



# TRANSPORT AFFORDABILITY INDEX



Australian  
Automobile  
Association



SGS  
Economics  
& Planning

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## Foreword

# Rising transport costs outstrip inflation

Increases in household transport costs outstripped the inflation rate in 2019 with Sydney, Melbourne and Brisbane remaining Australia's most expensive capital cities.

The findings are contained in this edition of the AAA's quarterly affordability index which measures household transport costs in all capital cities; as well as a regional centre in each state and the Northern Territory.

In 2019, the average annual transport costs for the typical metropolitan Australian household increased from \$18,227 to \$18,596 over the 12 months—an increase of 2.0 per cent.

The typical regional household's annualised transport costs reached \$14,988 per year, up from \$14,660 over the 12 months. This represents an increase of 2.2 per cent—well above the inflation rate of 1.8 per cent for the same period.

With metropolitan and regional figures combined, that equated to a 2.1 per cent increase in annual transport costs for the typical Australian household from \$16,563 to \$16,912.

Specifically, for the December quarter, the national average household total weekly transport costs were \$325 which was on par with \$324 in the previous quarter. This represents a small increase of 0.3 per cent, lower than the quarter's rate of inflation, which was an increase of 0.7 per cent.

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

These latest figures confirm that governments, at all levels, need to be taking more action to reduce the cost of transport to ease pressure on household budgets.



**Michael Bradley**

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Managing Director  
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Association



## Section One

# Summary of results

### Household total weekly transport costs

**In the December quarter, transport costs increased slightly for the benchmark capital city and regional households.**

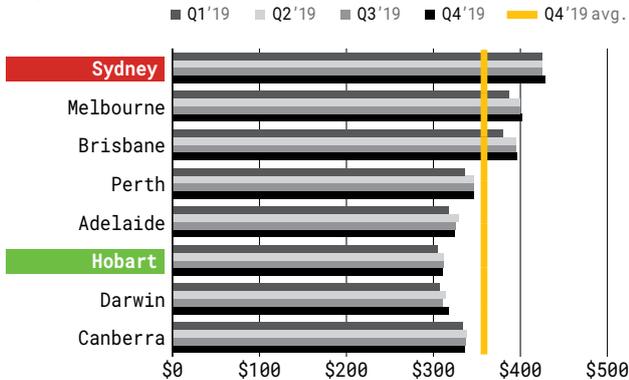
**Capital cities** The average total weekly transport cost for benchmark capital city households was \$358 compared with \$356 in the previous quarter.

Sydney remained the most expensive capital city for total transport costs with weekly transport costs at \$428 per week up from \$424 in the previous quarter. Hobart became the least expensive capital with weekly costs of \$311 down from \$312 in the previous quarter.

**Regional** The average weekly transport expenditure for households in the benchmark regional centres remained steady at \$288 in the December quarter.

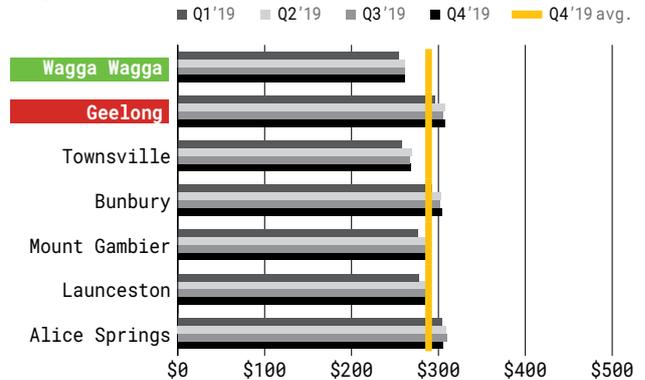
Among regional centres, Geelong became the regional centre with the highest total weekly transport costs at \$307 per week up from \$305. Wagga Wagga remained the least expensive at \$262 per week, up from \$261 in the September quarter.

#### Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$425.10	\$424.51	\$424.32	\$427.90	1
Melbourne	\$387.34	\$399.75	\$399.50	\$401.26	2
Brisbane	\$380.28	\$394.78	\$394.42	\$395.81	3
Perth	\$336.09	\$346.11	\$346.26	\$346.04	4
Adelaide	\$317.40	\$328.72	\$324.97	\$324.94	6
Hobart	\$305.20	\$312.01	\$312.01	\$310.90	8
Darwin	\$307.20	\$314.19	\$310.49	\$317.88	7
Canberra	\$333.25	\$337.85	\$336.93	\$336.13	5
<b>Capital avg.</b>	<b>\$348.98</b>	<b>\$357.24</b>	<b>\$356.11</b>	<b>\$357.61</b>	

#### Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$254.09	\$261.50	\$261.20	\$261.57	7
Geelong	\$295.68	\$307.29	\$304.83	\$307.07	1
Townsville	\$258.14	\$269.85	\$267.19	\$268.47	6
Bunbury	\$292.81	\$303.48	\$301.89	\$303.92	3
Mount Gambier	\$276.71	\$287.25	\$285.05	\$286.16	4
Launceston	\$278.01	\$286.12	\$285.78	\$284.92	5
Alice Springs	\$304.10	\$309.17	\$309.47	\$305.52	2
<b>Regional avg.</b>	<b>\$279.93</b>	<b>\$289.24</b>	<b>\$287.91</b>	<b>\$288.23</b>	

## Section One

### Household total annual transport costs

In the December quarter, the typical Australian city household's average annualised cost of transport increased by \$78. This typical household would spend \$18,596 a year on transport if the December quarter costs held constant.

The greatest increases in transport costs were recorded in Darwin and Sydney—equivalent to \$384 and \$186 per year, respectively. These were mainly due to higher comprehensive insurance premiums in Darwin and higher fuel prices in Sydney.

The average annual cost of transport for the typical regional household increased by \$17. The typical regional household would spend \$14,988 per annum on transport if the December quarter costs held constant. The greatest increases among the benchmark regional centres were recorded in Geelong and Bunbury, where transport costs increased by \$117 per year and \$106 per year respectively when compared to the previous quarter. This was due to higher fuel prices in these regional centres compared to the September quarter. Alice Springs recorded a decrease in transport costs of \$205 largely due to lower car loan payments, fuel prices and insurance premiums.

Fuel excise, registration, Compulsory Third Party (CTP) and licensing alone cost the typical two-car family \$2,635 per annum for city households and \$2,604 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 regional centres, residents typically drive further than their capital city counterparts, so they pay more in total on fuel. 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 centres. 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 Q3	2019 Q4	Change	Rank
Sydney	\$22,064.63	\$22,250.88	\$186.25	1
Melbourne	\$20,773.75	\$20,865.73	\$91.98	2
Brisbane	\$20,509.79	\$20,582.23	\$72.44	3
Perth	\$18,005.69	\$17,993.95	-\$11.73	4
Adelaide	\$16,898.59	\$16,896.91	-\$1.67	6
Hobart	\$16,224.42	\$16,166.64	-\$57.78	8
Darwin	\$16,145.73	\$16,529.86	\$384.13	7
Canberra	\$17,520.36	\$17,478.65	-\$41.71	5
<b>Capital avg.</b>	<b>\$18,517.87</b>	<b>\$18,595.61</b>	<b>\$77.74</b>	

Average taxes	2019 Q3	2019 Q4	Change
Fuel excise	\$1,099.34	\$1,099.34	
Registration, CTP and licensing	\$1,549.97 (\$1,596.47)*	\$1,535.72 (\$1,582.22)*	
<b>Household total</b>	<b>\$2,649.31</b> (\$2,695.81)*	<b>\$2,635.06</b> (\$2,681.56)*	<b>-\$14.24</b>

\* 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 Q3	2019 Q4	Change	Rank
Wagga Wagga	\$13,582.56	\$13,601.50	\$18.94	7
Geelong	\$15,850.91	\$15,967.50	\$116.59	1
Townsville	\$13,894.07	\$13,960.44	\$66.37	6
Bunbury	\$15,698.18	\$15,803.80	\$105.61	3
Mount Gambier	\$14,822.62	\$14,880.54	\$57.92	4
Launceston	\$14,860.33	\$14,815.88	-\$44.45	5
Alice Springs	\$16,092.22	\$15,887.16	-\$205.06	2
<b>Regional avg.</b>	<b>\$14,971.56</b>	<b>\$14,988.12</b>	<b>\$16.56</b>	

Average taxes	2019 Q3	2019 Q4	Change
Fuel excise	\$1,152.98	\$1,152.98	
Registration, CTP and licensing	\$1,456.48	\$1,450.76	
<b>Household total</b>	<b>\$2,609.46</b>	<b>\$2,603.74</b>	<b>-\$5.71</b>

## Section One

### Household average weekly expenses

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

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

- **Insurance**—comprehensive insurance premiums increased considerably in Darwin
- **Fuel**—prices increased considerably in all capital cities and regional centres except Alice Springs
- **Toll roads**—toll road costs increased for Sydney and Melbourne due to scheduled quarterly indexation from 1st October 2019.

Decreases in transport costs were seen in these three categories:

- **Car loan payments**—the average upfront cost for purchasing new cars decreased in all jurisdictions
- **Registration, CTP and licensing**—CTP premiums decreased in the Australian Capital Territory
- **Car maintenance**—costs decreased due to a price revision of fixed price servicing.

Public transport costs remained constant in the December quarter.

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.

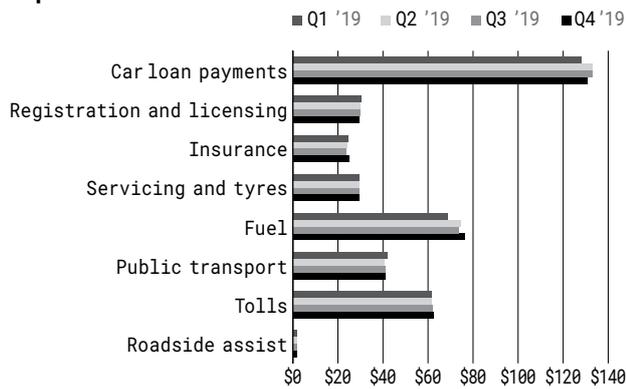
There were a few notable differences between capital city and regional transport costs:

- 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.
- 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 costs under the state's Toll Relief Scheme, but regional households must pay for registration.
- 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, the same assumptions about fuel efficiency and fuel mix are applied.

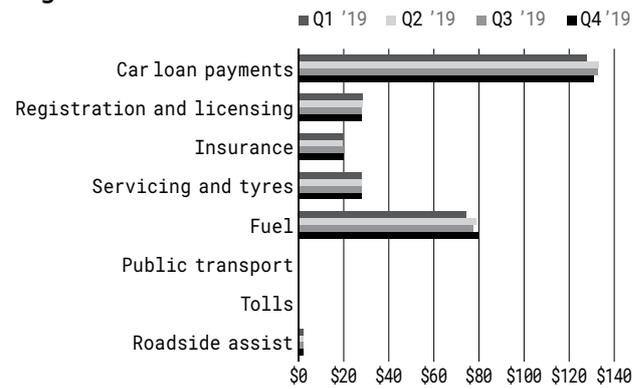
## Section One

### Capital cities



Expenses	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.94	\$132.97	\$132.86	\$130.90	1
Registration, CTP and licensing	\$30.54	\$30.12	\$29.81	\$29.53	5
Insurance	\$24.63	\$24.11	\$23.86	\$24.87	7
Servicing and tyres	\$29.55	\$29.44	\$29.51	\$29.41	6
Fuel	\$68.99	\$74.62	\$73.54	\$76.23	2
Public transport	\$42.22	\$40.87	\$41.18	\$41.18	4
Tolls	\$61.53	\$61.53	\$62.10	\$62.43	3
Roadside assist	\$2.04	\$2.04	\$2.06	\$2.08	8

### Regional



Expenses	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.67	\$132.93	\$132.82	\$130.85	1
Registration, CTP and licensing	\$28.31	\$28.09	\$28.01	\$27.90	3
Insurance	\$19.80	\$19.61	\$19.79	\$19.73	5
Servicing and tyres	\$27.86	\$27.81	\$27.91	\$27.86	4
Fuel	\$74.26	\$78.76	\$77.33	\$79.82	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.02	\$2.02	\$2.05	\$2.06	6

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

## 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 lowest total transport costs, while Sydney has the highest. But 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 remained constant at 13.8 per cent.

For the typical Australian capital city household, the average cost of transport remained constant at 14.6 per cent of average income. Regional household transport

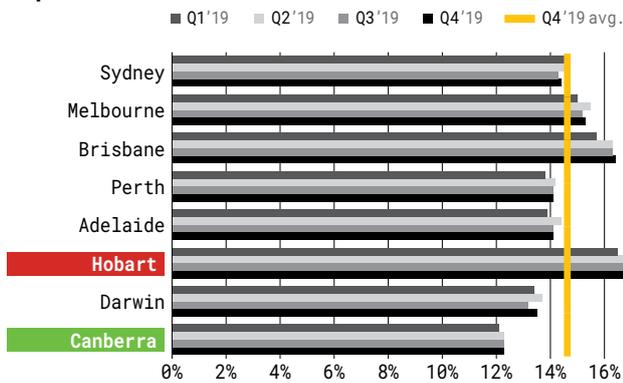
costs remained constant at 13.1 per cent of average income. Mount Gambier replaced Alice Springs to become the second least affordable regional centre in the December quarter.

Among the capital cities, Darwin recorded the largest increase—0.3 per cent higher than the previous quarter.

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

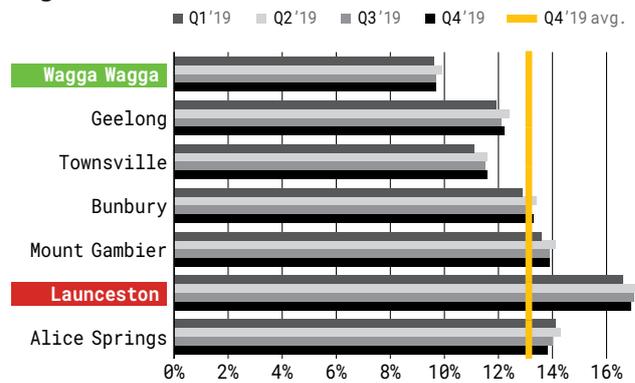
The affordability rankings of the other regional centres and all cities remain unchanged from the previous quarter.

#### Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	14.6%	14.6%	14.3%	14.4%	4
Melbourne	15.0%	15.5%	15.2%	15.3%	3
Brisbane	15.7%	16.3%	16.3%	16.4%	2
Perth	13.8%	14.2%	14.1%	14.1%	6
Adelaide	13.9%	14.4%	14.1%	14.1%	5
Hobart	16.5%	16.9%	16.8%	16.8%	1
Darwin	13.4%	13.7%	13.2%	13.5%	7
Canberra	12.1%	12.3%	12.3%	12.3%	8
Capital avg.	14.3%	14.7%	14.6%	14.6%	

#### Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	9.6%	9.9%	9.7%	9.7%	7
Geelong	11.9%	12.4%	12.1%	12.2%	5
Townsville	11.1%	11.6%	11.5%	11.6%	6
Bunbury	12.9%	13.4%	13.2%	13.3%	4
Mount Gambier	13.6%	14.1%	13.9%	13.9%	2
Launceston	16.6%	17.1%	17.0%	16.9%	1
Alice Springs	14.1%	14.3%	14.0%	13.8%	3
Regional avg.	12.6%	13.2%	13.1%	13.1%	



## Section Two

### Household weekly car loan payment costs

The upfront costs for purchasing a new car decreased in all jurisdictions—on average by \$449. As a result, the cost of car loan payments decreased in all locations.

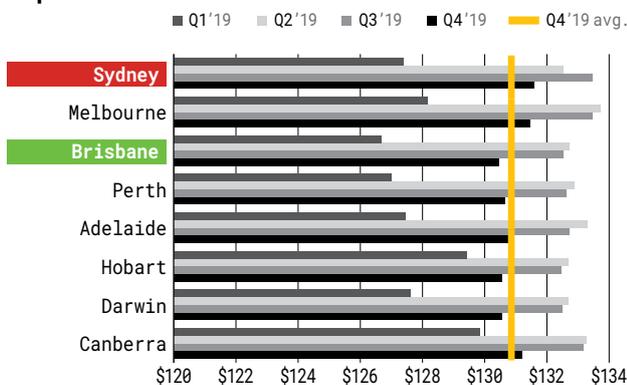
The average cost of car loan payments decreased by around \$1.97 per week or \$102 per year.

Among the capital city households, in the December 2019 quarter, Sydney became the most expensive capital city to take out a loan for a new car. Brisbane became the least expensive city for car loan payments.

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.

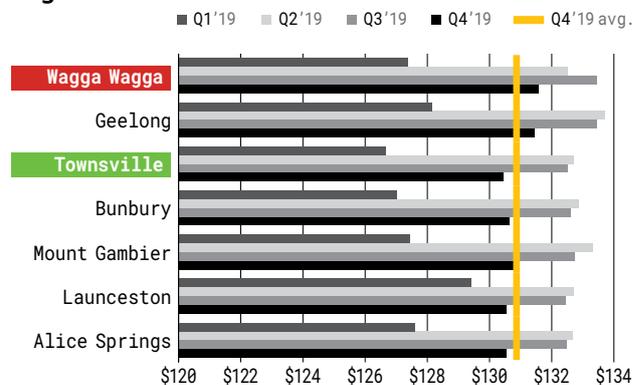
The rankings in this category changed considerably.

#### Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$127.37	\$132.51	\$133.47	\$131.57	↑ 1
Melbourne	\$128.17	\$133.72	\$133.47	\$131.45	↓ 2
Brisbane	\$126.67	\$132.72	\$132.51	\$130.44	↓ 8
Perth	\$127.01	\$132.88	\$132.62	\$130.64	5
Adelaide	\$127.44	\$133.31	\$132.73	\$130.77	4
Hobart	\$129.43	\$132.70	\$132.46	\$130.56	↑ 6
Darwin	\$127.62	\$132.69	\$132.48	\$130.55	7
Canberra	\$129.83	\$133.26	\$133.16	\$131.20	3
<b>Capital avg.</b>	<b>\$127.94</b>	<b>\$132.97</b>	<b>\$132.86</b>	<b>\$130.90</b>	

#### Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$127.37	\$132.51	\$133.47	\$131.57	↑ 1
Geelong	\$128.17	\$133.72	\$133.47	\$131.45	↓ 2
Townsville	\$126.67	\$132.72	\$132.51	\$130.44	↓ 7
Bunbury	\$127.01	\$132.88	\$132.62	\$130.64	4
Mount Gambier	\$127.44	\$133.31	\$132.73	\$130.77	3
Launceston	\$129.43	\$132.70	\$132.46	\$130.56	↑ 5
Alice Springs	\$127.62	\$132.69	\$132.48	\$130.55	6
<b>Regional avg.</b>	<b>\$127.67</b>	<b>\$132.93</b>	<b>\$132.82</b>	<b>\$130.85</b>	

## Section Two

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

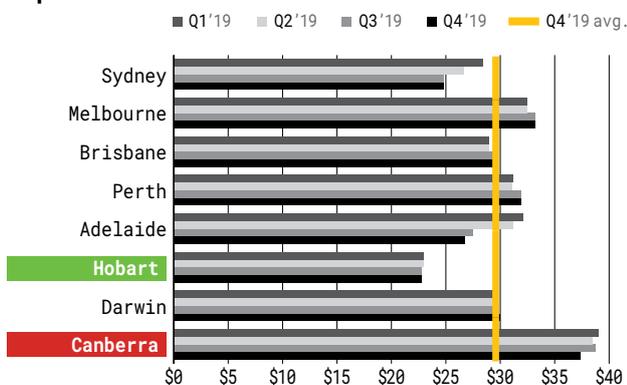
Registration, CTP and licensing costs decreased in the Australia Capital Territory due to a decrease in CTP premiums from 18th November 2019<sup>1</sup>.

Canberra was the most expensive capital city for registration, CTP and licensing at \$37.31 a week (down from \$38.73 a week), while Hobart was the least expensive (\$22.73 a week). When the December quarter figures are annualised, the typical Hobart household spends \$758 less per year than the typical Canberra household.

Bunbury was the most expensive regional centre in this cost category (\$31.87 a week), while Mount Gambier was the least expensive (\$22.09 a week). The annualised difference between Bunbury and Mount Gambier is \$508.

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.

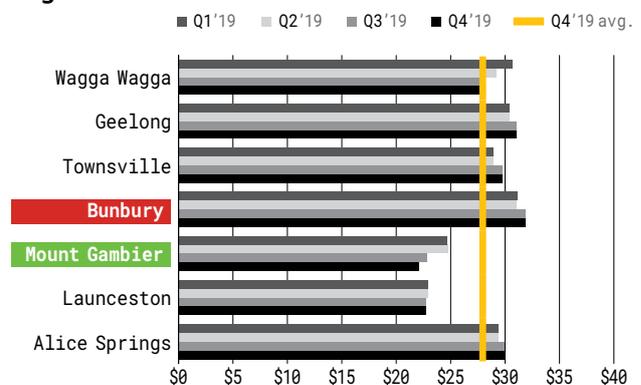
#### Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$28.39 (\$35.53)	\$26.60 (\$33.73)	\$24.79 (\$31.94)	\$24.79 (\$31.94)	7 (3)*
Melbourne	\$32.44	\$32.44	\$33.17	\$33.17	2
Brisbane	\$28.92	\$28.92	\$29.74	\$29.74	5
Perth	\$31.15	\$31.07	\$31.87	\$31.87	3
Adelaide	\$32.09	\$31.15	\$27.46	\$26.69	6
Hobart	\$22.90	\$22.90	\$22.73	\$22.73	8
Darwin	\$29.42	\$29.42	\$29.97	\$29.97	4
Canberra	\$39.01	\$38.49	\$38.73	\$37.31	1
<b>Capital avg.</b>	<b>\$30.54</b>	<b>\$30.12</b>	<b>\$29.81</b>	<b>\$29.53</b>	

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

#### Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$30.73	\$29.18	\$27.85	\$27.85	5
Geelong	\$30.37	\$30.37	\$31.05	\$31.05	2
Townsville	\$28.92	\$28.92	\$29.74	\$29.74	4
Bunbury	\$31.15	\$31.07	\$31.87	\$31.87	1
Mount Gambier	\$24.67	\$24.74	\$22.86	\$22.09	7 ↓
Launceston	\$22.90	\$22.90	\$22.73	\$22.73	6 ↑
Alice Springs	\$29.42	\$29.42	\$29.97	\$29.97	3
<b>Regional avg.</b>	<b>\$28.31</b>	<b>\$28.09</b>	<b>\$28.01</b>	<b>\$27.90</b>	

## Section Two

### Household weekly comprehensive insurance costs

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

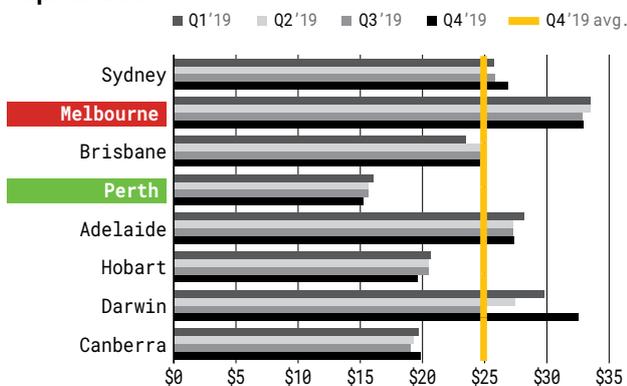
Melbourne remained the most expensive city for comprehensive insurance (\$32.94 a week); Perth remained the cheapest (\$15.21 a week). When these costs are annualised, the Perth household spends \$922 per year less on comprehensive insurance than the typical Melbourne household. Darwin recorded the largest increase in comprehensive insurance premiums amongst the city households increasing by \$7.62 per week (equivalent to \$396 per year).

The typical Australian regional centre household incurred lower costs for comprehensive insurance compared to their capital city counterpart because of lower premiums.

The largest difference between the capital city and regional counterparts was in Victoria. The typical Geelong household spends \$12.26 a week (or \$638 a year) less on comprehensive insurance costs than the typical Melbourne household.

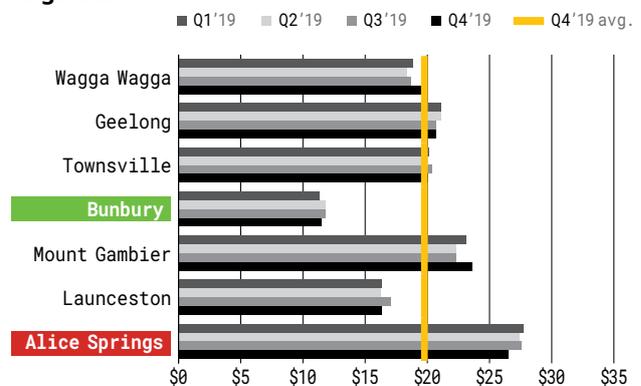
Alice Springs remained the most expensive regional centre for comprehensive insurance, while Bunbury was the cheapest.

#### Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$25.70	\$24.76	\$25.83	\$26.86	4
Melbourne	\$33.52	\$33.52	\$32.87	\$32.94	1
Brisbane	\$23.51	\$24.60	\$25.02	\$24.64	5
Perth	\$16.04	\$15.63	\$15.63	\$15.21	8
Adelaide	\$28.15	\$27.23	\$27.23	\$27.38	3
Hobart	\$20.62	\$20.45	\$20.45	\$19.60	7
Darwin	\$29.80	\$27.44	\$24.88	\$32.50	2
Canberra	\$19.67	\$19.24	\$18.99	\$19.80	6
<b>Capital avg.</b>	<b>\$24.63</b>	<b>\$24.11</b>	<b>\$23.86</b>	<b>\$24.87</b>	

#### Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$18.89	\$18.39	\$18.70	\$19.51	5
Geelong	\$21.08	\$21.08	\$20.67	\$20.68	3
Townsville	\$20.16	\$20.03	\$20.38	\$20.06	4
Bunbury	\$11.33	\$11.80	\$11.79	\$11.46	7
Mount Gambier	\$23.12	\$22.33	\$22.33	\$23.60	2
Launceston	\$16.32	\$16.23	\$17.05	\$16.33	6
Alice Springs	\$27.70	\$27.44	\$27.59	\$26.51	1
<b>Regional avg.</b>	<b>\$19.80</b>	<b>\$19.61</b>	<b>\$19.79</b>	<b>\$19.73</b>	

## Section Two

### Household total weekly servicing and tyre costs

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

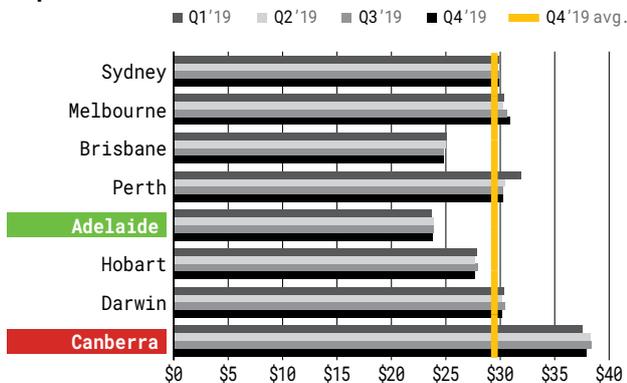
Overall, the cost of maintaining the new and used car remained highest in Canberra (\$37.89 a week) and lowest in Adelaide (\$23.81 a week). The annualised difference for the typical households in Canberra and Adelaide is \$732.

Among the regional locations, the cost of maintaining both the new and used car remained most expensive in Alice Springs (\$33.31 a week) and cheapest in Launceston (\$22.34 a week). The annualised difference between the Alice Springs and Launceston households' is \$571.

The cost of servicing the new car is the same across both regional and city locations, as these costs are based on the manufacturers' servicing schedule. The difference between regional and city households is attributable to differences in the cost of servicing the old car and the cost of tyres.

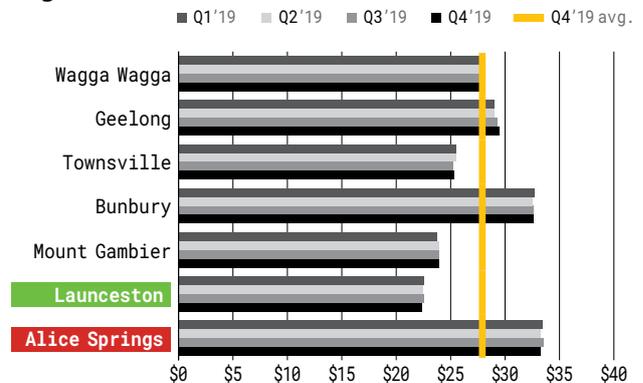
Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey (HES)<sup>1</sup> and indexed in line with the CPI maintenance and repair of motor vehicles.<sup>2</sup>

#### Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$29.84	\$29.80	\$29.93	\$29.91	5
Melbourne	\$30.29	\$30.27	\$30.57	\$30.85	2
Brisbane	\$25.04	\$25.01	\$24.80	\$24.82	7
Perth	\$31.86	\$30.42	\$30.24	\$30.20	3
Adelaide	\$23.64	\$23.89	\$23.83	\$23.81	8
Hobart	\$27.82	\$27.70	\$27.91	\$27.64	6
Darwin	\$30.34	\$30.15	\$30.41	\$30.15	4
Canberra	\$37.57	\$38.27	\$38.36	\$37.89	1
<b>Capital avg.</b>	<b>\$29.55</b>	<b>\$29.44</b>	<b>\$29.51</b>	<b>\$29.41</b>	

#### Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$28.01	\$27.95	\$28.08	\$28.04	4
Geelong	\$29.03	\$29.00	\$29.28	\$29.53	3
Townsville	\$25.52	\$25.50	\$25.27	\$25.30	5
Bunbury	\$32.69	\$32.55	\$32.63	\$32.61	2
Mount Gambier	\$23.74	\$23.98	\$23.93	\$23.91	6
Launceston	\$22.58	\$22.43	\$22.59	\$22.34	7
Alice Springs	\$33.47	\$33.29	\$33.59	\$33.31	1
<b>Regional avg.</b>	<b>\$27.86</b>	<b>\$27.81</b>	<b>\$27.91</b>	<b>\$27.86</b>	

## Section Two

### Household weekly fuel costs

The cost of fuel increased across the country in the December quarter. The average Australian capital city price of regular unleaded petrol increased 6 cents per litre from 144.6 cents per litre to 150.5 cents per litre. If fuel prices remained at that level, fuel expenditure for the typical city household would increase by \$140 per year.

Hobart remained the capital city with the highest fuel prices and fuel expenditure. Its average petrol price was 157.5 cents per litre in the December 2019 quarter, up 4.2 cents per litre from the previous quarter. Darwin was the capital with the cheapest fuel prices. Its average price for unleaded petrol was 143.9 cents per litre in the quarter, up 4.9 cents per litre from the September 2019 quarter.

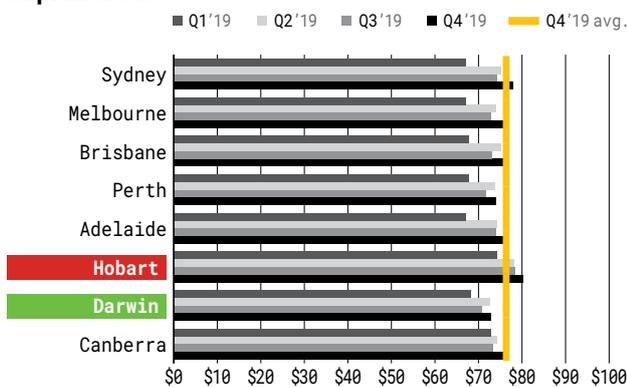
The typical Hobart household spent \$80.18 a week on fuel in the December 2019 quarter—up \$1.90 from the previous quarter. If Hobart had the same prices as the cheapest city, Darwin, its typical household would save \$7.36 per week (or \$383 a year).

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. Averaged across the regions, the cost of regular unleaded petrol increased by 5.3 cents a litre from 144.9 cents per litre to 150.2 cents per litre. Launceston replaced Alice Springs to become the household with Australia's highest fuel prices—158.8 cents per litre. Geelong became the regional centre with the cheapest regional petrol prices at 145.2 cents per litre. Townsville faced the highest increase in regional petrol prices in Australia with an increase of 9.8 cents per litre.

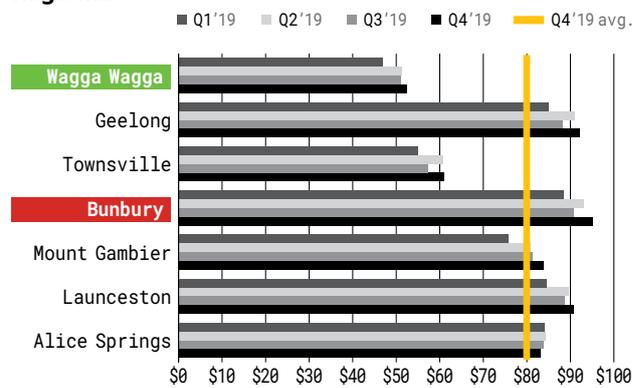
The typical household in Bunbury continued to have the highest fuel expenditure among the benchmark centres at

#### Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$67.15	\$75.05	\$74.19	\$78.01	2
Melbourne	\$67.00	\$73.88	\$72.82	\$75.86	↑ 5
Brisbane	\$67.73	\$75.12	\$73.10	\$76.94	↑ 3
Perth	\$67.65	\$73.73	\$71.70	\$73.92	7
Adelaide	\$67.13	\$74.20	\$74.03	\$76.59	↓ 4
Hobart	\$74.27	\$78.11	\$78.28	\$80.18	1
Darwin	\$68.12	\$72.60	\$70.85	\$72.82	8
Canberra	\$72.86	\$74.28	\$73.37	\$75.56	↓ 6
<b>Capital avg.</b>	<b>\$68.99</b>	<b>\$74.62</b>	<b>\$73.54</b>	<b>\$76.23</b>	

#### Regional



City	Q1	Q2	Q3	Q4	Rank
Wagga Wagga	\$46.96	\$51.35	\$51.00	\$52.43	7
Geelong	\$84.91	\$91.01	\$88.16	\$92.16	↑ 2
Townsville	\$54.99	\$60.81	\$57.38	\$61.03	6
Bunbury	\$88.55	\$93.10	\$90.88	\$95.25	1
Mount Gambier	\$75.80	\$80.95	\$81.22	\$83.81	↑ 4
Launceston	\$84.63	\$89.70	\$88.76	\$90.78	↓ 3
Alice Springs	\$84.00	\$84.43	\$83.93	\$83.28	↓ 5
<b>Regional avg.</b>	<b>\$74.26</b>	<b>\$78.76</b>	<b>\$77.33</b>	<b>\$79.82</b>	

## Section Two

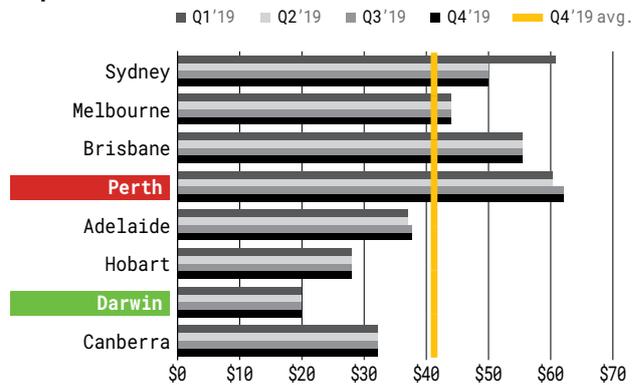
\$95.25 per week or \$4,953 per year because Bunbury residents tend to drive longer distances than people in the other benchmark centres. Wagga Wagga continued to have the lowest fuel expenditure among the benchmark centres at \$52.43 per week or \$2,727 per year because its residents typically drive less than people in the other benchmark centres.

## Household weekly public transport costs

In the December quarter, the cost of public transport remained unchanged across all cities. 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	Q1	Q2	Q3	Q4	Rank
Sydney	\$60.84	\$50.00	\$50.00	\$50.00	3
Melbourne	\$44.00	\$44.00	\$44.00	\$44.00	4
Brisbane	\$55.44	\$55.44	\$55.44	\$55.44	2
Perth	\$60.30	\$60.30	\$62.10	\$62.10	1
Adelaide	\$37.00	\$37.00	\$37.70	\$37.70	5
Hobart	\$28.00	\$28.00	\$28.00	\$28.00	7
Darwin	\$20.00	\$20.00	\$20.00	\$20.00	8
Canberra	\$32.20	\$32.20	\$32.20	\$32.20	6
<b>Capital avg.</b>	<b>\$42.22</b>	<b>\$40.87</b>	<b>\$41.18</b>	<b>\$41.18</b>	

## 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 Sydney and Melbourne, due to scheduled quarterly indexation from 1st October 2019. Sydney toll expenditure increased by 60 cents per week (equivalent to \$31 per year). Melbourne toll expenditure increased by 40 cents per week (equivalent to \$21 per year).

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 \$33.80 per week or \$1,758 per year less on tolls than the typical Sydney household.

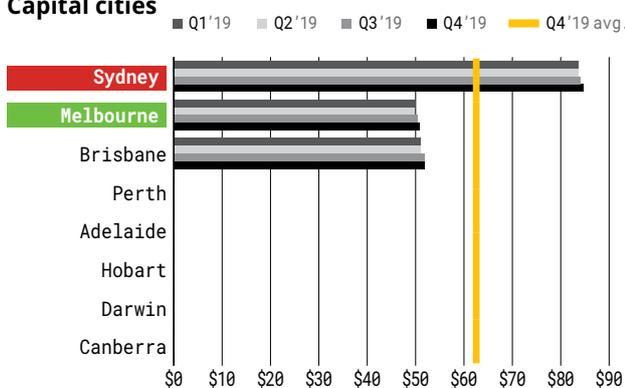
The ranking of the three cities' toll costs remained unchanged over the quarter.

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 regional centres.

#### Capital cities



City	Q1	Q2	Q3	Q4	Rank
Sydney	\$83.68	\$83.68	\$84.00	\$84.60	1
Melbourne	\$49.80	\$49.80	\$50.40	\$50.80	3
Brisbane	\$51.10	\$51.10	\$51.90	\$51.90	2
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
<b>Capital avg.</b>	<b>\$61.53</b>	<b>\$61.53</b>	<b>\$62.10</b>	<b>\$62.43</b>	

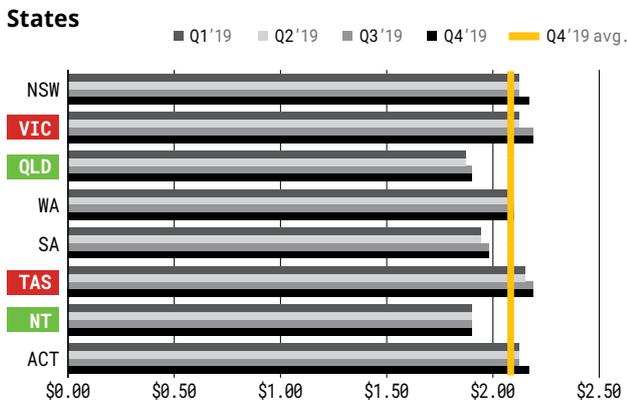
## Section Two

### Household weekly costs of roadside assistance

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



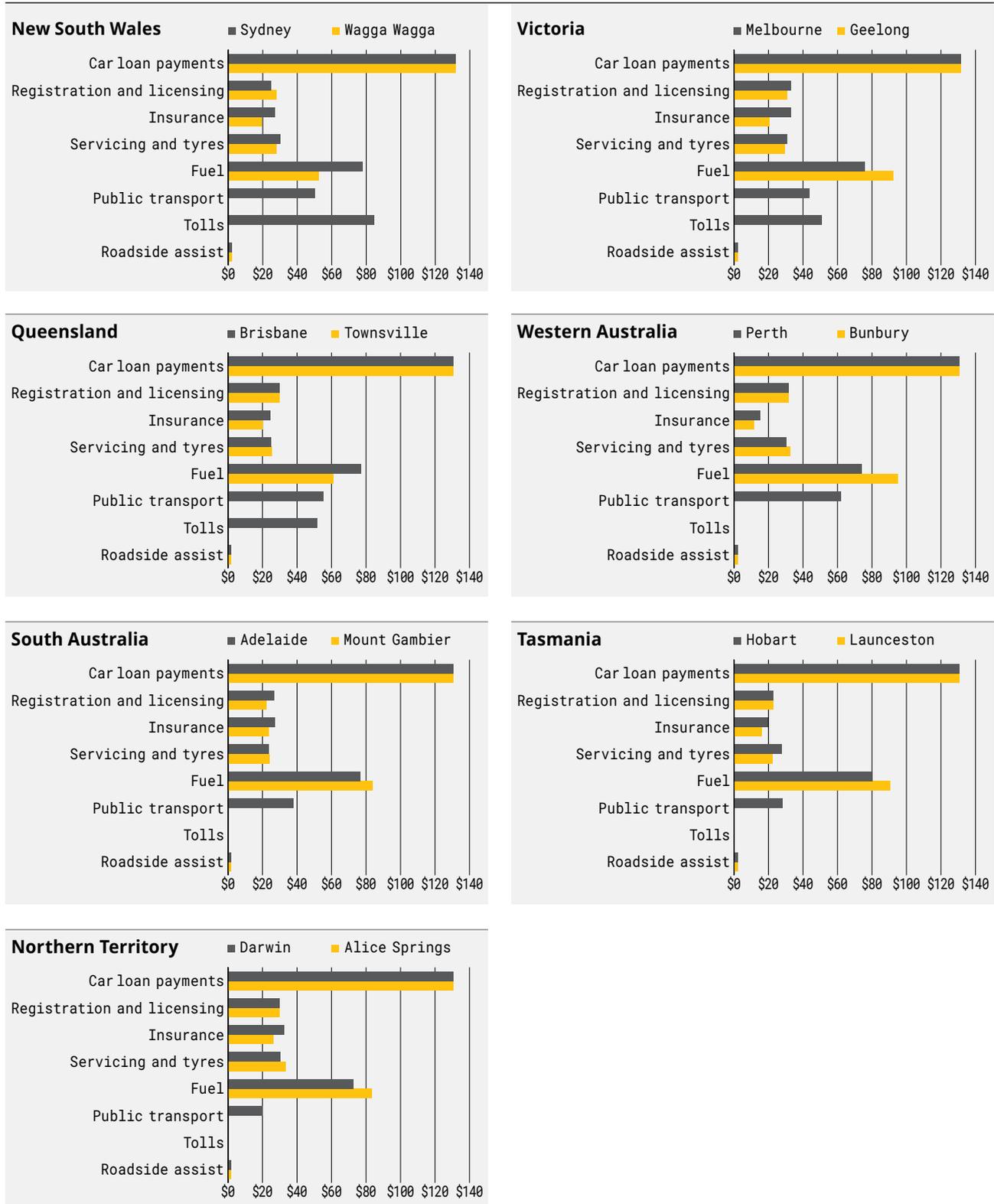
State	Q1	Q2	Q3	Q4	Rank
NSW	\$2.12	\$2.12	\$2.12	\$2.17	3
VIC	\$2.12	\$2.12	\$2.19	\$2.19	1
QLD	\$1.87	\$1.87	\$1.90	\$1.90	7
WA	\$2.08	\$2.08	\$2.10	\$2.10	5
SA	\$1.94	\$1.94	\$1.98	\$1.98	6
TAS	\$2.15	\$2.15	\$2.19	\$2.19	1
NT	\$1.90	\$1.90	\$1.90	\$1.90	7
ACT	\$2.12	\$2.12	\$2.12	\$2.17	3
<b>National avg.</b>	<b>\$2.04</b>	<b>\$2.04</b>	<b>\$2.06</b>	<b>\$2.08</b>	



Section Three

# State by state comparison

## Capital city vs regional comparison by state



## Section Three

### New South Wales weekly costs of transport

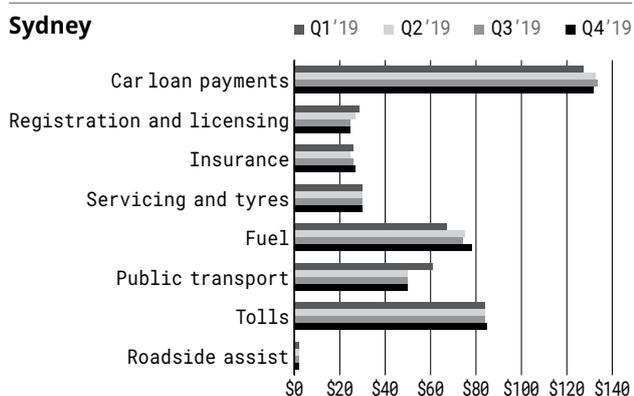
**Sydney** transport costs increased and remained Australia's highest city for transport costs. In the December quarter, the typical Sydney household spent \$427.90 a week (equivalent to \$22,251 a year) on transport, up \$3.58 a week or \$186 per annum from the previous quarter. Transport costs measured as a percentage of average income also increased from 14.3 per cent to 14.4 per cent. Under this metric, Sydney was the fourth-least affordable city for transport. This increase was mainly attributable to higher fuel expenditure which increased by \$198 per annum (assuming fuel prices remained constant). Sydney's average comprehensive insurance premiums increased by \$54 per year and toll road costs also increased slightly by \$31 per year due to scheduled quarterly indexation from 1st October 2019.

Sydney car loan payments decreased by around \$99 per year due to lower upfront purchasing costs for new cars but became the most expensive capital city for car loan payments. Servicing and tyre costs also decreased marginally. Registration, CTP and licensing and public transport costs remained unchanged.

**Wagga Wagga** is the regional benchmark location with the lowest transport costs—both in total cost (\$261.57 a week or \$13,601 a year) and in terms of the local income-to-cost ratio (steady at 9.7 per cent).

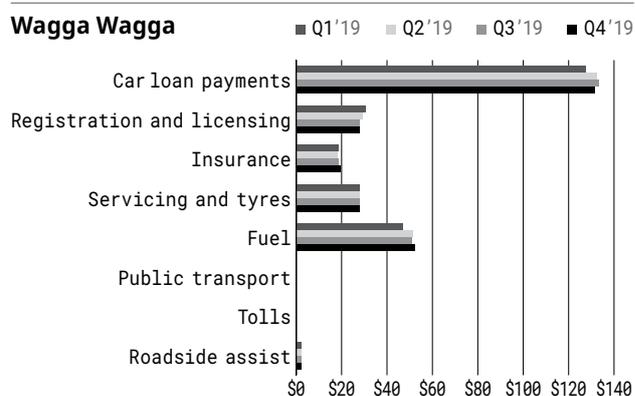
Transport costs increased over the December quarter by 36 cents a week (equivalent to \$19 per annum), driven by higher fuel expenditure and comprehensive insurance premiums. Fuel expenditure increased by \$75 per annum (assuming fuel prices remained constant) and insurance costs increased by \$42 per annum. The typical Wagga Wagga household incurs lower fuel costs than its Sydney counterpart since Bureau of Infrastructure, Transport and Regional Economics (BITRE) data suggests that the family travels less than the city household. The Wagga Wagga family also paid relatively less for unleaded petrol prices in the December quarter—5.6 cents per litre less compared to its city counterpart. Car loan payments fell in line with Sydney and servicing and tyre costs also decreased marginally.

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



Sydney	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.37	\$132.51	\$133.47	\$131.57	1
Reg. and licensing	\$28.39 (\$35.53)	\$26.60 (\$33.73)	\$24.79 (\$31.94)	\$24.79 (\$31.94)	7 (5)*
Insurance	\$25.70	\$24.76	\$25.83	\$26.86	6
Servicing and tyres	\$29.84	\$29.80	\$29.93	\$29.91	5
Fuel	\$67.15	\$75.05	\$74.19	\$78.01	3
Public transport	\$60.84	\$50.00	\$50.00	\$50.00	4
Tolls	\$83.68	\$83.68	\$84.00	\$84.60	2
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.17	8
<b>Total</b>	<b>\$425.10</b>	<b>\$424.51</b>	<b>\$424.32</b>	<b>\$427.90</b>	

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



Wagga Wagga	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.37	\$132.51	\$133.47	\$131.57	1
Reg. and licensing	\$30.73	\$29.18	\$27.85	\$27.85	4
Insurance	\$18.89	\$18.39	\$18.70	\$19.51	5
Servicing and tyres	\$28.01	\$27.95	\$28.08	\$28.04	3
Fuel	\$46.96	\$51.35	\$51.00	\$52.43	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.17	6
<b>Total</b>	<b>\$254.09</b>	<b>\$261.50</b>	<b>\$261.20</b>	<b>\$261.57</b>	

## 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 increased in the December quarter. The typical household spends \$20,866 a year on transport—an increase of \$1.77 cents a week (or \$92 a year) from the previous quarter. Transport costs as a percentage of average income increased from 15.2 per cent to 15.3 per cent over the quarter. Melbourne is the third least affordable city under the income metric.

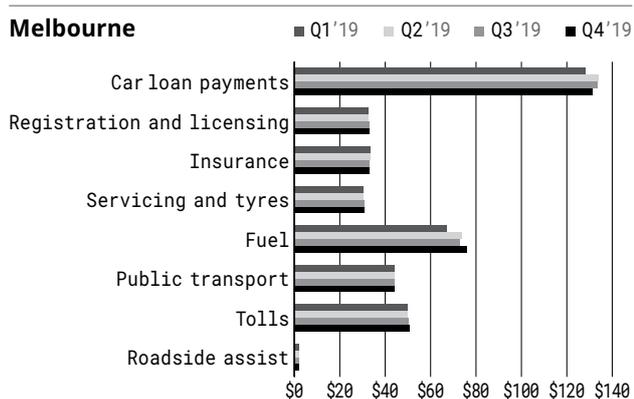
The increase in transport costs over the quarter are mainly attributable to higher fuel prices. Fuel expenditure increased by \$3.05 per week or \$158 per annum. Toll road costs increased by 40 cents per week or \$21 per annum due to scheduled quarterly indexation from 1st October 2019. Servicing and tyre costs also increased by \$14 per annum and comprehensive insurance premiums increased marginally. Car loan payments decreased by \$2.02 per week (or \$105 per annum) due to lower upfront purchasing costs for new cars. All other costs remained constant over the quarter.

Melbourne remained the most expensive city in Australia for comprehensive insurance.

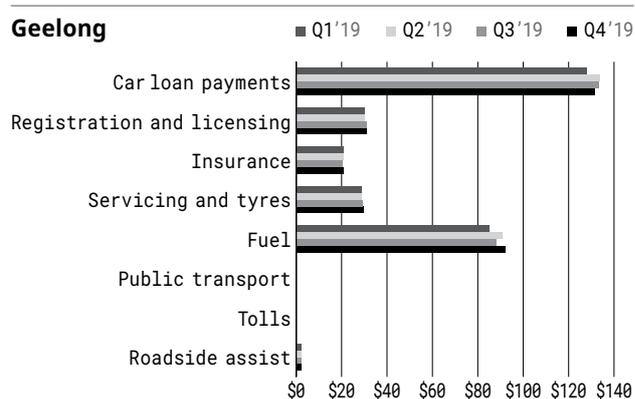
**Geelong** With yearly transport costs of \$15,968, Geelong replaced Alice Springs as the regional centre with the highest transport costs (previously second-highest). But when transport costs are considered as a percentage of average income (12.2 per cent compared to 12.1 per cent in the previous quarter), Geelong remained the third-most affordable regional centre for transport.

Weekly transport costs increased by \$2.24 (equivalent to \$117 a year), mostly because of higher fuel expenditure which increased by \$4.00 per week or \$208 per year. In the December quarter, Geelong had average unleaded petrol prices of 145.2 cents per litre—cheaper than all capital cities and regional centres, including Melbourne. While its petrol prices are low, compared to other regional centres, fuel expenditure was the second-highest among all benchmark centres. BITRE data suggests that the typical Geelong family travels greater distances than other regional centres.

Servicing and tyre costs also increased by \$13 per annum and comprehensive insurance premiums increased marginally. Car loan payments decreased in line with Melbourne and all other costs remained constant.



Melbourne	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$128.17	\$133.72	\$133.47	\$131.45	1
Reg. and licensing	\$32.44	\$32.44	\$33.17	\$33.17	5
Insurance	\$33.52	\$33.52	\$32.87	\$32.94	6
Servicing and tyres	\$30.29	\$30.27	\$30.57	\$30.85	7
Fuel	\$67.00	\$73.88	\$72.82	\$75.86	2
Public transport	\$44.00	\$44.00	\$44.00	\$44.00	4
Tolls	\$49.80	\$49.80	\$50.40	\$50.80	3
Roadside assist	\$2.12	\$2.12	\$2.19	\$2.19	8
<b>Total</b>	<b>\$387.34</b>	<b>\$399.75</b>	<b>\$399.50</b>	<b>\$401.26</b>	



Geelong	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$128.17	\$133.72	\$133.47	\$131.45	1
Reg. and licensing	\$30.37	\$30.37	\$31.05	\$31.05	3
Insurance	\$21.08	\$21.08	\$20.67	\$20.68	5
Servicing and tyres	\$29.03	\$29.00	\$29.28	\$29.53	4
Fuel	\$84.91	\$91.01	\$88.16	\$92.16	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.19	\$2.19	6
<b>Total</b>	<b>\$295.68</b>	<b>\$307.29</b>	<b>\$304.83</b>	<b>\$307.07</b>	

## Section Three

### Queensland weekly costs of transport

**Brisbane** In the December quarter, the typical Brisbane household had weekly transport costs of \$395.81 (or \$20,582 a year)—Australia’s third-highest city for transport costs. Transport costs as a percentage of average income were 16.4 per cent compared to 16.3 per cent the previous quarter, making Brisbane the second-least affordable city.

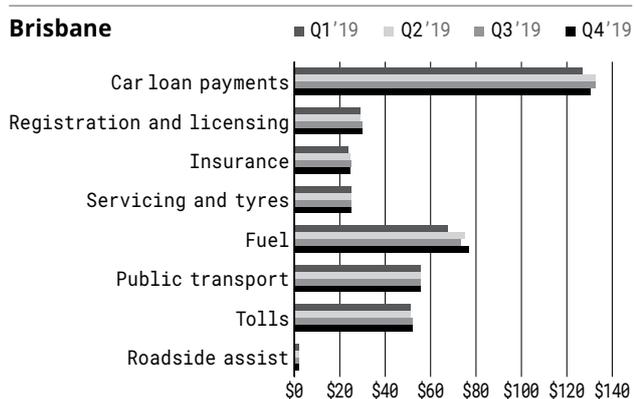
Transport costs increased by \$1.39 cents a week (or \$72 a year) largely due to higher fuel prices. The typical Brisbane household spends \$3.83 per week more on fuel compared to the previous quarter (equivalent to \$199 per year). Servicing and tyre costs also increased marginally. Car loan payments and comprehensive insurance premiums decreased by \$108 per annum and \$20 per annum respectively, over the quarter. All other costs remained constant over the quarter.

Brisbane’s fuel expenditure became the third-highest among Australian capital cities and remains the second-highest city for public transport costs. Its toll remained the second-most expensive among the three cities with toll roads. Brisbane became the cheapest city for car loan payments.

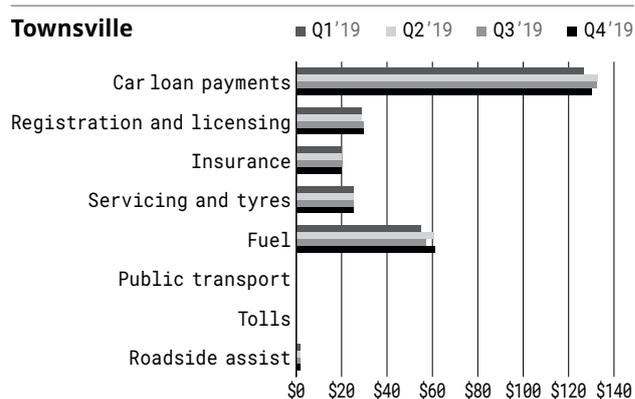
**Townsville** In the December quarter, the typical Townsville household’s transports costs increased by \$1.28 a week to \$268.47 a week (or \$13,960 a year). This is considerably less than its Brisbane counterpart. BITRE data suggests that Townsville residents travel slightly less than people in Brisbane.

Townsville remained the second-least expensive regional centre, and the second-most affordable when costs are considered as a percentage of average income (11.6 per cent compared to 11.5 per cent the previous quarter). The increase in transport costs was largely due to higher fuel prices. Fuel expenditure increased by \$3.64 per week or \$189 per annum. Servicing and tyre costs also increased marginally. Car loan payments decreased in line with Brisbane. Comprehensive insurance premiums also decreased by \$17 per annum. All other costs remained constant.

Compared to other regional centres, 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	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$126.67	\$132.72	\$132.51	\$130.44	1
Reg. and licensing	\$28.92	\$28.92	\$29.74	\$29.74	5
Insurance	\$23.51	\$24.60	\$25.02	\$24.64	7
Servicing and tyres	\$25.04	\$25.01	\$24.80	\$24.82	6
Fuel	\$67.73	\$75.12	\$73.10	\$76.94	2
Public transport	\$55.44	\$55.44	\$55.44	\$55.44	3
Tolls	\$51.10	\$51.10	\$51.90	\$51.90	4
Roadside assist	\$1.87	\$1.87	\$1.90	\$1.90	8
<b>Total</b>	<b>\$380.28</b>	<b>\$394.78</b>	<b>\$394.42</b>	<b>\$395.81</b>	



Townsville	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$126.67	\$132.72	\$132.51	\$130.44	1
Reg. and licensing	\$28.92	\$28.92	\$29.74	\$29.74	3
Insurance	\$20.16	\$20.03	\$20.38	\$20.06	5
Servicing and tyres	\$25.52	\$25.50	\$25.27	\$25.30	4
Fuel	\$54.99	\$60.81	\$57.38	\$61.03	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.87	\$1.87	\$1.90	\$1.90	6
<b>Total</b>	<b>\$258.14</b>	<b>\$269.85</b>	<b>\$267.19</b>	<b>\$268.47</b>	

## Section Three

### Western Australia weekly costs of transport

**Perth** In the December quarter, the typical Perth household's weekly transport costs were \$346.04 (or \$17,994 per annum)—a decrease of 23 cents a week (\$12 a year) from the previous quarter. Perth was the third-most affordable city when transport costs are considered as a share of average income at 14.1 per cent (the same as the previous quarter).

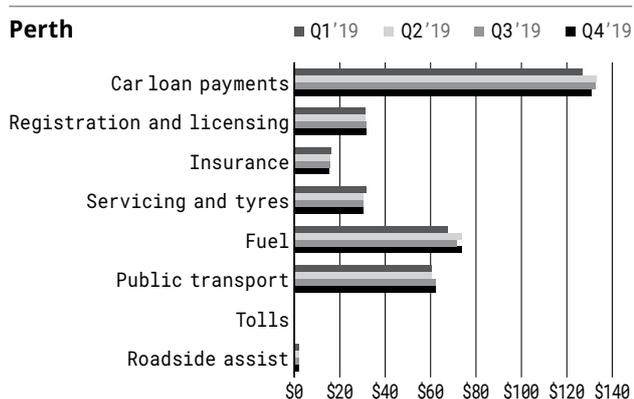
The decrease in transport costs was mainly attributable to car loan payments and comprehensive insurance. Car loan payments decreased by \$1.98 per week (equivalent to \$103 per annum) due to lower upfront purchasing costs for new cars. Comprehensive insurance premiums decreased by \$22 per annum. Servicing and tyre costs also decreased marginally. Fuel expenditure increased by \$2.21 per week (annualised at \$115 per annum). All other 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.

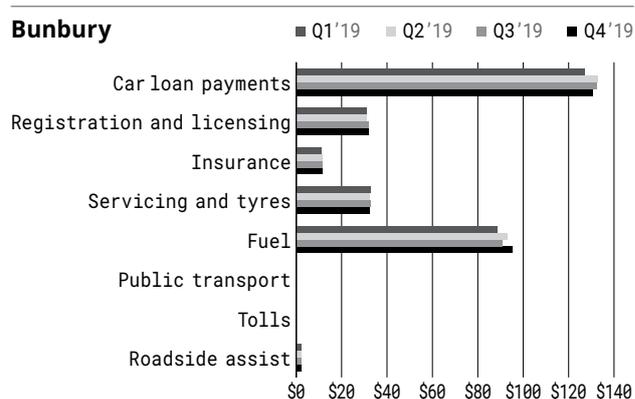
**Bunbury** In the December quarter, the typical Bunbury household's weekly transport costs were \$303.92 (annualised to \$15,804)—an increase of \$2.03 (or \$106 per annum) from the previous quarter. Transport costs as a share of average income increased from 13.2 per cent to 13.3 per cent, with Bunbury remaining as the fourth least affordable regional centre.

The increase in transport costs was driven by higher fuel prices. Fuel expenditure increased by \$4.37 per week or \$227 per annum. Car loan payments decreased in line with Perth. Comprehensive insurance premiums decreased by \$17 per annum. Servicing and tyre costs also decreased marginally. All other costs remained constant.

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



Perth	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.01	\$132.88	\$132.62	\$130.64	1
Reg. and licensing	\$31.15	\$31.07	\$31.87	\$31.87	4
Insurance	\$16.04	\$15.63	\$15.63	\$15.21	6
Servicing and tyres	\$31.86	\$30.42	\$30.24	\$30.20	5
Fuel	\$67.65	\$73.73	\$71.70	\$73.92	2
Public transport	\$60.30	\$60.30	\$62.10	\$62.10	3
Tolls	-	-	-	-	-
Roadside assist	\$2.08	\$2.08	\$2.10	\$2.10	7
<b>Total</b>	<b>\$336.09</b>	<b>\$346.11</b>	<b>\$346.26</b>	<b>\$346.04</b>	



Bunbury	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.01	\$132.88	\$132.62	\$130.64	1
Reg. and licensing	\$31.15	\$31.07	\$31.87	\$31.87	4
Insurance	\$11.33	\$11.80	\$11.79	\$11.46	5
Servicing and tyres	\$32.69	\$32.55	\$32.63	\$32.61	3
Fuel	\$88.55	\$93.10	\$90.88	\$95.25	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.08	\$2.08	\$2.10	\$2.10	6
<b>Total</b>	<b>\$292.81</b>	<b>\$303.48</b>	<b>\$301.89</b>	<b>\$303.92</b>	

## Section Three

### South Australia weekly costs of transport

**Adelaide** With weekly household transport costs of \$324.94 (annualised at \$16,897) Adelaide remained 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 (the same as the previous quarter).

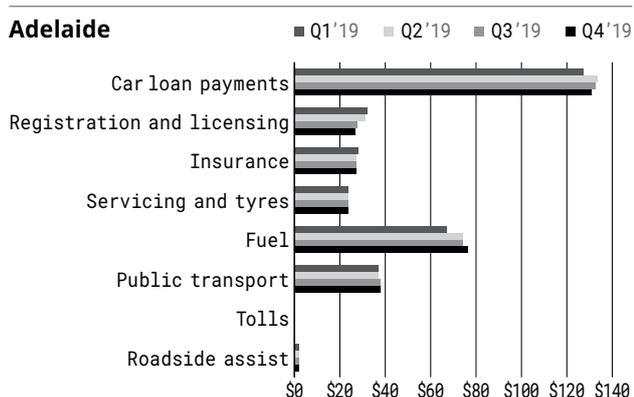
Transport costs decreased slightly by \$2 per annum. This was mainly due to lower car loan payments which decreased by \$1.96 per week (equivalent to \$102 per annum). Servicing and tyre costs also decreased marginally. Fuel expenditure increased by \$2.56 per week or \$133 per annum and comprehensive insurance premiums increased marginally. Public transport costs and roadside assistance costs remained constant.

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

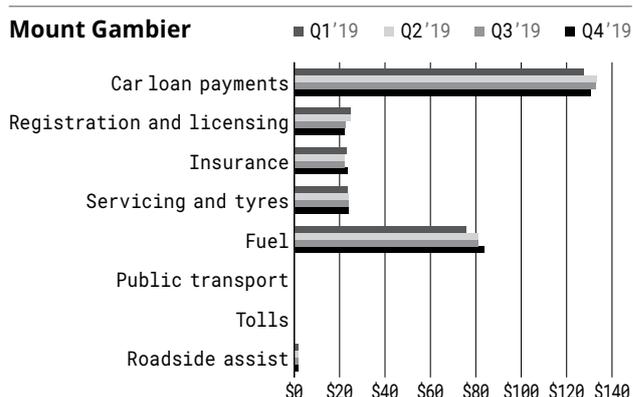
**Mount Gambier** In the December quarter, the typical Mount Gambier household spent \$286.16 a week on transport (or \$14,881 per year if all costs remained constant)—an increase of \$1.11 a week from the previous quarter. Mount Gambier became fourth-highest out of seven regional centres for total transport costs (previously fifth-highest). Mount Gambier also became the second least affordable regional centre (previously third-least affordable) despite costs as a percentage of income remaining relatively steady in the December quarter at 13.9 per cent.

Mount Gambier's increase in transport costs was mainly attributable to higher fuel expenditure and comprehensive insurance premiums. Fuel expenditure increased by \$2.59 per week, annualised at \$135 per annum (assuming fuel prices remained constant). Comprehensive insurance costs increased by \$1.27 a week (or \$66 a year). Car loan payments decreased in line with Adelaide and servicing and tyre costs also decreased marginally. Roadside assistance costs remained constant.

Mount Gambier had 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	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.44	\$133.31	\$132.73	\$130.77	1
Reg. and licensing	\$32.09	\$31.15	\$27.46	\$26.69	5
Insurance	\$28.15	\$27.23	\$27.23	\$27.38	4
Servicing and tyres	\$23.64	\$23.89	\$23.83	\$23.81	6
Fuel	\$67.13	\$74.20	\$74.03	\$76.59	2
Public transport	\$37.00	\$37.00	\$37.70	\$37.70	3
Tolls	-	-	-	-	-
Roadside assist	\$1.94	\$1.94	\$1.98	\$1.98	7
<b>Total</b>	<b>\$317.40</b>	<b>\$328.72</b>	<b>\$324.97</b>	<b>\$324.94</b>	



Mount Gambier	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.44	\$133.31	\$132.73	\$130.77	1
Reg. and licensing	\$24.67	\$24.74	\$22.86	\$22.09	5
Insurance	\$23.12	\$22.33	\$22.33	\$23.60	4
Servicing and tyres	\$23.74	\$23.98	\$23.93	\$23.91	3
Fuel	\$75.80	\$80.95	\$81.22	\$83.81	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.94	\$1.94	\$1.98	\$1.98	6
<b>Total</b>	<b>\$276.71</b>	<b>\$287.25</b>	<b>\$285.05</b>	<b>\$286.16</b>	

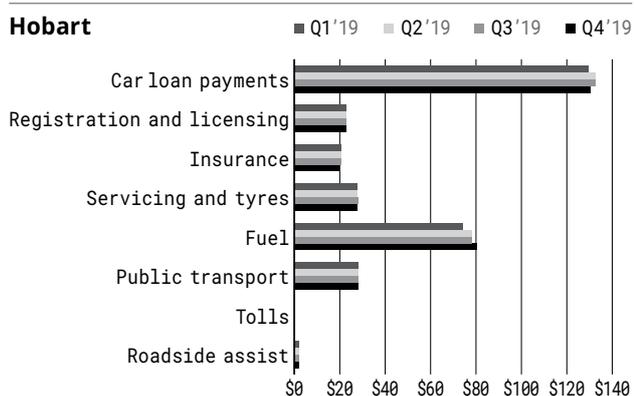
## Section Three

### Tasmania weekly costs of transport

**Hobart** In the December quarter, the typical Hobart household spent \$310.90 per week (annualised at \$16,167) on transport, a decrease of \$1.11 per week (\$58 per annum) from the previous quarter.

Hobart replaced Darwin as Australia's capital city with the lowest transport costs (previously second-lowest), but in terms of purchasing power it remained the city with the least affordable transport costs. Because Hobart had the lowest average earnings of any capital city, it had the least affordable transport costs of any capital city when costs are measured as a percentage of average income at 16.8 per cent (the same as the previous quarter). The decrease in transport costs was due largely to lower car loan payments which decreased by \$1.90 per week (equivalent to \$99 per annum). Comprehensive insurance premiums and servicing and tyre costs also decreased by 85 cents a week (\$44 a year) and 26 cents a week (\$14 a year) respectively. Fuel expenditure increased by \$1.90 a week, annualised at \$99 a year (assuming fuel prices remained constant). All other costs remained constant.

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

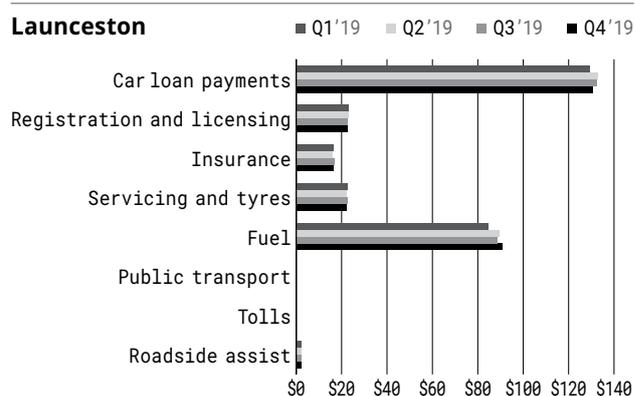


Hobart	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$129.43	\$132.70	\$132.46	\$130.56	1
Reg. and licensing	\$22.90	\$22.90	\$22.73	\$22.73	5
Insurance	\$20.62	\$20.45	\$20.45	\$19.60	6
Servicing and tyres	\$27.82	\$27.70	\$27.91	\$27.64	4
Fuel	\$74.27	\$78.11	\$78.28	\$80.18	2
Public transport	\$28.00	\$28.00	\$28.00	\$28.00	3
Tolls	-	-	-	-	-
Roadside assist	\$2.15	\$2.15	\$2.19	\$2.19	7
<b>Total</b>	<b>\$305.20</b>	<b>\$312.01</b>	<b>\$312.01</b>	<b>\$310.90</b>	

**Launceston** The typical Launceston household's annual transport costs were equivalent to \$14,816—a decrease of 85 cents per week (or \$44 per annum) over the quarter. Launceston became the fifth-most expensive regional centre for total transport costs (previously fourth-most expensive).

Launceston had the lowest average earnings among all the capital cities and regional centres analysed by the Index. When costs are considered as a percentage of average income (16.9 per cent compared to 17.0 per cent the previous quarter), Launceston was the least affordable regional centre for transport. The decrease in transport costs is due largely to lower car loan payments which decreased in line with Hobart. Comprehensive insurance premiums and servicing and tyre costs also decreased by 72 cents a week (\$37 a year) and 25 cents a week (\$13 a year) respectively. Launceston's fuel expenditure increased in the December quarter, by \$2.02 per week (\$105 per year). All other costs remained constant.

Launceston remained relatively inexpensive for registration, CTP and licensing costs; and servicing and tyres. Launceston became the third-most expensive regional centre for fuel expenditure.



Launceston	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$129.43	\$132.70	\$132.46	\$130.56	1
Reg. and licensing	\$22.90	\$22.90	\$22.73	\$22.73	3
Insurance	\$16.32	\$16.23	\$17.05	\$16.33	5
Servicing and tyres	\$22.58	\$22.43	\$22.59	\$22.34	4
Fuel	\$84.63	\$89.70	\$88.76	\$90.78	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.15	\$2.15	\$2.19	\$2.19	6
<b>Total</b>	<b>\$278.01</b>	<b>\$286.12</b>	<b>\$285.78</b>	<b>\$284.92</b>	

## Section Three

### Northern Territory weekly costs of transport

**Darwin** In the December quarter, the typical Darwin household spent \$317.88 per week on transport, an increase of \$7.39 (equivalent to \$384 per annum) from the previous quarter. If costs remained constant over the year, this would equate to \$16,530 a year.

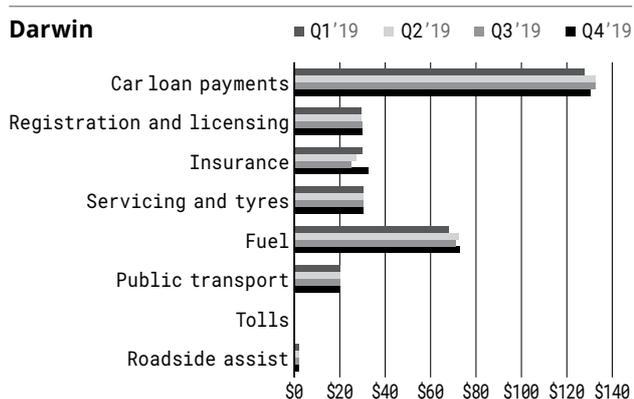
Darwin replaced Hobart as the capital city with the second-lowest transport costs (previously lowest). When transport costs are measured as a proportion of income—13.5 per cent (compared to 13.2 per cent the previous quarter)—Darwin was the second-most affordable capital city. The increase in the household's transport costs over the quarter is due to higher comprehensive insurance premiums and fuel prices. Comprehensive insurance costs increased by \$7.62 per week (\$396 per year) and fuel expenditure increased by \$1.97 per week (\$102 per year). Car loan payments and servicing and tyre costs decreased over the quarter by \$1.94 per week (\$101 per annum) and 27 cents per week (\$14 per annum) respectively.

All other costs remained constant.

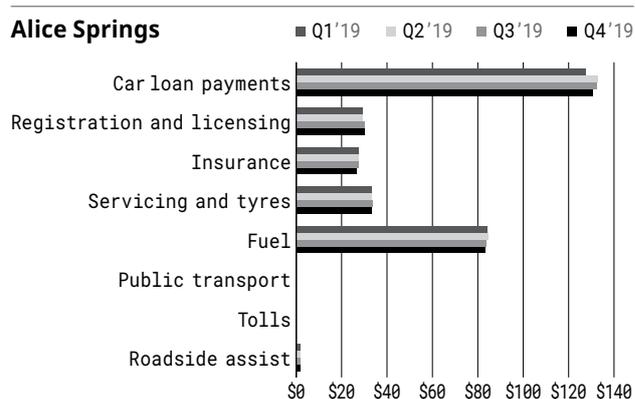
**Alice Springs** In the December quarter, Alice Springs replaced Geelong as the regional centre with the second-highest transport costs (previously highest). Its benchmark household spent \$305.52 per week on transport, a decrease of \$3.94 a week from the previous quarter. This was mainly due to lower car loan payments, which decreased in line with Darwin. Comprehensive insurance premiums and servicing and tyre costs also decreased by \$1.08 per week (\$56 per annum) and 27 cents per week (\$14 per annum) respectively. Annualised, these costs equate to \$15,887 a year, with a decrease of \$205 per annum from the previous quarter (assuming costs remained constant).

Alice Springs became the third-least affordable regional centre when costs are considered as a percentage of average income (previously second-least affordable) at 13.8 per cent compared to 14.0 per cent the previous quarter. Alice Springs was one of only two regional centres (along with Launceston) where transport costs were less affordable than its city counterpart. The typical Alice Springs household spends more on fuel than its Darwin counterpart. This is because of greater distances travelled and higher fuel prices. The household's fuel expenditure decreased by 65 cents per week or \$34 per year (assuming fuel prices remained constant).

All other costs remained constant over the quarter.



Darwin	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.62	\$132.69	\$132.48	\$130.55	1
Reg. and licensing	\$29.42	\$29.42	\$29.97	\$29.97	5
Insurance	\$29.80	\$27.44	\$24.88	\$32.50	3
Servicing and tyres	\$30.34	\$30.15	\$30.41	\$30.15	4
Fuel	\$68.12	\$72.60	\$70.85	\$72.82	2
Public transport	\$20.00	\$20.00	\$20.00	\$20.00	6
Tolls	-	-	-	-	-
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90	7
<b>Total</b>	<b>\$307.20</b>	<b>\$314.19</b>	<b>\$310.49</b>	<b>\$317.88</b>	



Alice Springs	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$127.62	\$132.69	\$132.48	\$130.55	1
Reg. and licensing	\$29.42	\$29.42	\$29.97	\$29.97	4
Insurance	\$27.70	\$27.44	\$27.59	\$26.51	5
Servicing and tyres	\$33.47	\$33.29	\$33.59	\$33.31	3
Fuel	\$84.00	\$84.43	\$83.93	\$83.28	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90	6
<b>Total</b>	<b>\$304.10</b>	<b>\$309.17</b>	<b>\$309.47</b>	<b>\$305.52</b>	

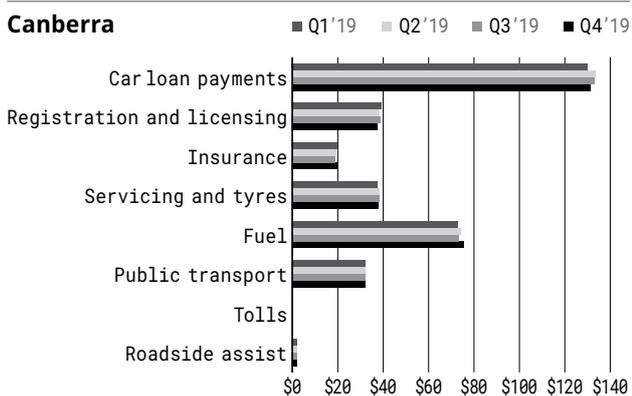
## Section Three

### ACT weekly costs of transport

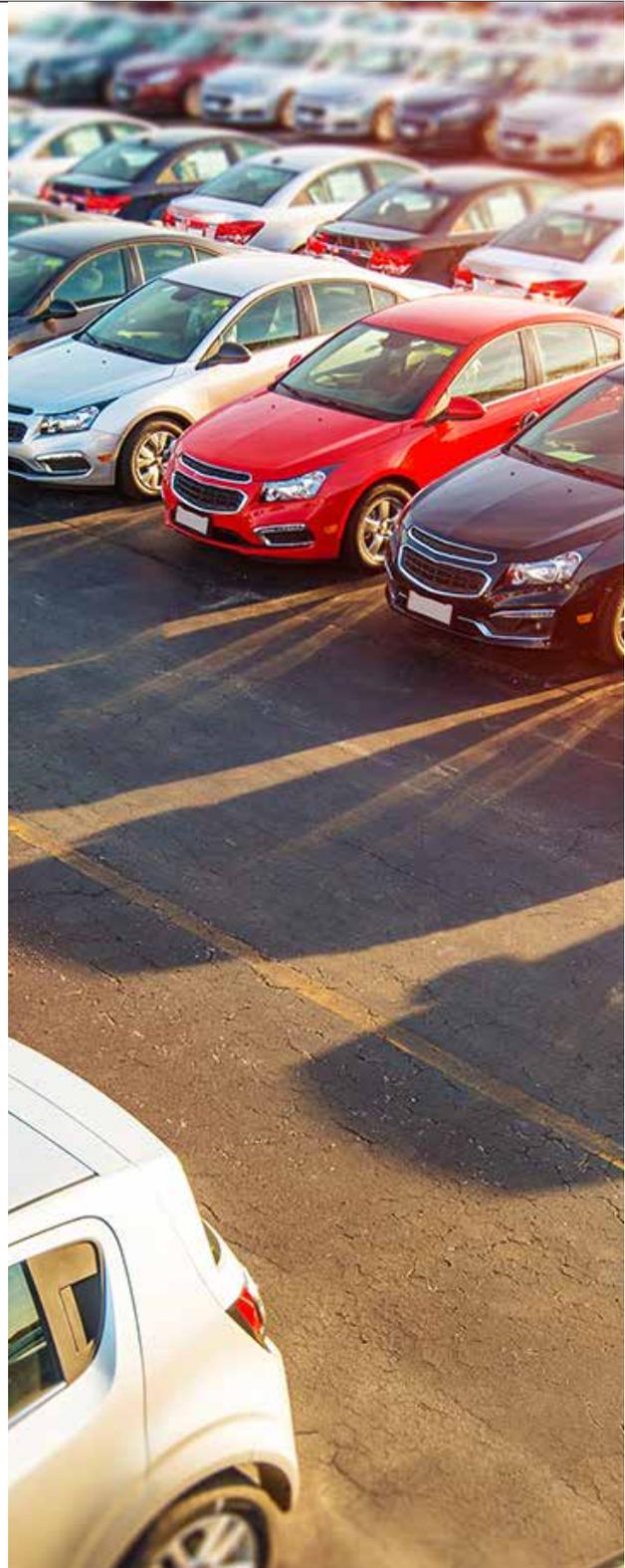
**Canberra** In the December quarter, the typical Canberra household had the fifth-highest capital city transport costs at \$336.13 a week (or \$17,479 per annum). Its weekly costs decreased by 80 cents over the quarter. Due to Canberra's high median incomes, the typical Canberra household's transport costs were 12.3 per cent of household income (the same as the previous quarter), making it the most affordable city in the December quarter.

The decrease in Canberra's transport costs was largely driven by lower car loan payments and costs for registration, CTP and licensing. Car loan payments decreased by \$1.96 per week or \$102 per annum. Registration, CTP and licensing costs decreased by \$1.42 per week or \$74 per annum, due to lower CTP premiums from 18th November 2019. Servicing and tyre costs also decreased by 47 cents a week (\$25 a year). Comprehensive insurance premiums and fuel prices increased over the quarter. Fuel expenditure increased by \$2.19 per week, equivalent to \$114 per annum (assuming fuel prices remained constant). Comprehensive insurance costs increased by 81 cents a week (\$42 a year). Public transport costs remained constant in the December quarter.

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	Q1	Q2	Q3	Q4	Rank
Car loan payments	\$129.83	\$133.26	\$133.16	\$131.20	1
Reg. and licensing	\$39.01	\$38.49	\$38.73	\$37.31	4
Insurance	\$19.67	\$19.24	\$18.99	\$19.80	6
Servicing and tyres	\$37.57	\$38.27	\$38.36	\$37.89	3
Fuel	\$72.86	\$74.28	\$73.37	\$75.56	2
Public transport	\$32.20	\$32.20	\$32.20	\$32.20	5
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.12	\$2.17	7
<b>Total</b>	<b>\$333.25</b>	<b>\$337.85</b>	<b>\$336.93</b>	<b>\$336.13</b>	



## 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 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
- 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 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.<sup>3</sup> 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.<sup>4</sup>*

# Endnotes

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- 1 Australian Bureau of Statistics 2017, *Household Expenditure Survey, Australia: Summary of Results, 2015–2016*, cat. no. 6530.0, viewed 7 February 2020, <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6530.0Main+Features12015-16?OpenDocument>>.
- 2 Australian Bureau of Statistics 2019, *Consumer Price Index, Australia, Dec 2019*, cat. no. 6401.0, viewed 7 February 2020, <<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0>>.
- 3 Commonwealth of Australia 2015, Information Sheet 73: *Australia's commuting distance: cities and regions*, Bureau of Infrastructure, Transport and Regional Economics, viewed 21 January 2019, <[https://bitre.gov.au/publications/2015/files/is\\_073.pdf](https://bitre.gov.au/publications/2015/files/is_073.pdf)>.
- 4 SGS Economics and Planning 2016, *Transport Affordability Index Final Report*, viewed 1 February 2019, <[www.aaa.asn.au/wp-content/uploads/2016/08/sgs-report-aaa-transport-affordability-index.pdf](http://www.aaa.asn.au/wp-content/uploads/2016/08/sgs-report-aaa-transport-affordability-index.pdf)>.

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