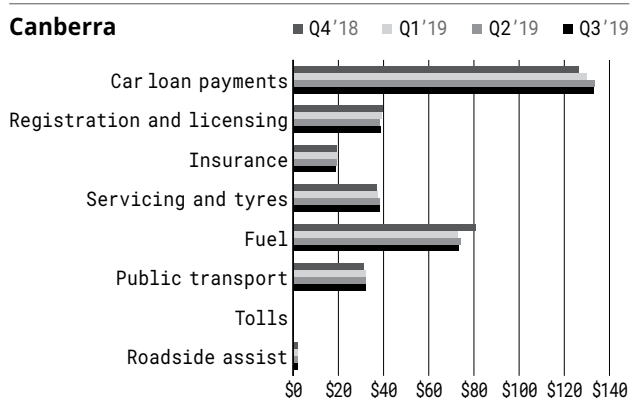
Section Three

ACT weekly costs of transport

Canberra In the September quarter, the typical Canberra household had the fifth-highest capital city transport costs at about \$336.93 a week (or \$17,520 per annum). Its weekly costs decreased by 92 cents over the quarter. But because of Canberra's high median incomes, the typical Canberra household's transport costs are only 12.3 per cent of household income (about the same as the previous quarter), making it the most affordable city.

The decrease in Canberra's transport costs was largely driven by lower fuel prices. The household's fuel expenditure fell by 91 cents per week, or \$47 per year, assuming fuel prices remain constant. Comprehensive insurance premiums decreased by 25 cents per week (or \$13 per annum) and car loan payments also decreased marginally. Registration, CTP and licensing costs increased over the quarter by 25 cents per week (or \$13 a year). Servicing and tyre costs also increased marginally over the quarter. All other costs remained unchanged.

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



Canberra	Q4	Q1	Q2	Q3 Rank
Car loan payments	\$126.30	\$129.83	\$133.26	\$133.16 1
Reg. and licensing	\$39.84	\$39.01	\$38.49	\$38.73 3
Insurance	\$19.32	\$19.67	\$19.24	\$18.99 6
Servicing and tyres	\$37.01	\$37.57	\$38.27	\$38.36 4
Fuel	\$80.81	\$72.86	\$74.28	\$73.37 2
Public transport	\$31.40	\$32.20	\$32.20	\$32.20 5
Tolls	-	-	-	- -
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.12 7
Total	\$336.79	\$333.25	\$337.85	\$336.93



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 hypothetical 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 roadside 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

For the purposes of this report, the term **typical household** refers to a hypothetical household as defined below.

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 10 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. Because of 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 because services are very limited in those areas. 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 New South Wales recorded a decrease since CTP premiums were corrected to consider the cheapest CTP option available. Tasmania recorded a decrease since registration costs were corrected to consider registration renewal fees instead of registration establishing fees.
 - 2 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 14 August, 2019. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6530.02015-16?OpenDocument>
 - 3 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 14 August, 2019. <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Dec%202018?OpenDocument>
 - 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, <www.aaa.asn.au/wp-content/uploads/2016/08/sgs-report-aaa-transport-affordability-index.pdf>.

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