



TRANSPORT AFFORDABILITY INDEX



Australian
Automobile
Association



SGS
Economics
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Transport Affordability Index: March 2020

Normally, it would have been good news for households, with the AAA's Transport Affordability Index confirming that average transport costs in the first quarter of 2020 decreased by 2.1 per cent compared to the previous quarter. Unfortunately, however, many Australians could not take full advantage of these cost decreases due to the impacts and restrictions associated with the COVID-19 pandemic progressively taking effect during the period.

The AAA's quarterly Affordability Index measures household transport costs in all capital cities. Additionally, the Index measures a regional centre in each state and the Northern Territory to give an indicative picture of household transport costs across the regions.

The national average household weekly transport costs were \$318 in the March quarter, which was down from \$325 in the previous quarter. This represents a decrease of 2.1 per cent, lower than the quarter's rate of inflation, which was an increase of 0.3 per cent.

For the typical metropolitan household, this equates to a yearly transport expenditure of \$18,208 and \$14,669 for the typical regional household.

Loan repayments and fuel remain the largest cost inputs, with the average cost of transport as a percentage of income now at 13.3 per cent for the typical household.

When it comes to transport, Sydney, Melbourne and Brisbane remained the nation's most expensive capital cities, while Alice Springs, Bunbury and Geelong were the most expensive regional centres.

The AAA's Affordability Index appropriates transport costs over a normal week. With restrictions associated with the COVID19 pandemic coming into effect during the first quarter of 2020, many households reduced their 'transport footprint', which is not measured in this report.



Michael Bradley

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Section One

Summary of results

Household total weekly transport costs

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

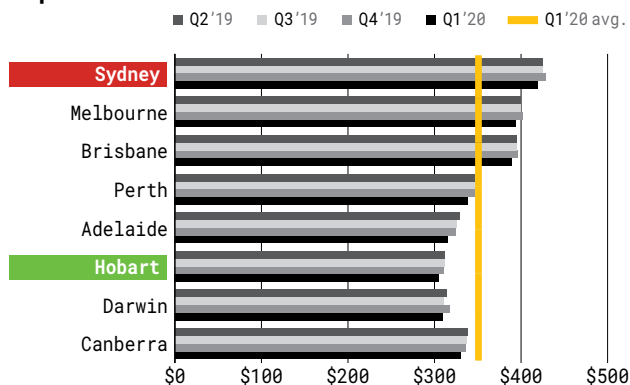
Capital cities The average total weekly transport cost for benchmark capital city households was \$350 compared with \$358 in the previous quarter.

Sydney remained the most expensive capital city for total transport costs with weekly transport costs at \$420 per week, down from \$428 in the previous quarter. Hobart remained the least expensive capital with weekly costs of \$305, down from \$311 in the previous quarter.

Regional The average weekly transport expenditure for households in the benchmark regional centres was \$282 compared with \$288 in the previous quarter.

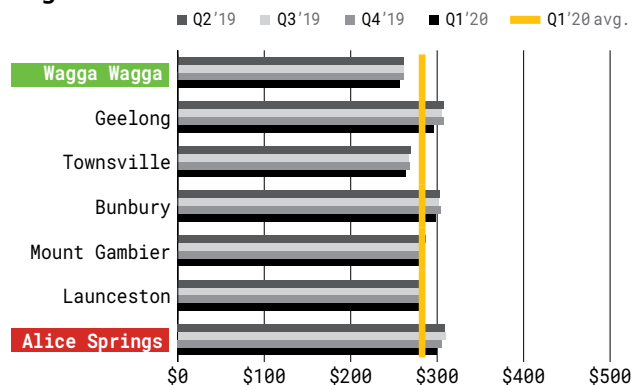
Among regional centres, Alice Springs became the regional centre with the highest total weekly transport costs at \$300 per week down from \$305. Wagga Wagga remained the least expensive at \$257 per week, down from \$262 in the December quarter.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$424.51	\$424.32	\$427.90	\$419.54	1
Melbourne	\$399.75	\$399.50	\$401.26	\$394.03	2
Brisbane	\$394.78	\$394.42	\$395.81	\$389.08	3
Perth	\$346.11	\$346.26	\$346.04	\$338.79	4
Adelaide	\$328.72	\$324.97	\$324.94	\$314.61	6
Hobart	\$312.01	\$312.01	\$310.90	\$305.29	8
Darwin	\$314.19	\$310.49	\$317.88	\$309.48	7
Canberra	\$337.85	\$336.93	\$336.13	\$330.46	5
Capital avg.	\$357.24	\$356.11	\$357.61	\$350.16	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$261.50	\$261.20	\$261.57	\$256.57	7
Geelong	\$307.29	\$304.83	\$307.07	\$295.46	3
Townsville	\$269.85	\$267.19	\$268.47	\$263.35	6
Bunbury	\$303.48	\$301.89	\$303.92	\$298.55	2
Mount Gambier	\$287.25	\$285.05	\$286.16	\$281.11	4
Launceston	\$286.12	\$285.78	\$284.92	\$279.62	5
Alice Springs	\$309.17	\$309.47	\$305.52	\$299.97	1
Regional avg.	\$289.24	\$287.91	\$288.23	\$282.09	

Section One

Household total annual transport costs

In the March quarter, the typical Australian city household's average annualised cost of transport decreased by \$387 to \$18,208.

The greatest decreases in transport costs were recorded in Adelaide, Darwin and Sydney — equivalent to \$537, \$437 and \$435 per year, respectively. These were mainly due to lower car loan payments and fuel prices.

The average annual cost of transport for the typical regional household decreased by \$319. The typical regional household would spend \$14,669 per annum on transport if the March quarter costs held constant. The greatest decrease among the benchmark regional centres was recorded in Geelong, where transport costs decreased by \$603 per year when compared to the previous quarter. This was also due to lower car loan payments and fuel prices compared to the December quarter.

Fuel excise, registration, Compulsory Third Party (CTP) and licensing alone cost the typical two-car family \$2,638 per annum for city households and \$2,615 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 in motoring taxes than their city counterparts.

Capital cities

City	2019 Q4	2020 Q1	Change	Rank
Sydney	\$22,250.88	\$21,816.12	-\$434.76	1
Melbourne	\$20,865.73	\$20,489.55	-\$376.18	2
Brisbane	\$20,582.23	\$20,232.20	-\$350.04	3
Perth	\$17,993.95	\$17,617.30	-\$376.66	4
Adelaide	\$16,896.91	\$16,359.58	-\$537.34	6
Hobart	\$16,166.64	\$15,875.27	-\$291.37	8
Darwin	\$16,529.86	\$16,093.11	-\$436.75	7
Canberra	\$17,478.65	\$17,183.88	-\$294.77	5
Capital avg.	\$18,595.61	\$18,208.37	-\$387.23	

Average taxes	2019 Q4	2020 Q1	Change
Fuel excise	\$1,099.34	\$1,112.49	
Registration, CTP and licensing	\$1,535.72 (\$1,582.22)*	\$1,525.16 (\$1,572.29)*	
Household total	\$2,635.06 (\$2,681.56)*	\$2,637.65 (\$2,684.78)*	\$2.59

* 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 Q4	2020 Q1	Change	Rank
Wagga Wagga	\$13,601.50	\$13,341.64	-\$259.86	7
Geelong	\$15,967.50	\$15,364.04	-\$603.46	3
Townsville	\$13,960.44	\$13,694.44	-\$266.00	6
Bunbury	\$15,803.80	\$15,524.82	-\$278.98	2
Mount Gambier	\$14,880.54	\$14,617.74	-\$262.80	4
Launceston	\$14,815.88	\$14,540.40	-\$275.47	5
Alice Springs	\$15,887.16	\$15,598.53	-\$288.63	1
Regional avg.	\$14,988.12	\$14,668.80	-\$319.31	

Average taxes	2019 Q4	2020 Q1	Change
Fuel excise	\$1,152.98	\$1,166.77	
Registration, CTP and licensing	\$1,450.76	\$1,448.41	
Household total	\$2,603.74	\$2,615.18	\$11.44

Section One

Household average weekly expenses

Overall, there was a 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**—the average upfront cost for purchasing new cars as well as interest rates decreased in all jurisdictions.
- **Registration, CTP and licensing**—CTP premiums decreased slightly in New South Wales offsetting indexation of registration fees. Registration fees also decreased in the Australian Capital Territory.
- **Car maintenance**—costs decreased due to a price revision of fixed price servicing.
- **Fuel**—prices decreased considerably in all capital cities and regional centres.

Increases in transport costs were seen in these three categories:

- **Comprehensive insurance**—premiums increased in some capital cities and regional centres, namely Brisbane and Mount Gambier.
- **Public transport**—public transport costs increased slightly for Melbourne and Brisbane due to indexation from January 2020.
- **Toll roads**—toll road costs increased slightly for Sydney and Melbourne due to scheduled quarterly indexation from 1 January 2020.

Roadside assistance costs remained constant in the March 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.

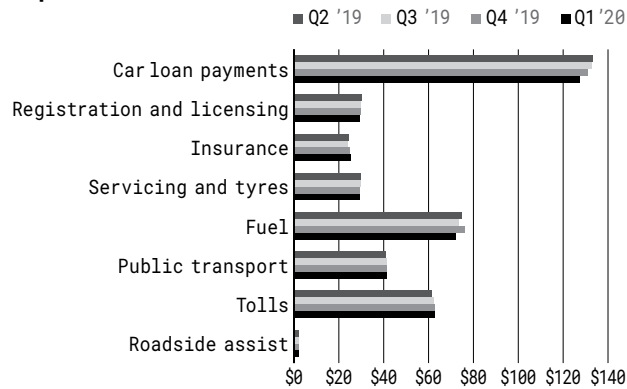
There were a few notable differences between capital city and regional transport costs:

- 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 households are eligible for free registration for one vehicle 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.
- Because regional households rarely utilise toll roads, the Index assumes they 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

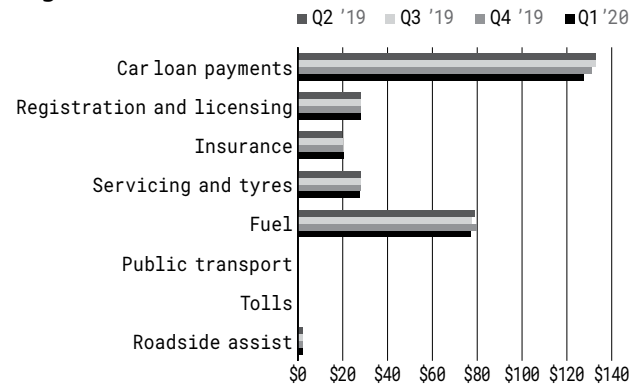
Capital cities



Expenses	Q2	Q3	Q4	Q1	Rank
Car loan payments	\$132.97	\$132.86	\$130.90	\$127.37	1
Registration, CTP and licensing	\$30.12	\$29.81	\$29.53	\$29.33	5
Insurance	\$24.11	\$23.86	\$24.87	\$25.10	7
Servicing and tyres	\$29.44	\$29.51	\$29.41	\$29.07	6
Fuel	\$74.62	\$73.54	\$76.23	\$72.21	2
Public transport	\$40.87	\$41.18	\$41.18	\$41.44	4
Tolls	\$61.53	\$62.10	\$62.43	\$62.82	3
Roadside assist	\$2.04	\$2.06	\$2.08	\$2.08	8

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

Regional



Expenses	Q2	Q3	Q4	Q1	Rank
Car loan payments	\$132.93	\$132.82	\$130.85	\$127.33	1
Registration, CTP and licensing	\$28.09	\$28.01	\$27.90	\$27.85	3
Insurance	\$19.61	\$19.79	\$19.73	\$20.33	5
Servicing and tyres	\$27.81	\$27.91	\$27.86	\$27.48	4
Fuel	\$78.76	\$77.33	\$79.82	\$77.04	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.02	\$2.05	\$2.06	\$2.06	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 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.

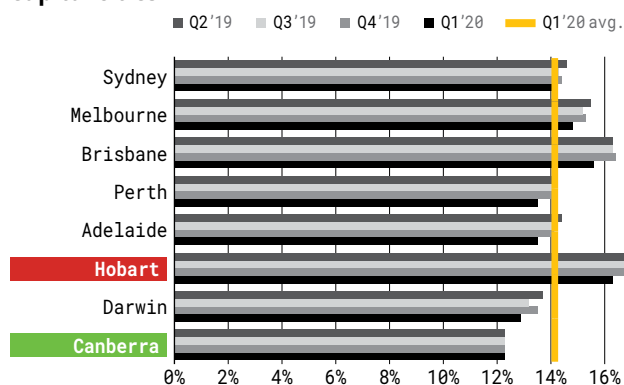
Nationally, the average cost of transport as a percentage of income for the typical household was 13.3 per cent, down from 13.8 per cent in the December quarter.

For the typical Australian capital city household, the average cost of transport was 14.1 per cent of average income, compared to 14.6 per cent in the previous quarter. Regional household transport costs were 12.6 per cent of average income, compared to 13.1 per cent in the previous quarter. Adelaide replaced Perth as the third most affordable capital city in the March quarter.

Among the capital cities, Brisbane recorded the largest decrease — 0.8 per cent lower than the previous quarter.

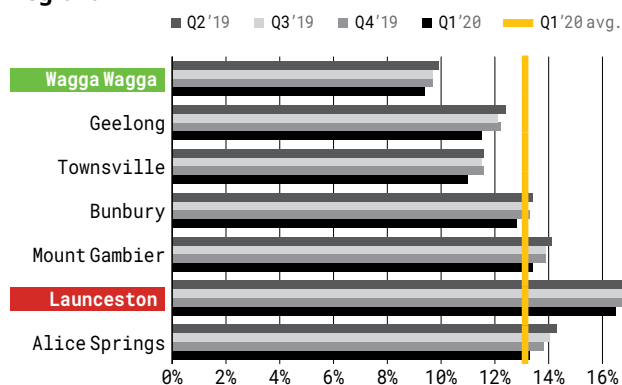
Across Australia, regional households earn \$201 per week less than their city counterparts (based on ABS data). But the difference is more pronounced in New South Wales and South Australia — households in Wagga Wagga and Mount Gambier earn considerably less per week than their city counterparts, \$260 and \$247 per week less on average.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	14.6%	14.3%	14.4%	14.1%	4
Melbourne	15.5%	15.2%	15.3%	14.8%	3
Brisbane	16.3%	16.3%	16.4%	15.6%	2
Perth	14.2%	14.1%	14.1%	13.5%	5
Adelaide	14.4%	14.1%	14.1%	13.5%	6
Hobart	16.9%	16.8%	16.8%	16.3%	1
Darwin	13.7%	13.2%	13.5%	12.9%	7
Canberra	12.3%	12.3%	12.3%	12.3%	8
Capital avg.	14.7%	14.6%	14.6%	14.1%	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	9.9%	9.7%	9.7%	9.4%	7
Geelong	12.4%	12.1%	12.2%	11.5%	5
Townsville	11.6%	11.5%	11.6%	11.0%	6
Bunbury	13.4%	13.2%	13.3%	12.8%	4
Mount Gambier	14.1%	13.9%	13.9%	13.4%	2
Launceston	17.1%	17.0%	16.9%	16.5%	1
Alice Springs	14.3%	14.0%	13.8%	13.3%	3
Regional avg.	13.2%	13.1%	13.1%	12.6%	



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Section Two

Detailed results

Household weekly car loan payment costs

The upfront costs for purchasing a new car decreased in all jurisdictions — on average by \$645. Interest rates also decreased in all jurisdictions. As a result, the cost of car loan payments decreased in all locations.

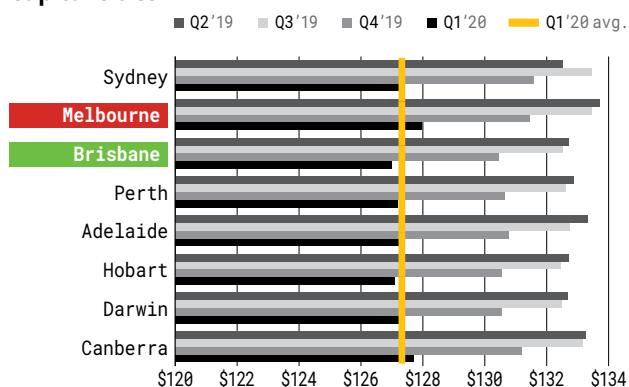
The average cost of car loan payments decreased by around \$3.53 per week, or \$183 per year.

Among the capital city households, in the March 2020 quarter, Melbourne became the most expensive capital city to take out a loan for a new car. Brisbane remained the least expensive city for car loan payments. The largest decrease among the capital cities was seen in Sydney, where weekly car loan payments decreased by \$4.20 per week (equating to \$219 per year).

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.

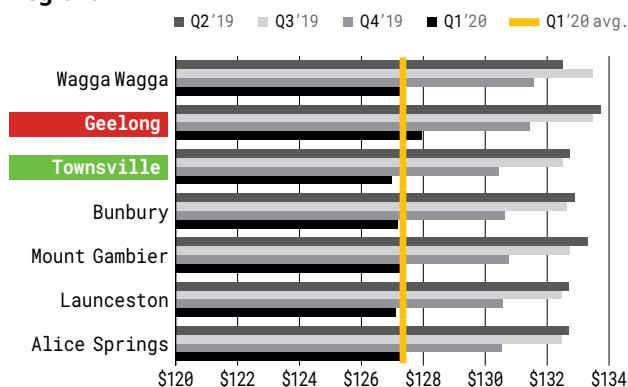
The rankings in this category changed considerably.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$132.51	\$133.47	\$131.57	\$127.36	4
Melbourne	\$133.72	\$133.47	\$131.45	\$127.95	1
Brisbane	\$132.72	\$132.51	\$130.44	\$126.98	8
Perth	\$132.88	\$132.62	\$130.64	\$127.19	6
Adelaide	\$133.31	\$132.73	\$130.77	\$127.31	5
Hobart	\$132.70	\$132.46	\$130.56	\$127.10	7
Darwin	\$132.69	\$132.48	\$130.55	\$127.38	3
Canberra	\$133.26	\$133.16	\$131.20	\$127.69	2
Capital avg.	\$132.97	\$132.86	\$130.90	\$127.37	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$132.51	\$133.47	\$131.57	\$127.36	3
Geelong	\$133.72	\$133.47	\$131.45	\$127.95	1
Townsville	\$132.72	\$132.51	\$130.44	\$126.98	7
Bunbury	\$132.88	\$132.62	\$130.64	\$127.19	5
Mount Gambier	\$133.31	\$132.73	\$130.77	\$127.31	4
Launceston	\$132.70	\$132.46	\$130.56	\$127.10	6
Alice Springs	\$132.69	\$132.48	\$130.55	\$127.38	2
Regional avg.	\$132.93	\$132.82	\$130.85	\$127.33	

Section Two

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

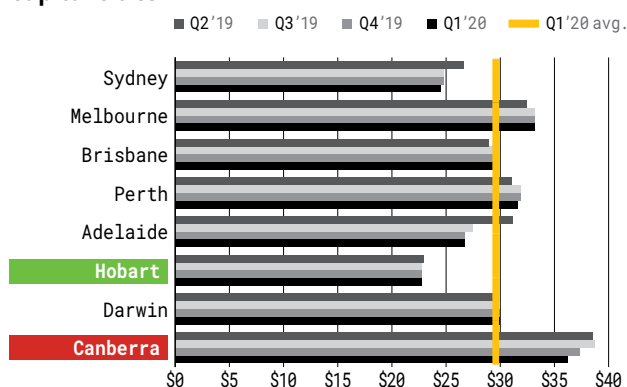
Registration, CTP and licencing costs decreased in New South Wales due to a decrease in CTP premiums from February 2020, which offset indexation of registration fees in January. Registration fees also decreased in the Australian Capital Territory, while all other jurisdictions remained constant.¹

Canberra remained the most expensive capital city for registration, CTP and licensing at \$36.23 a week (down from \$37.31 a week), while Hobart remained the least expensive (\$22.73 a week). When the March quarter figures are annualised, the typical Hobart household spends \$702 less per year than the typical Canberra household.

Bunbury remained the most expensive regional centre in this cost category (\$31.62 a week), while Mount Gambier remained the least expensive (\$22.09 a week). The annualised difference between Bunbury and Mount Gambier is \$495.

Registration, CTP and licencing 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.

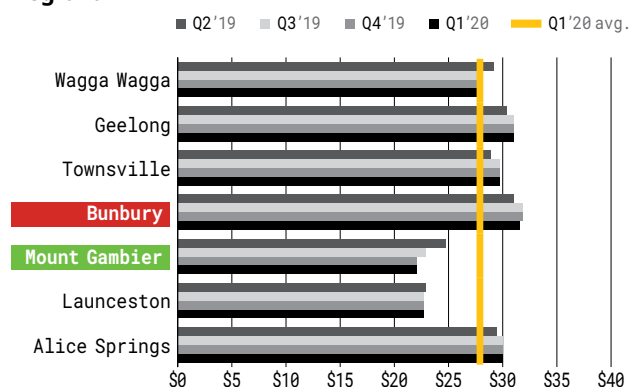
Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$26.60 (\$33.73)	\$24.79 (\$31.94)	\$24.79 (\$31.94)	\$24.50 (\$31.75)	7 (3)*
Melbourne	\$32.44	\$33.17	\$33.17	\$33.17	2
Brisbane	\$28.92	\$29.74	\$29.74	\$29.74	5
Perth	\$31.07	\$31.87	\$31.87	\$31.62	3
Adelaide	\$31.15	\$27.46	\$26.69	\$26.69	6
Hobart	\$22.90	\$22.73	\$22.73	\$22.73	8
Darwin	\$29.42	\$29.97	\$29.97	\$29.97	4
Canberra	\$38.49	\$38.73	\$37.31	\$36.23	1
Capital avg.	\$30.12	\$29.81	\$29.53	\$29.33	

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

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$29.18	\$27.85	\$27.85	\$27.78	5
Geelong	\$30.37	\$31.05	\$31.05	\$31.05	2
Townsville	\$28.92	\$29.74	\$29.74	\$29.74	4
Bunbury	\$31.07	\$31.87	\$31.87	\$31.62	1
Mount Gambier	\$24.74	\$22.86	\$22.09	\$22.09	7
Launceston	\$22.90	\$22.73	\$22.73	\$22.73	6
Alice Springs	\$29.42	\$29.97	\$29.97	\$29.97	3
Regional avg.	\$28.09	\$28.01	\$27.90	\$27.85	

Section Two

Household weekly comprehensive insurance costs

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

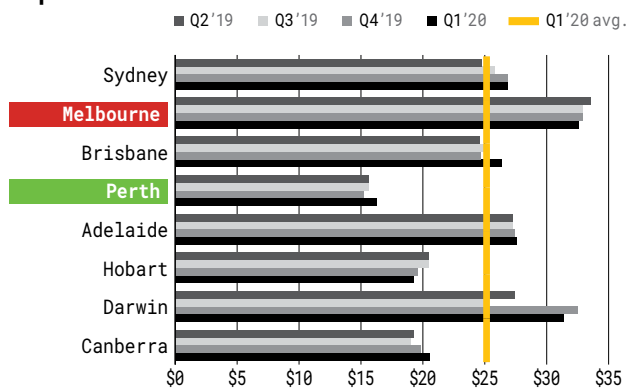
Melbourne remained the most expensive city for comprehensive insurance (\$32.59 a week); Perth remained the cheapest (\$16.24 a week). When these costs are annualised, the Perth household spends \$850 per year less on comprehensive insurance than the typical Melbourne household. Brisbane recorded the largest increase in comprehensive insurance premiums among the city households, increasing by \$1.72 per week (equivalent to \$90 per year).

The typical Australian regional centre household paid less for comprehensive insurance compared to its 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 \$12.12 a week (or \$630 a year) less on comprehensive insurance than the typical Melbourne household.

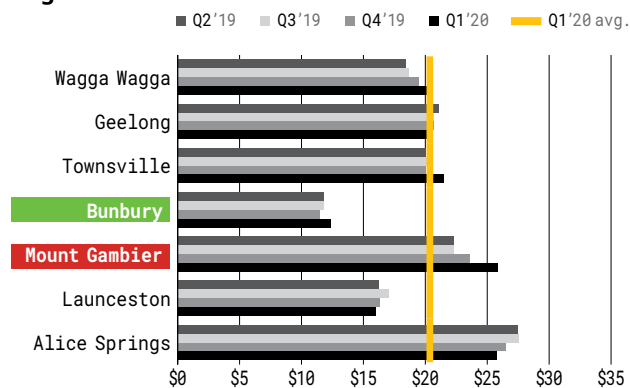
Mount Gambier replaced Alice Springs as the most expensive regional centre for comprehensive insurance, while Bunbury was the cheapest.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$24.76	\$25.83	\$26.86	\$26.88	4
Melbourne	\$33.52	\$32.87	\$32.94	\$32.59	1
Brisbane	\$24.60	\$25.02	\$24.64	\$26.36	5
Perth	\$15.63	\$15.63	\$15.21	\$16.24	8
Adelaide	\$27.23	\$27.23	\$27.38	\$27.60	3
Hobart	\$20.45	\$20.45	\$19.60	\$19.25	7
Darwin	\$27.44	\$24.88	\$32.50	\$31.34	2
Canberra	\$19.24	\$18.99	\$19.80	\$20.58	6
Capital avg.	\$24.11	\$23.86	\$24.87	\$25.10	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$18.39	\$18.70	\$19.51	\$20.27	5
Geelong	\$21.08	\$20.67	\$20.68	\$20.48	4
Townsville	\$20.03	\$20.38	\$20.06	\$21.49	3
Bunbury	\$11.80	\$11.79	\$11.46	\$12.39	7
Mount Gambier	\$22.33	\$22.33	\$23.60	\$25.83	1
Launceston	\$16.23	\$17.05	\$16.33	\$16.04	6
Alice Springs	\$27.44	\$27.59	\$26.51	\$25.80	2
Regional avg.	\$19.61	\$19.79	\$19.73	\$20.33	

Section Two

Household total weekly servicing and tyre costs

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

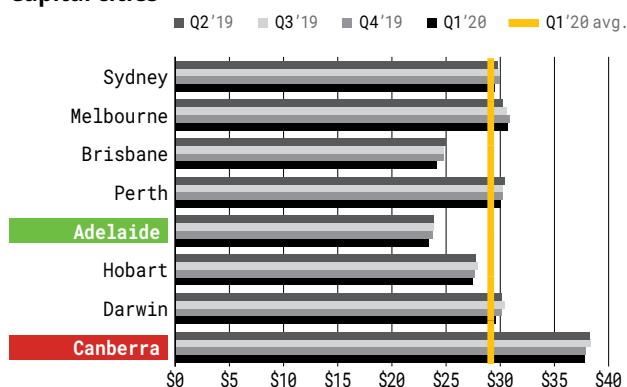
Overall, the cost of maintaining a representative new and used car remained highest in Canberra (\$37.76 a week) and lowest in Adelaide (\$23.41 a week). The annualised difference for the typical households in Canberra and Adelaide is \$746.

Among the regional locations, the cost of maintaining both a new and used car remained most expensive in Alice Springs (\$32.78 a week) and cheapest in Launceston (\$22.07 a week). The annualised difference between the Alice Springs and Launceston households is \$557.

The cost of servicing a 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.

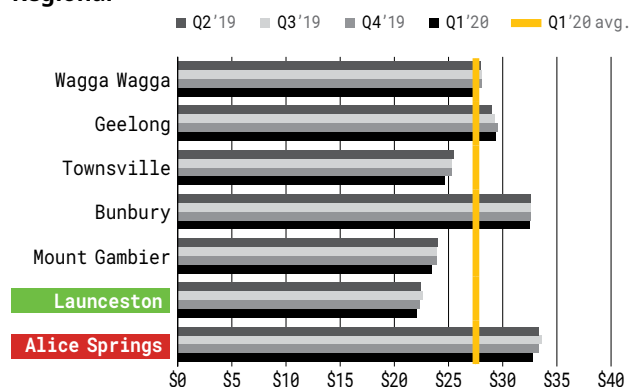
Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey (HES)² and indexed in line with the CPI for maintenance and repair of motor vehicles.³

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$29.80	\$29.93	\$29.91	\$29.50	5
Melbourne	\$30.27	\$30.57	\$30.85	\$30.65	2
Brisbane	\$25.01	\$24.80	\$24.82	\$24.15	7
Perth	\$30.42	\$30.24	\$30.20	\$30.03	3
Adelaide	\$23.89	\$23.83	\$23.81	\$23.41	8
Hobart	\$27.70	\$27.91	\$27.64	\$27.46	6
Darwin	\$30.15	\$30.41	\$30.15	\$29.62	4
Canberra	\$38.27	\$38.36	\$37.89	\$37.76	1
Capital avg.	\$29.44	\$29.51	\$29.41	\$29.07	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$27.95	\$28.08	\$28.04	\$27.62	4
Geelong	\$29.00	\$29.28	\$29.53	\$29.32	3
Townsville	\$25.50	\$25.27	\$25.30	\$24.62	5
Bunbury	\$32.55	\$32.63	\$32.61	\$32.46	2
Mount Gambier	\$23.98	\$23.93	\$23.91	\$23.50	6
Launceston	\$22.43	\$22.59	\$22.34	\$22.07	7
Alice Springs	\$33.29	\$33.59	\$33.31	\$32.78	1
Regional avg.	\$27.81	\$27.91	\$27.86	\$27.48	

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Household weekly fuel costs

The cost of fuel decreased across the country in the March quarter. The average Australian capital city retail price of regular unleaded petrol decreased 8.7 cents per litre, from 150.5 cents per litre to 141.8 cents per litre. If fuel prices remained at that level, fuel expenditure for the typical city household would decrease by \$209 per year.

Hobart remained the capital city with the highest fuel prices and fuel expenditure. Its average petrol price was 154.3 cents per litre in the March quarter, down 3.3 cents per litre from the previous quarter. Darwin was the capital with the lowest fuel expenditure. Its average price for unleaded petrol was 136.2 cents per litre in the quarter, down 7.7 cents per litre from the December 2019 quarter.

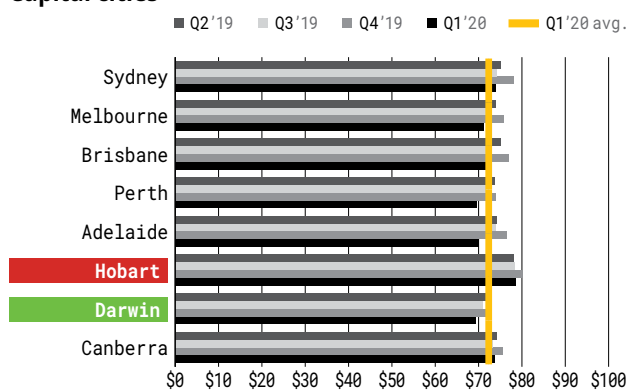
The typical Hobart household spent \$78.56 a week on fuel in the March 2020 quarter—down \$1.62 from the previous quarter. If Hobart had the same prices as Darwin, its typical household would save \$9.28 per week (or \$483 a year).

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 decreased by 5.5 cents a litre from 150.2 cents per litre to 144.7 cents per litre. Launceston remained the household with Australia's highest petrol prices—156.5 cents per litre. Geelong remained the regional centre with the cheapest regional petrol prices at 131.2 cents per litre.

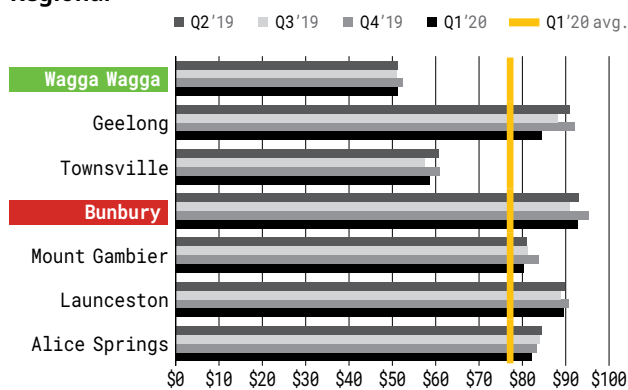
The typical household in Bunbury continued to have the highest fuel expenditure among the benchmark regional centres at \$92.79 per week (or \$4,825 per year) because Bunbury residents tend to drive longer

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$75.05	\$74.19	\$78.01	\$73.96	2
Melbourne	\$73.88	\$72.82	\$75.86	\$71.07	5
Brisbane	\$75.12	\$73.10	\$76.94	\$71.53	4
Perth	\$73.73	\$71.70	\$73.92	\$69.52	7
Adelaide	\$74.20	\$74.03	\$76.59	\$69.92	6
Hobart	\$78.11	\$78.28	\$80.18	\$78.56	1
Darwin	\$72.60	\$70.85	\$72.82	\$69.27	8
Canberra	\$74.28	\$73.37	\$75.56	\$73.83	3
Capital avg.	\$74.62	\$73.54	\$76.23	\$72.21	

Regional



City	Q2	Q3	Q4	Q1	Rank
Wagga Wagga	\$51.35	\$51.00	\$52.43	\$51.36	7
Geelong	\$91.01	\$88.16	\$92.16	\$84.47	3
Townsville	\$60.81	\$57.38	\$61.03	\$58.62	6
Bunbury	\$93.10	\$90.88	\$95.25	\$92.79	1
Mount Gambier	\$80.95	\$81.22	\$83.81	\$80.40	5
Launceston	\$89.70	\$88.76	\$90.78	\$89.49	2
Alice Springs	\$84.43	\$83.93	\$83.28	\$82.14	4
Regional avg.	\$78.76	\$77.33	\$79.82	\$77.04	

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distances than people in the other benchmark regional centres. Wagga Wagga continued to have the lowest fuel expenditure among the benchmark regional centres at \$51.36 per week (or \$2,671 per year) because its residents typically drive less than people in the other benchmark regional centres.

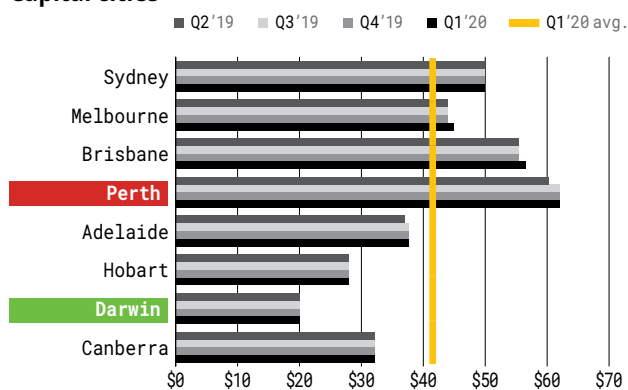
Household weekly public transport costs

In the March quarter, the cost of public transport remained unchanged across all cities except Melbourne and Brisbane. In these cities weekly public transport costs increased by \$1.00 and \$1.08 respectively (equating to \$52 and \$56 per year) due to indexation in fares from January 2020.

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 have few available reliable services and low usage rates.

Capital cities



City	Q2	Q3	Q4	Q1	Rank
Sydney	\$50.00	\$50.00	\$50.00	\$50.00	3
Melbourne	\$44.00	\$44.00	\$44.00	\$45.00	4
Brisbane	\$55.44	\$55.44	\$55.44	\$56.52	2
Perth	\$60.30	\$62.10	\$62.10	\$62.10	1
Adelaide	\$37.00	\$37.70	\$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
Capital avg.	\$40.87	\$41.18	\$41.18	\$41.44	

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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 1 January 2020. Sydney toll expenditure increased by 56 cents per week (equivalent to \$29 per year). Melbourne toll expenditure increased by 60 cents per week (equivalent to \$31 per year).

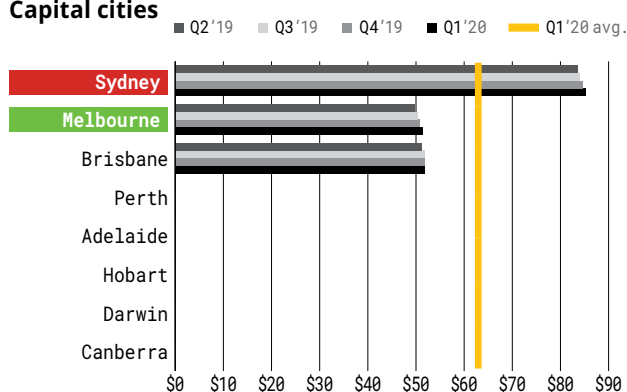
The typical Sydney household continues to incur the greatest costs for toll road usage, while the typical household in Melbourne still had the lowest toll costs among these three cities. The typical Melbourne household spends \$33.76 per week (or \$1,756 per year) less on tolls than the typical Sydney household.

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	Q2	Q3	Q4	Q1	Rank
Sydney	\$83.68	\$84.00	\$84.60	\$85.16	1
Melbourne	\$49.80	\$50.40	\$50.80	\$51.40	3
Brisbane	\$51.10	\$51.90	\$51.90	\$51.90	2
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
Capital avg.	\$61.53	\$62.10	\$62.43	\$62.82	

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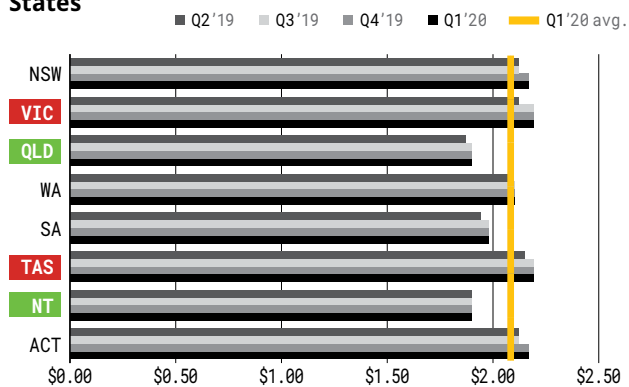
Household weekly costs of roadside assistance

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.

States



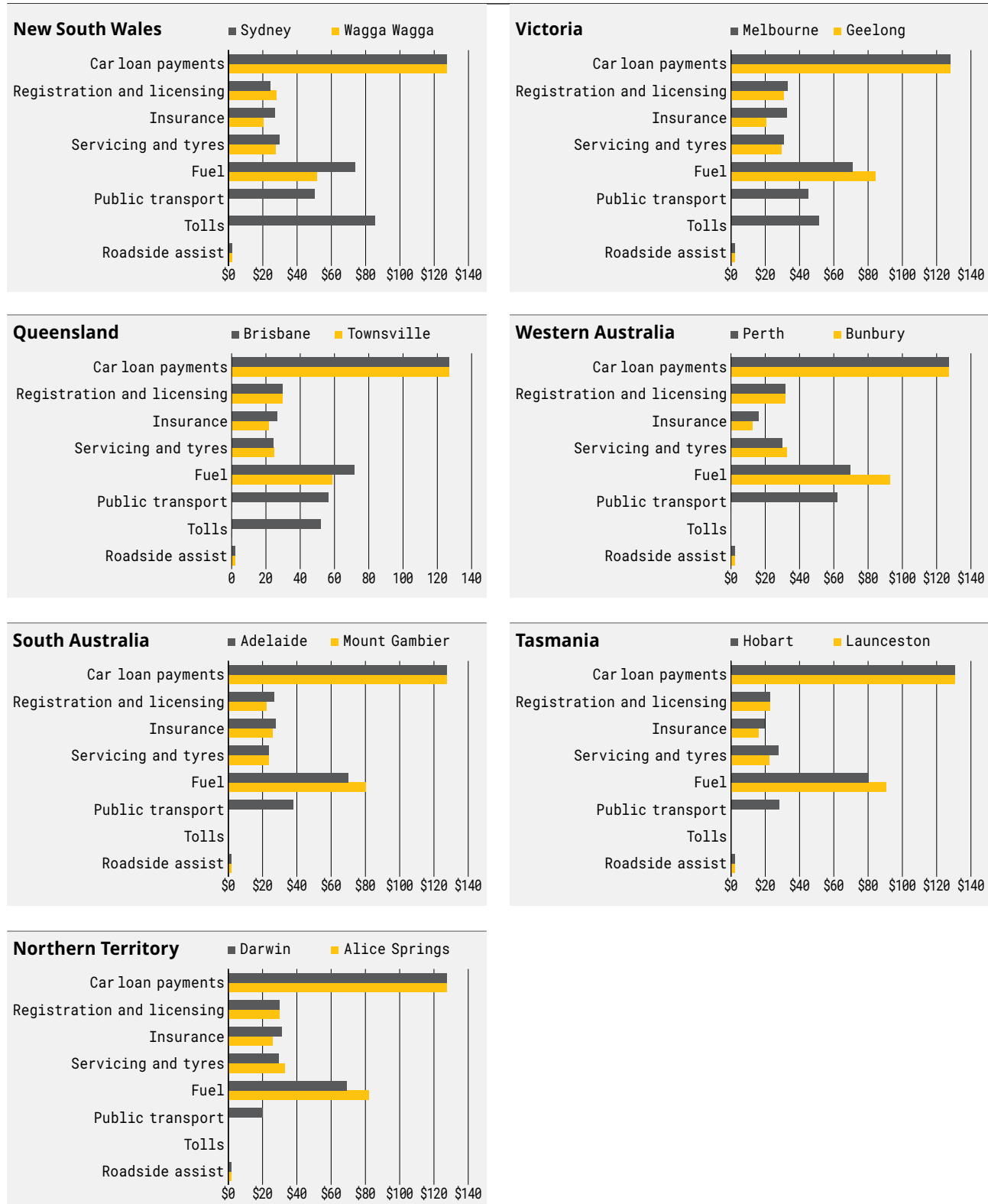
State	Q2	Q3	Q4	Q1	Rank
NSW	\$2.12	\$2.12	\$2.17	\$2.17	3
VIC	\$2.12	\$2.19	\$2.19	\$2.19	1
QLD	\$1.87	\$1.90	\$1.90	\$1.90	7
WA	\$2.08	\$2.10	\$2.10	\$2.10	5
SA	\$1.94	\$1.98	\$1.98	\$1.98	6
TAS	\$2.15	\$2.19	\$2.19	\$2.19	1
NT	\$1.90	\$1.90	\$1.90	\$1.90	7
ACT	\$2.12	\$2.12	\$2.17	\$2.17	3
National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



Section Three

State by state comparison

Capital city vs regional comparison by state



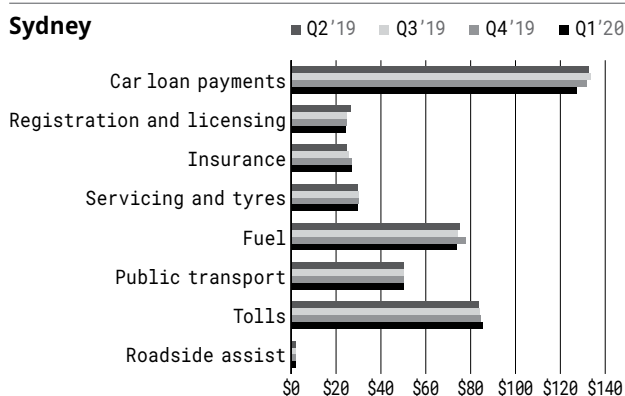
Section Three

New South Wales weekly costs of transport

Sydney transport costs decreased but remained Australia's most expensive city for transport. In the March quarter, the typical Sydney household spent \$419.54 a week (equivalent to \$21,816 a year) on transport (down \$8.36 a week or \$435 per annum from the previous quarter). Transport costs measured as a percentage of average income also decreased from 14.4 per cent to 14.1 per cent. Under this metric, Sydney remained the fourth-least affordable city for transport. This decrease was mainly attributable to lower car loan payments and fuel expenditure, which decreased by \$219 and \$210 per annum respectively (assuming costs remained constant).

Sydney's registration, CTP and licensing costs decreased by \$15 per annum due to lower CTP premiums; servicing and tyre costs also decreased by \$21 per year. The city's toll road costs also increased slightly by \$29 per year due to scheduled quarterly indexation from 1 January 2020, and average comprehensive insurance premiums also increased marginally.

Public transport and roadside assistance costs remained unchanged.



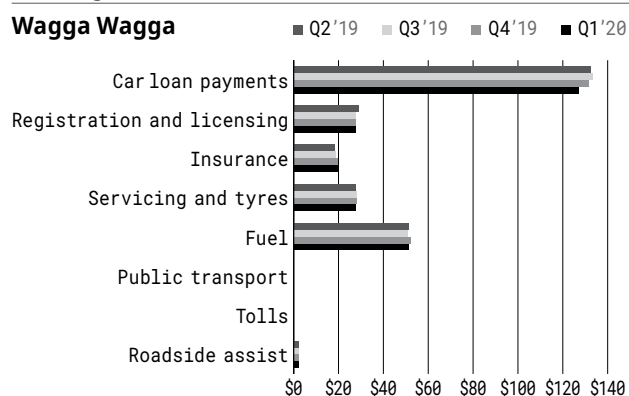
Sydney	Q2	Q3	Q4	Q1	Rank
Car loan payments	\$132.51	\$133.47	\$131.57	\$127.36	1
Reg. and licensing	\$26.60 (\$33.73)	\$24.79 (\$31.94)	\$24.79 (\$31.94)	\$24.50 (\$31.75)	7 (5)*
Insurance	\$24.76	\$25.83	\$26.86	\$26.88	6
Servicing and tyres	\$29.80	\$29.93	\$29.91	\$29.50	5
Fuel	\$75.05	\$74.19	\$78.01	\$73.96	3
Public transport	\$50.00	\$50.00	\$50.00	\$50.00	4
Tolls	\$83.68	\$84.00	\$84.60	\$85.16	2
Roadside assist	\$2.12	\$2.12	\$2.17	\$2.17	8
Total	\$424.51	\$424.32	\$427.90	\$419.54	

* 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 remained the benchmark regional centre with the lowest transport costs — both in total cost (\$256.57 a week or \$13,342 a year) and in terms of the local income-to-cost ratio (at 9.4 per cent, down from 9.7 per cent in the previous quarter).

Transport costs decreased over the March quarter by \$5 a week (equivalent to \$260 per annum), driven largely by lower car loan payments, which decreased in line with Sydney. Fuel expenditure also decreased by \$56 per annum (assuming fuel prices remained constant) and servicing and tyre costs decreased by \$21 per annum. Registration, CTP, and licensing costs also decreased marginally due to lower CTP premiums.

The typical Wagga Wagga household incurs lower fuel expenditure than its Sydney counterpart since Bureau of Infrastructure, Transport and Regional Economics (BITRE) data suggests that it travels less than the city household. A representative Wagga Wagga family also paid slightly less for unleaded petrol in the March quarter — 0.2 cents per litre less compared to its city counterpart. Comprehensive insurance premiums increased by \$39 per year over the quarter and roadside assistance costs remained unchanged.



Wagga Wagga	Q2	Q3	Q4	Q1	Rank
Car loan payments	\$132.51	\$133.47	\$131.57	\$127.36	1
Reg. and licensing	\$29.18	\$27.85	\$27.85	\$27.78	3
Insurance	\$18.39	\$18.70	\$19.51	\$20.27	5
Servicing and tyres	\$27.95	\$28.08	\$28.04	\$27.62	4
Fuel	\$51.35	\$51.00	\$52.43	\$51.36	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.12	\$2.17	\$2.17	6
Total	\$261.50	\$261.20	\$261.57	\$256.57	

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

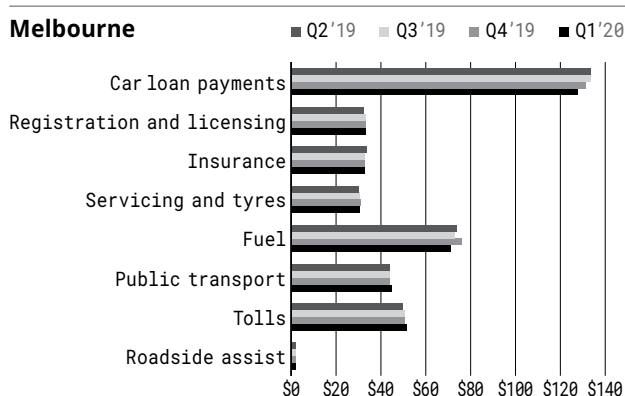
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Victoria weekly costs of transport

Melbourne remained Australia's second most expensive city for transport. Total costs and costs as a percentage of average income decreased in the March quarter. The typical household spends \$20,490 a year on transport—a decrease of \$7.23 a week (or \$376 a year) from the previous quarter. Transport costs as a percentage of average income decreased from 15.3 per cent to 14.8 per cent over the previous quarter. Melbourne remained the third least affordable city under the income metric.

The decrease in transport costs over the quarter was mainly attributable to lower car loan payments and fuel prices. Car loan payments decreased by \$3.50 per week (equivalent to \$182 per year) due to lower upfront purchasing costs for new vehicles and lower interest rates on new car loans. Fuel expenditure decreased by \$4.79 per week, or \$249 per annum. Comprehensive insurance premiums, and servicing and tyre costs, also decreased by \$18 and \$10 per annum respectively.

Public transport and toll road costs increased by \$52 and \$31 per year respectively due to indexation from 1 January 2020. Registration, CTP and licensing and roadside assistance costs remained constant over the quarter. Melbourne remained the most expensive city in Australia for comprehensive insurance.

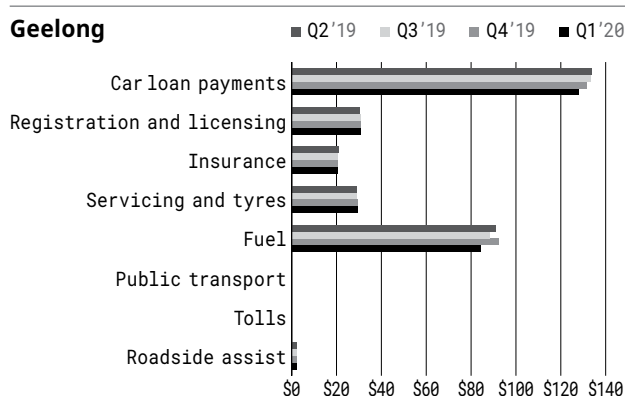


Melbourne	Q2	Q3	Q4	Q1 Rank	
Car loan payments	\$133.72	\$133.47	\$131.45	\$127.95	1
Reg. and licensing	\$32.44	\$33.17	\$33.17	\$33.17	5
Insurance	\$33.52	\$32.87	\$32.94	\$32.59	6
Servicing and tyres	\$30.27	\$30.57	\$30.85	\$30.65	7
Fuel	\$73.88	\$72.82	\$75.86	\$71.07	2
Public transport	\$44.00	\$44.00	\$44.00	\$45.00	4
Tolls	\$49.80	\$50.40	\$50.80	\$51.40	3
Roadside assist	\$2.12	\$2.19	\$2.19	\$2.19	8
Total	\$399.75	\$399.50	\$401.26	\$394.03	

Geelong With yearly transport costs of \$15,364, Geelong replaced Bunbury as the regional centre with the third-highest transport costs (previously highest). When transport costs are considered as a percentage of average income (11.5 per cent compared to 12.2 per cent in the previous quarter), Geelong remained the third-most affordable regional centre for transport.

Weekly transport costs decreased by \$11.60 (equivalent to \$603 a year), mostly because of lower car loan payments and fuel expenditure. Car loan payments decreased in line with Melbourne and fuel expenditure decreased by \$7.69 per week (equated to \$400 per annum). In the March quarter, Geelong had average unleaded petrol prices of 131.2 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 third-highest among all benchmark centres. BITRE data suggests that the typical Geelong family travels greater distances than other regional centres.

Comprehensive insurance premiums and servicing and tyre costs also decreased by \$10 and \$11 per annum respectively. Registration, CTP and licensing and roadside assistance costs remained unchanged in the March quarter.



Geelong	Q2	Q3	Q4	Q1 Rank	
Car loan payments	\$133.72	\$133.47	\$131.45	\$127.95	1
Reg. and licensing	\$30.37	\$31.05	\$31.05	\$31.05	3
Insurance	\$21.08	\$20.67	\$20.68	\$20.48	5
Servicing and tyres	\$29.00	\$29.28	\$29.53	\$29.32	4
Fuel	\$91.01	\$88.16	\$92.16	\$84.47	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.19	\$2.19	\$2.19	6
Total	\$307.29	\$304.83	\$307.07	\$295.46	

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Queensland weekly costs of transport

Brisbane In the March quarter, the typical Brisbane household had weekly transport costs of \$389.08 (or \$20,232 a year)—Australia's third-highest city for transport costs. Transport costs as a percentage of average income were 15.6 per cent compared to 16.4 per cent in the previous quarter, making Brisbane the second-least affordable city.

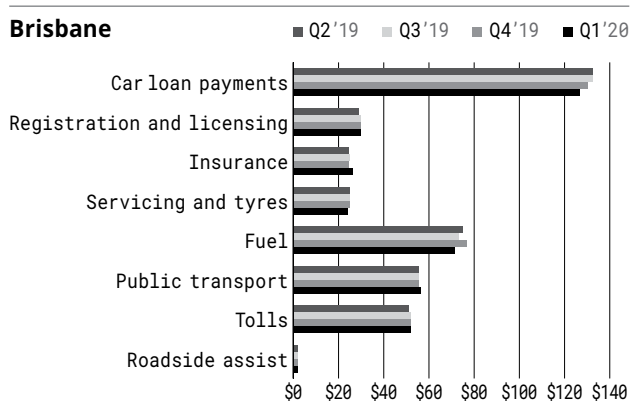
Transport costs decreased by \$6.73 a week (or \$350 a year) largely due to lower car loan payments and fuel prices. Car loan payments decreased by \$3.45 per week or \$180 per annum. The typical Brisbane household also spent \$5.41 per week less on fuel compared to the previous quarter (equivalent to \$281 per year). Servicing and tyre costs also decreased by \$35 per year. Comprehensive insurance premiums increased by \$90 per annum and public transport costs increased by \$56 per year due to indexation from 1 January 2020. All other costs remained constant over the quarter.

Brisbane remained the second-most expensive city for public transport costs. Its toll expenditure remained the second-most expensive among the three cities with toll roads. Brisbane remained the cheapest city for car loan payments.

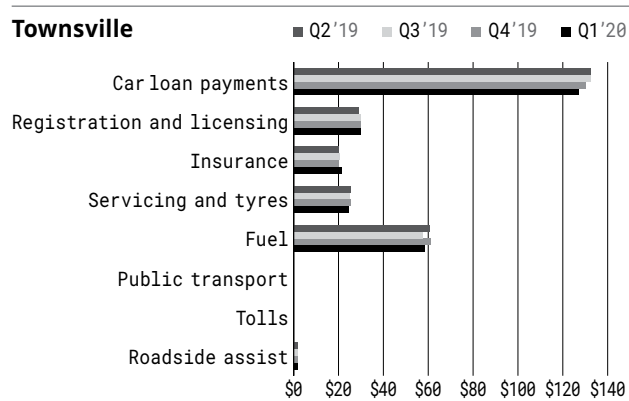
Townsville In the March quarter, the typical Townsville household's transport costs decreased by \$5.12 a week to \$263.35 a week (or \$13,694 a year). This is considerably less than its Brisbane counterpart. BITRE data suggests that Townsville residents travel slightly less than those in Brisbane.

Townsville remained the second-least expensive regional centre, and the second-most affordable when costs are considered as a percentage of average income (11.0 per cent compared to 11.6 per cent in the previous quarter). The increase in transport costs was largely due to lower car loan payments and fuel prices. Car loan payments decreased in line with Brisbane and fuel expenditure decreased by \$2.41 per week or \$125 per annum. Servicing and tyre costs also decreased by \$35 per annum. Comprehensive insurance premiums increased by \$74 per annum. Registration, CTP and licensing and roadside assistance costs remained constant in the March quarter.

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	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$132.72	\$132.51	\$130.44	\$126.98 1
Reg. and licensing	\$28.92	\$29.74	\$29.74	\$29.74 5
Insurance	\$24.60	\$25.02	\$24.64	\$26.36 ↑ 6
Servicing and tyres	\$25.01	\$24.80	\$24.82	\$24.15 ↓ 7
Fuel	\$75.12	\$73.10	\$76.94	\$71.53 2
Public transport	\$55.44	\$55.44	\$55.44	\$56.52 3
Tolls	\$51.10	\$51.90	\$51.90	\$51.90 4
Roadside assist	\$1.87	\$1.90	\$1.90	\$1.90 8
Total	\$394.78	\$394.42	\$395.81	\$389.08



Townsville	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$132.72	\$132.51	\$130.44	\$126.98 1
Reg. and licensing	\$28.92	\$29.74	\$29.74	\$29.74 3
Insurance	\$20.03	\$20.38	\$20.06	\$21.49 5
Servicing and tyres	\$25.50	\$25.27	\$25.30	\$24.62 4
Fuel	\$60.81	\$57.38	\$61.03	\$58.62 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.87	\$1.90	\$1.90	\$1.90 6
Total	\$269.85	\$267.19	\$268.47	\$263.35

Section Three

Western Australia weekly costs of transport

Perth In the March quarter, the typical Perth household's weekly transport costs were \$338.79 (or \$17,617 per annum) — a decrease of \$7.24 a week (\$377 a year) from the previous quarter. Perth replaced Adelaide as the fourth-most affordable city when transport costs are considered as a share of average income at 13.5 per cent (compared to 14.1 per cent the previous quarter).

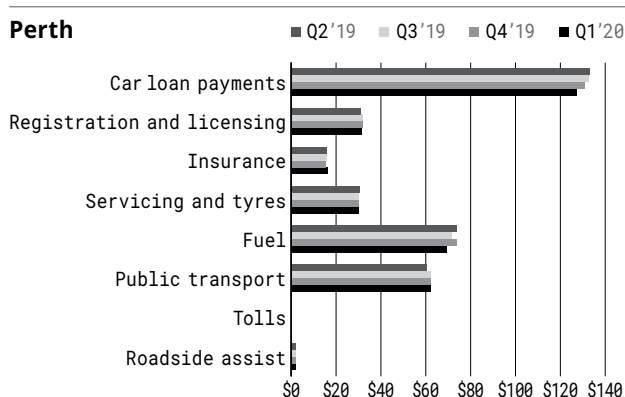
The decrease in transport costs was mainly attributable to car loan payments and fuel prices. Car loan payments decreased by \$3.45 per week (equivalent to \$179 per annum) due to lower upfront purchasing costs for new cars and lower interest rates on new car loans. Fuel expenditure decreased by \$4.39 per week (equivalent to \$228 per annum, assuming fuel prices remain constant). Servicing and tyre costs also decreased marginally. Comprehensive insurance premiums increased by \$53 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 remained the most expensive city for public transport.

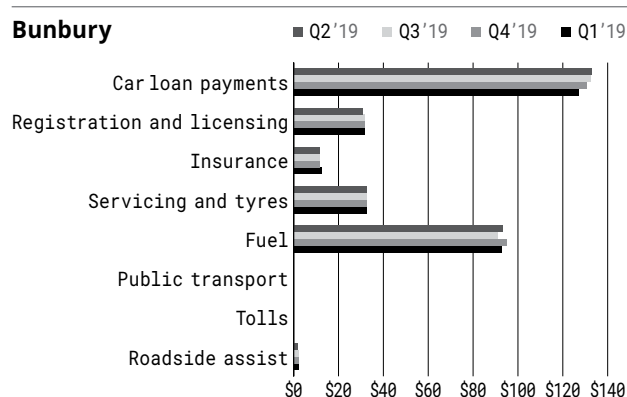
Bunbury In the March quarter, the typical Bunbury household's weekly transport costs were \$298.55 (annualised to \$15,525) — a decrease of \$5.36 (or \$279 per annum) from the previous quarter. Despite this decrease in transport costs, Bunbury replaced Alice Springs as the regional centre with the second-highest transport costs (previously third highest). Transport costs as a share of average income also decreased from 13.3 per cent to 12.8 per cent, with Bunbury remaining as the fourth least affordable regional centre.

The decrease in transport costs was driven by lower car loan payments and fuel prices. Car loan payments decreased in line with Perth and fuel expenditure decreased by \$2.45 per week, or \$128 per annum. Servicing and tyre costs also decreased marginally, comprehensive insurance premiums increased by \$49 per annum and all other costs remained constant.

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



Perth	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$132.88	\$132.62	\$130.64	\$127.19 1
Reg. and licensing	\$31.07	\$31.87	\$31.87	\$31.62 4
Insurance	\$15.63	\$15.63	\$15.21	\$16.24 6
Servicing and tyres	\$30.42	\$30.24	\$30.20	\$30.03 5
Fuel	\$73.73	\$71.70	\$73.92	\$69.52 2
Public transport	\$60.30	\$62.10	\$62.10	\$62.10 3
Tolls	-	-	-	- -
Roadside assist	\$2.08	\$2.10	\$2.10	\$2.10 7
Total	\$346.11	\$346.26	\$346.04	\$338.79



Bunbury	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$132.88	\$132.62	\$130.64	\$127.19 1
Reg. and licensing	\$31.07	\$31.87	\$31.87	\$31.62 4
Insurance	\$11.80	\$11.79	\$11.46	\$12.39 5
Servicing and tyres	\$32.55	\$32.63	\$32.61	\$32.46 3
Fuel	\$93.10	\$90.88	\$95.25	\$92.79 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$2.08	\$2.10	\$2.10	\$2.10 6
Total	\$303.48	\$301.89	\$303.92	\$298.55

Section Three

South Australia weekly costs of transport

Adelaide With weekly household transport costs of \$314.61 (annualised at \$16,360) Adelaide remained the third-least expensive city for total transport costs. Adelaide replaced Perth as the third-most affordable city when costs are considered as a percentage of average income at 13.5 per cent (compared to 14.1 per cent in the previous quarter).

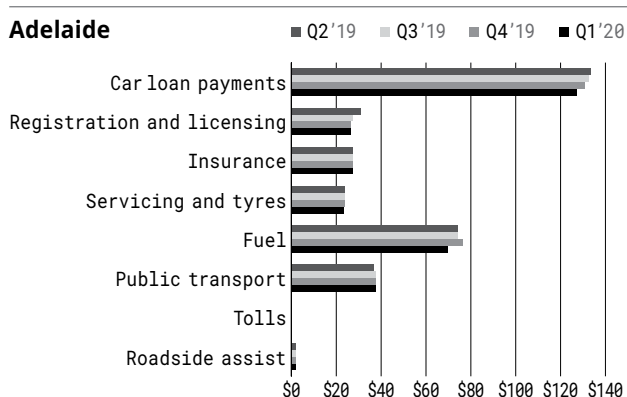
Transport costs decreased by \$10.33 per week, or \$537 per annum. This was mainly due to lower car loan payments and fuel prices. Car loan payments decreased by \$3.47 per week (equivalent to \$180 per annum). Fuel expenditure decreased by \$6.68 per week (equivalent to \$347 per annum). Servicing and tyre costs also decreased by \$21 per annum, comprehensive insurance premiums increased by \$11 per annum, while all other costs remained unchanged in the quarter.

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

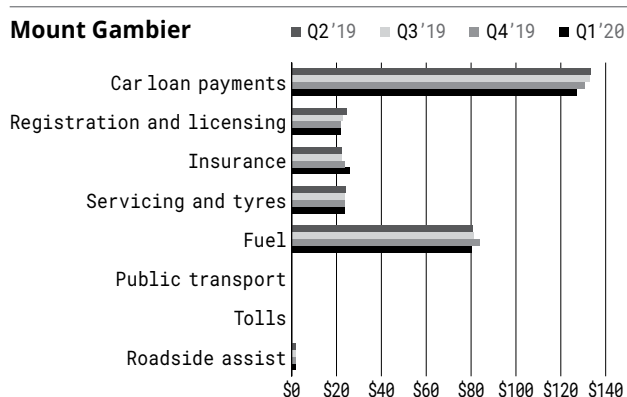
Mount Gambier In the March quarter, the typical Mount Gambier household spent \$281.11 a week on transport (or \$14,618 per year if all costs remained constant) – a decrease of \$5.05 a week from the previous quarter. Mount Gambier remained the fourth-highest out of seven regional centres for total transport costs. It remained the second least affordable regional centre despite costs as a percentage of income decreasing from 13.9 per cent to 13.4 per cent in the March quarter.

Mount Gambier's decrease in transport costs was mainly attributable to lower car loan payments and fuel prices. Car loan payments decreased in line with Adelaide, while fuel expenditure decreased by \$3.42 per week, annualised at \$178 per annum (assuming fuel prices remained constant). Servicing and tyre costs also decreased by \$21 per annum while comprehensive insurance increased by \$2.23 a week (or \$116 a year). Registration, CTP and licensing and roadside assistance costs remained constant.

Mount Gambier had relatively low costs for most categories compared to other benchmark regional centres, but became the most expensive regional centre for comprehensive insurance.



Adelaide	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$133.31	\$132.73	\$130.77	\$127.31 1
Reg. and licensing	\$31.15	\$27.46	\$26.69	\$26.69 5
Insurance	\$27.23	\$27.23	\$27.38	\$27.60 4
Servicing and tyres	\$23.89	\$23.83	\$23.81	\$23.41 6
Fuel	\$74.20	\$74.03	\$76.59	\$69.92 2
Public transport	\$37.00	\$37.70	\$37.70	\$37.70 3
Tolls	-	-	-	- -
Roadside assist	\$1.94	\$1.98	\$1.98	\$1.98 7
Total	\$328.72	\$324.97	\$324.94	\$314.61



Mount Gambier	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$133.31	\$132.73	\$130.77	\$127.31 1
Reg. and licensing	\$24.74	\$22.86	\$22.09	\$22.09 5
Insurance	\$22.33	\$22.33	\$23.60	\$25.83 ↑ 3
Servicing and tyres	\$23.98	\$23.93	\$23.91	\$23.50 ↓ 4
Fuel	\$80.95	\$81.22	\$83.81	\$80.40 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.94	\$1.98	\$1.98	\$1.98 6
Total	\$287.25	\$285.05	\$286.16	\$281.11

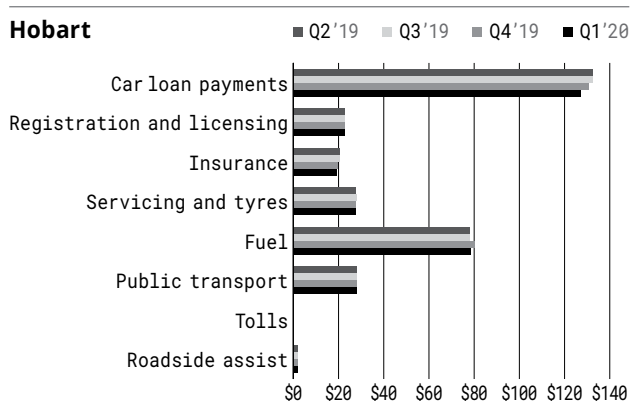
Section Three

Tasmania weekly costs of transport

Hobart In the March quarter, the typical Hobart household spent \$305.29 per week (annualised at \$15,875) on transport, a decrease of \$5.60 per week (\$291 per annum) from the previous quarter.

Hobart remained Australia's capital city with the lowest transport costs, but in terms of purchasing power it remained the least affordable city. Because Hobart had the lowest average earnings of any capital city, it had the least affordable transport when costs are measured as a percentage of average income at 16.3 per cent (compared to 16.8 per cent in the previous quarter). The decrease in transport costs was due largely to lower car loan payments, which decreased by \$3.46 per week (equivalent to \$180 per annum). Fuel expenditure also decreased by \$1.62 per week (equivalent to \$84 per annum). Comprehensive insurance premiums, and servicing and tyre costs, also decreased slightly by \$18 and \$10 per year respectively. All other costs remained constant.

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

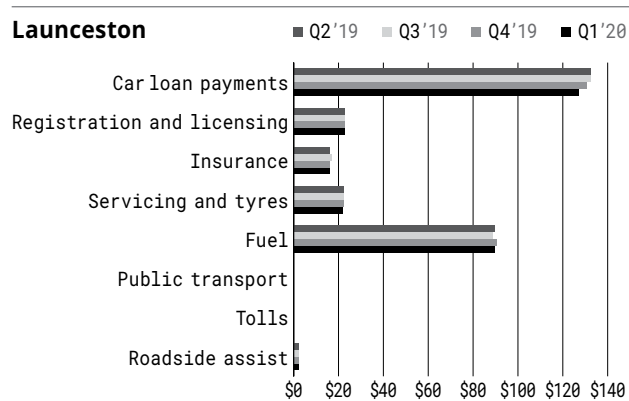


Hobart	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$132.70	\$132.46	\$130.56	\$127.10 1
Reg. and licensing	\$22.90	\$22.73	\$22.73	\$22.73 5
Insurance	\$20.45	\$20.45	\$19.60	\$19.25 6
Servicing and tyres	\$27.70	\$27.91	\$27.64	\$27.46 4
Fuel	\$78.11	\$78.28	\$80.18	\$78.56 2
Public transport	\$28.00	\$28.00	\$28.00	\$28.00 3
Tolls	-	-	-	- -
Roadside assist	\$2.15	\$2.19	\$2.19	\$2.19 7
Total	\$312.01	\$312.01	\$310.90	\$305.29

Launceston The typical Launceston household's annual transport costs were equivalent to \$14,540—a decrease of \$5.30 per week (or \$275 per annum) over the quarter. Launceston remained the fifth-most expensive regional centre for total transport costs.

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 (16.5 per cent compared to 16.9 per cent in the previous quarter), Launceston remained 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. Fuel expenditure also decreased by \$1.29 per week (equivalent to \$67 per annum). Comprehensive insurance premiums, and servicing and tyre costs, also decreased slightly by \$15 and \$14 per year respectively. All other costs remained constant.

Launceston remained relatively inexpensive for registration, CTP and licensing costs, and servicing and tyres, but remained relatively expensive for fuel expenditure.



Launceston	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$132.70	\$132.46	\$130.56	\$127.10 1
Reg. and licensing	\$22.90	\$22.73	\$22.73	\$22.73 3
Insurance	\$16.23	\$17.05	\$16.33	\$16.04 5
Servicing and tyres	\$22.43	\$22.59	\$22.34	\$22.07 4
Fuel	\$89.70	\$88.76	\$90.78	\$89.49 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$2.15	\$2.19	\$2.19	\$2.19 6
Total	\$286.12	\$285.78	\$284.92	\$279.62

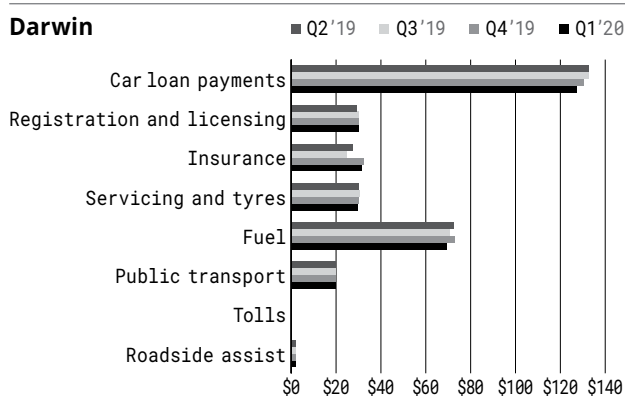
Section Three

Northern Territory weekly costs of transport

Darwin In the March quarter, the typical Darwin household spent \$309.48 per week on transport, a decrease of \$8.40 (equivalent to \$437 per annum) from the previous quarter. If costs remained constant over the year, this would equate to \$16,093 a year.

Darwin remained the capital city with the second-lowest transport costs. When transport costs are measured as a proportion of income—12.9 per cent (compared to 13.5 per cent the previous quarter)—Darwin remained the second-most affordable capital city. The decrease in the household's transport costs over the quarter is largely due to lower car loan payments and fuel prices. Car loan payments decreased by \$3.17 per week (or \$165 per annum) whilst fuel expenditure decreased by \$3.54 per week (or \$184 per annum). Comprehensive insurance premiums, and servicing and tyre costs, also decreased by \$61 and \$27 per year respectively.

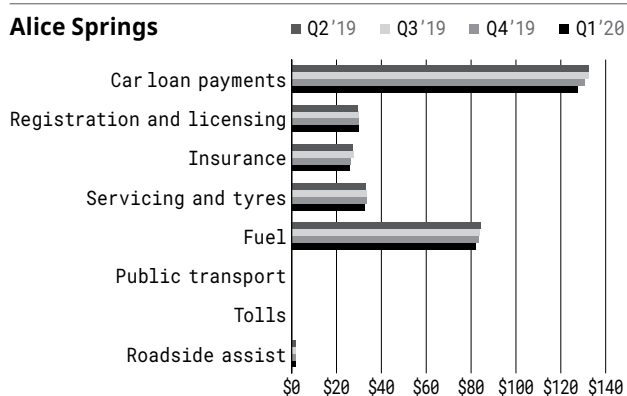
All other costs remained constant.



Darwin	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$132.69	\$132.48	\$130.55	\$127.38 1
Reg. and licensing	\$29.42	\$29.97	\$29.97	\$29.97 4
Insurance	\$27.44	\$24.88	\$32.50	\$31.34 3
Servicing and tyres	\$30.15	\$30.41	\$30.15	\$29.62 5
Fuel	\$72.60	\$70.85	\$72.82	\$69.27 2
Public transport	\$20.00	\$20.00	\$20.00	\$20.00 6
Tolls	-	-	-	- -
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90 7
Total	\$314.19	\$310.49	\$317.88	\$309.48

Alice Springs In the March quarter, Alice Springs replaced Geelong as the regional centre with the highest transport costs (previously second-highest). Its benchmark household spent \$299.97 per week on transport, a decrease of \$5.55 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 decreased by \$37 and \$28 per annum, respectively. Annualised, these costs equate to \$15,599 a year, with a decrease of \$289 per annum from the previous quarter (assuming costs remained constant).

Alice Springs remained the third-least affordable regional centre when costs are considered as a percentage of average income at 13.3 per cent compared to 13.8 per cent in 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 \$1.14 per week or \$59 per year (assuming fuel prices remained constant). All other costs remained constant over the quarter.



Alice Springs	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$132.69	\$132.48	\$130.55	\$127.38 1
Reg. and licensing	\$29.42	\$29.97	\$29.97	\$29.97 4
Insurance	\$27.44	\$27.59	\$26.51	\$25.80 5
Servicing and tyres	\$33.29	\$33.59	\$33.31	\$32.78 3
Fuel	\$84.43	\$83.93	\$83.28	\$82.14 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90 6
Total	\$309.17	\$309.47	\$305.52	\$299.97

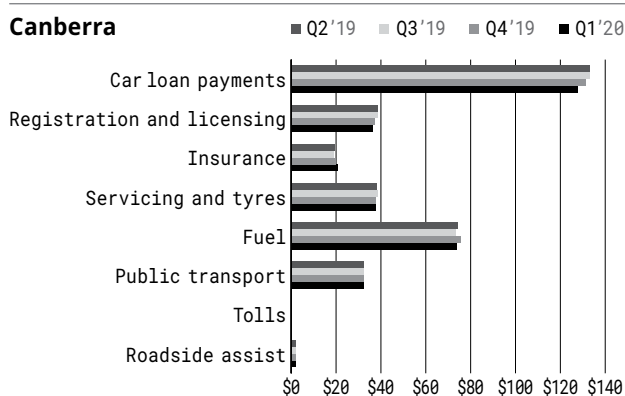
Section Three

ACT weekly costs of transport

Canberra In the March quarter, the typical Canberra household had the fifth-highest capital city transport costs at \$330.46 a week (or \$17,184 per annum). Its weekly costs decreased by \$5.67 over the quarter. Due to Canberra's high median income, 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 March quarter.

The decrease in Canberra's transport costs was largely driven by lower car loan payments, which decreased by \$3.51 per week or \$183 per annum. Registration, CTP and licensing costs decreased by \$56 per annum due to lower registration fees. Fuel expenditure also decreased by \$1.72 per week (equivalent to \$90 per year) and servicing and tyre costs decreased marginally. Comprehensive insurance costs increased by 78 cents a week (\$40 a year), while all other costs remained constant over the quarter.

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



Canberra	Q2	Q3	Q4	Q1 Rank
Car loan payments	\$133.26	\$133.16	\$131.20	\$127.69 1
Reg. and licensing	\$38.49	\$38.73	\$37.31	\$36.23 4
Insurance	\$19.24	\$18.99	\$19.80	\$20.58 6
Servicing and tyres	\$38.27	\$38.36	\$37.89	\$37.76 3
Fuel	\$74.28	\$73.37	\$75.56	\$73.83 2
Public transport	\$32.20	\$32.20	\$32.20	\$32.20 5
Tolls	-	-	-	- -
Roadside assist	\$2.12	\$2.12	\$2.17	\$2.17 7
Total	\$337.85	\$336.93	\$336.13	\$330.46



Background and methodology

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 the first quarter (January to March) of 2016 for the city households and the second quarter (April to June) of 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 outflow 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.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 per cent of that of the average Sydney income for a couple family with children. The Index has therefore calculated the income for Wagga Wagga as 91.25 per cent of the city household's income. Using this method, all regional households reported lower weekly earnings than their city counterparts.

Further information on the methodology and assumptions used to generate the AAA's Transport Affordability Index can be found in SGS Economics' final report on the AAA's website.⁵

Endnotes

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- 1 Western Australia recorded a slight decrease due to corrections in administration fees.
 - 2 Australian Bureau of Statistics, 2017. *Household Expenditure Survey, Australia: Summary of Results, 2015–2016*, cat. no. 6530.0. Accessed 7 February 2020. <<https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6530.0Main+Features12015-16?OpenDocument>>
 - 3 Australian Bureau of Statistics, 2019. Consumer Price Index, Australia, Dec 2019, cat. no. 6401.0. Accessed 7 February 2020. <<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0>>
 - 4 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://www.bitre.gov.au/sites/default/files/is_073.pdf>
 - 5 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>

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