



TRANSPORT AFFORDABILITY INDEX

JUNE QUARTER 2020



Australian
Automobile
Association



SGS
Economics
& Planning

released August 2020



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Lower fuel prices ease household transport costs

This latest edition of the AAA's quarterly Transport Affordability Index shows lower fuel prices have meant that drivers in our capital cities are now likely to be spending more on road tolls than fuel.

Overall, average transport costs in the second quarter of 2020 decreased by four per cent compared to the previous quarter. That now means household transport costs have fallen by 5.8 per cent since the beginning of the year.

Many households however, are not feeling the full impact of the reduction in transport costs, as the COVID-19 pandemic is keeping many Australians off our roads and away from public transport.

The AAA's Affordability Index measures household transport costs in all capital cities along with a selected regional centre in each state and the Northern Territory. The Index is designed to give an indicative picture of household transport costs across the nation.

On average, a typical household's weekly expenditure on transport was \$306 in the June quarter: down from \$318 in the previous quarter. This represents a decrease of four per cent, lower than the quarter's rate of inflation, which was a decrease of 1.9 per cent.

For the typical metropolitan household, this equates to a yearly transport expenditure of \$17,538 and \$14,004 for the typical regional household.

Loan repayments, fuel and tolls are the largest cost inputs, with the average cost of transport now representing 12.8 per cent for the typical household income.

When it comes to transport, Sydney, Melbourne and Brisbane remained the nation's most expensive capital cities.

Like the previous quarter, when interpreting data contained in this edition of the AAA's Affordability Index, it is important to remember that it measures transport costs over a normal week. With restrictions associated with the COVID-19 pandemic still in force throughout Australia, many households have 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 June quarter, transport costs decreased for the benchmark capital city and regional households.

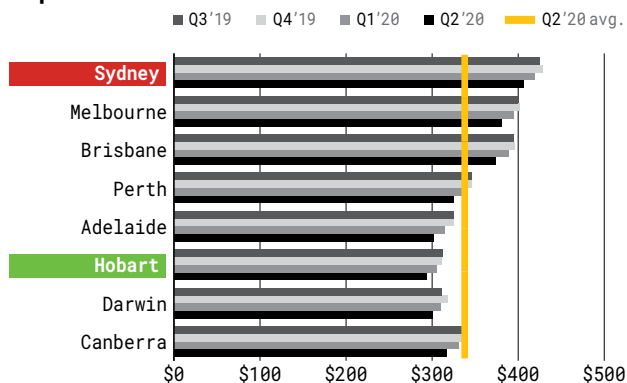
Capital cities The average total weekly transport cost for benchmark capital city households was \$337 compared with \$350 in the previous quarter.

Sydney remained the most expensive capital city for total transport costs with weekly costs at \$406 per week, down from \$420 in the previous quarter. Hobart remained the least expensive capital with weekly costs of \$294, down from \$305 in the previous quarter.

Regional The average weekly transport expenditure for households in the benchmark regional centres was \$269 compared with \$282 in the previous quarter.

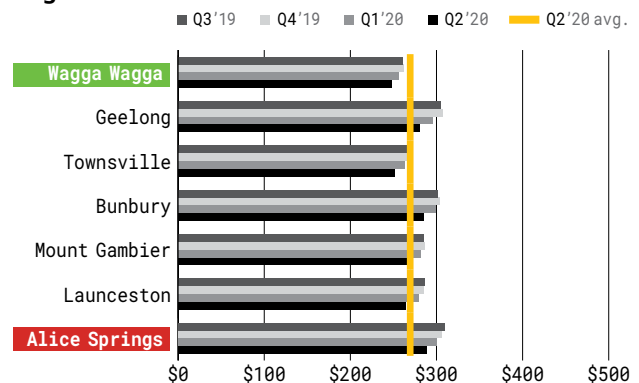
Alice Springs remained the regional centre with the highest total weekly transport costs at \$289 per week down from \$300 in the March quarter. Wagga Wagga remained the least expensive at \$248 per week, down from \$257.

Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$424.32	\$427.90	\$419.54	\$405.70	1
Melbourne	\$399.50	\$401.26	\$394.03	\$380.33	2
Brisbane	\$394.42	\$395.81	\$389.08	\$374.17	3
Perth	\$346.26	\$346.04	\$338.79	\$324.95	4
Adelaide	\$324.97	\$324.94	\$314.61	\$301.97	6
Hobart	\$312.01	\$310.90	\$305.29	\$293.72	8
Darwin	\$310.49	\$317.88	\$309.48	\$300.51	7
Canberra	\$336.93	\$336.13	\$330.46	\$316.79	5
Capital avg.	\$356.11	\$357.61	\$350.16	\$337.27	

Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$261.20	\$261.57	\$256.57	\$248.06	7
Geelong	\$304.83	\$307.07	\$295.46	\$280.58	3
Townsville	\$267.19	\$268.47	\$263.35	\$251.64	6
Bunbury	\$301.89	\$303.92	\$298.55	\$285.14	2
Mount Gambier	\$285.05	\$286.16	\$281.11	\$266.33	4
Launceston	\$285.78	\$284.92	\$279.62	\$264.56	5
Alice Springs	\$309.47	\$305.52	\$299.97	\$288.90	1
Regional avg.	\$287.91	\$288.23	\$282.09	\$269.32	

Section One

Household total annual transport costs

In the June quarter, the typical Australian city household's average annualised cost of transport decreased by \$671 to \$17,538. The greatest decreases in transport costs were recorded in Brisbane, Sydney, Perth and Melbourne – equivalent to \$775, \$720, \$720 and \$713 per year, respectively. These were mainly due to lower fuel prices.

The average annual cost of transport for the typical regional household decreased by \$664. The typical regional household would spend \$14,004 per annum on transport if the June quarter costs held constant. The greatest decreases among the benchmark regional centres were recorded in Launceston, Geelong and Mount Gambier, where transport costs decreased by \$783, \$774 and \$768 per year respectively when compared to the previous quarter. This was also due to lower fuel prices compared to the March quarter.

Fuel excise, registration, Compulsory Third Party (CTP) and licensing alone cost the typical two-car family \$2,637

per annum for city households and \$2,615 per annum for 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	Q1	Q2	Change	Rank
Sydney	\$21,816.12	\$21,096.52	-\$719.60	1
Melbourne	\$20,489.55	\$19,776.94	-\$712.60	2
Brisbane	\$20,232.20	\$19,456.73	-\$775.46	3
Perth	\$17,617.30	\$16,897.15	-\$720.15	4
Adelaide	\$16,359.58	\$15,702.44	-\$657.14	6
Hobart	\$15,875.27	\$15,273.41	-\$601.87	8
Darwin	\$16,093.11	\$15,626.57	-\$466.54	7
Canberra	\$17,183.88	\$16,473.23	-\$710.65	5
Capital avg.	\$18,208.37	\$17,537.87	-\$670.50	

Average taxes	Q1	Q2	Change
Fuel excise	\$1,112.49	\$1,112.49	
Registration, CTP and licensing	\$1,525.16 (\$1,572.29)*	\$1,524.41 (\$1,571.54)*	
Household total	\$2,637.65 (\$2,684.78)*	\$2,636.90 (\$2,684.03)*	-\$0.75

* 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	Q1	Q2	Change	Rank
Wagga Wagga	\$13,341.64	\$12,899.37	-\$442.27	7
Geelong	\$15,364.04	\$14,590.36	-\$773.69	3
Townsville	\$13,694.44	\$13,085.07	-\$609.36	6
Bunbury	\$15,524.82	\$14,827.08	-\$697.74	2
Mount Gambier	\$14,617.74	\$13,849.28	-\$768.46	4
Launceston	\$14,540.40	\$13,757.28	-\$783.13	5
Alice Springs	\$15,598.53	\$15,022.82	-\$575.71	1
Regional avg.	\$14,668.80	\$14,004.47	-\$664.34	

Average taxes	Q1	Q2	Change
Fuel excise	\$1,166.77	\$1,166.77	
Registration, CTP and licensing	\$1,448.41	\$1,448.41	
Household total	\$2,615.18	\$2,615.18	

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 three cost categories:

- **Fuel** – prices decreased considerably in all capital cities and regional centres.
- **Comprehensive insurance** – premiums decreased slightly in cities and regional centres, except Adelaide and Mount Gambier.
- **Registration, CTP and licensing** – CTP premiums decreased slightly in the Australian Capital Territory.

Increases in transport costs were seen in these three categories:

- **Car loan payments** – the average upfront cost for purchasing new cars increased in all jurisdictions while interest rates remained unchanged.
- **Toll roads** – toll road costs increased slightly for Sydney and Melbourne due to scheduled quarterly indexation from 1 April 2020.
- **Car maintenance** – costs increased due to a price revision of fixed price servicing.

Roadside assistance and public transport costs remained constant in the June quarter.

For the typical city household, toll road costs replaced fuel as the second largest expense. Also for both the typical city and regional households, servicing and tyre costs became a slightly greater expense than registration, CTP and licensing costs. Car loan payments remain the largest expense in the representative families' transport budgets.

Roadside assistance and insurance were the smallest transport expenses.

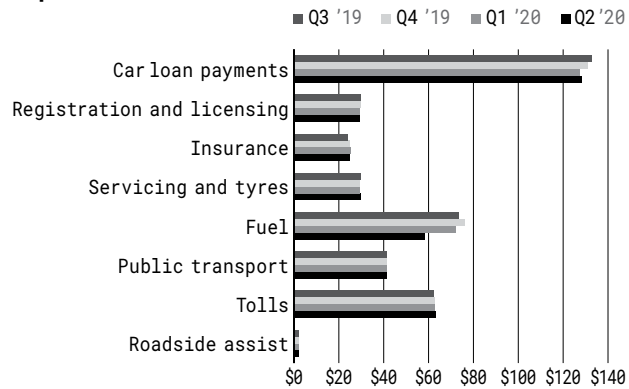
There were a few notable differences between capital city and regional transport costs:

- 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.
- 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

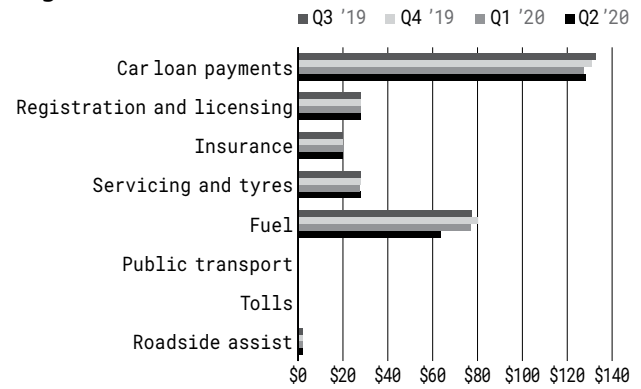
Capital cities



Expenses	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$132.86	\$130.90	\$127.37	\$128.13	1
Registration, CTP and licensing	\$29.81	\$29.53	\$29.33	\$29.32	6
Insurance	\$23.86	\$24.87	\$25.10	\$24.90	7
Servicing and tyres	\$29.51	\$29.41	\$29.07	\$29.47	5
Fuel	\$73.54	\$76.23	\$72.21	\$58.23	3
Public transport	\$41.18	\$41.18	\$41.44	\$41.44	4
Tolls	\$62.10	\$62.43	\$62.82	\$63.22	2
Roadside assist	\$2.06	\$2.08	\$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	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$132.82	\$130.85	\$127.33	\$128.10	1
Registration, CTP and licensing	\$28.01	\$27.90	\$27.85	\$27.85	4
Insurance	\$19.79	\$19.73	\$20.33	\$20.00	5
Servicing and tyres	\$27.91	\$27.86	\$27.48	\$27.88	3
Fuel	\$77.33	\$79.82	\$77.04	\$63.43	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.05	\$2.06	\$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 12.8 per cent, down from 13.3 per cent in the March quarter. For the typical Australian capital city household, the average cost of transport was 13.5 per cent of average income, compared to 14.1 per cent in the previous quarter.

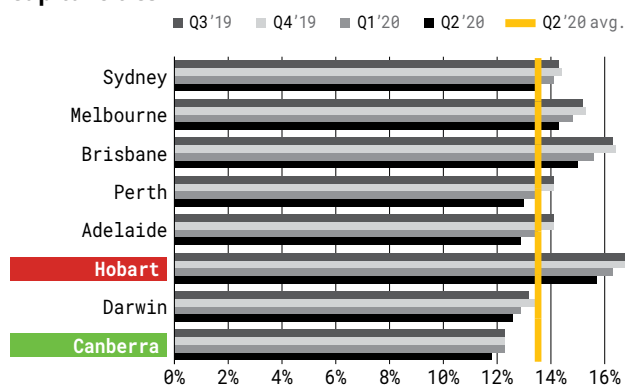
Regional household transport costs were 12 per cent of average income, compared to 12.6 per cent in the previous quarter. Alice Springs replaced Mount Gambier as the second least affordable regional centre in the June quarter.

Among the regional centres, Launceston recorded the largest decrease – 0.9 per cent lower than the previous quarter.

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

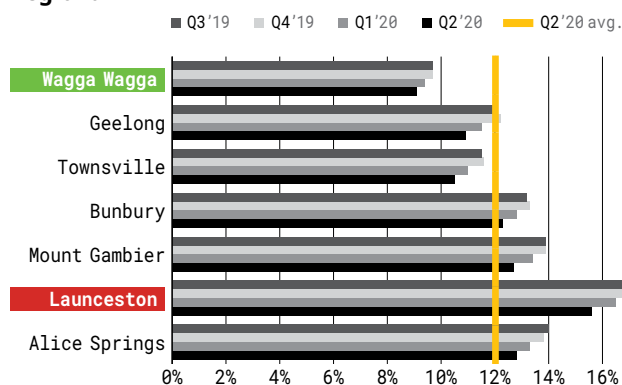
The affordability rankings of all capital cities and all other regional centres (excluding Alice Springs and Mount Gambier) remained unchanged from the previous quarter.

Capital cities

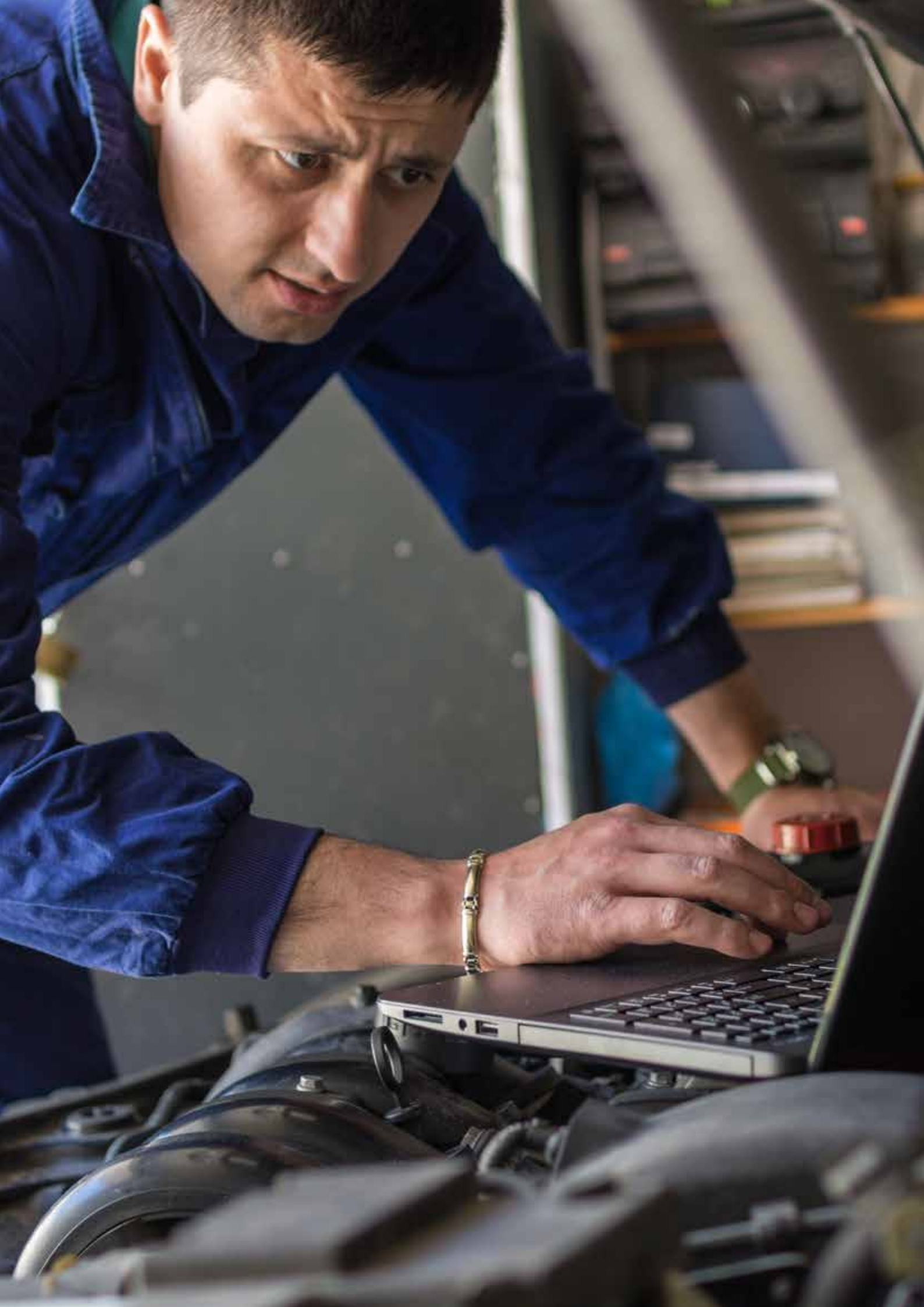


City	Q3	Q4	Q1	Q2	Rank
Sydney	14.3%	14.4%	14.1%	13.6%	4
Melbourne	15.2%	15.3%	14.8%	14.3%	3
Brisbane	16.3%	16.4%	15.6%	15.0%	2
Perth	14.1%	14.1%	13.5%	13.0%	5
Adelaide	14.1%	14.1%	13.5%	12.9%	6
Hobart	16.8%	16.8%	16.3%	15.7%	1
Darwin	13.2%	13.5%	12.9%	12.6%	7
Canberra	12.3%	12.3%	12.3%	11.8%	8
Capital avg.	14.6%	14.6%	14.1%	13.5%	

Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	9.7%	9.7%	9.4%	9.1%	7
Geelong	12.1%	12.2%	11.5%	10.9%	5
Townsville	11.5%	11.6%	11.0%	10.5%	6
Bunbury	13.2%	13.3%	12.8%	12.3%	4
Mount Gambier	13.9%	13.9%	13.4%	12.7%	3
Launceston	17.0%	16.9%	16.5%	15.6%	1
Alice Springs	14.0%	13.8%	13.3%	12.8%	2
Regional avg.	13.1%	13.1%	12.6%	12.0%	



Section Two

Detailed results

Household weekly car loan payment costs

The upfront costs for purchasing a new car increased in all jurisdictions – on average by \$173. Interest rates also decreased in all jurisdictions. As a result, the cost of car loan payments increased in all locations.

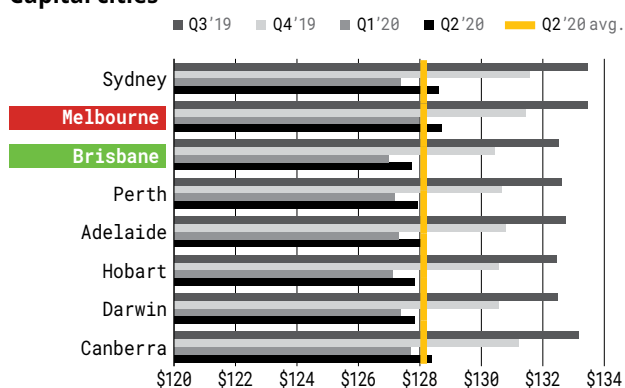
The average cost of car loan payments increased by around 76 cents per week, or \$40 per year.

Among the capital city households, in the June 2020 quarter, Melbourne remained 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 increase among the capital cities was seen in Sydney, where weekly car loan payments increased by \$1.26 per week (equating to \$65 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.

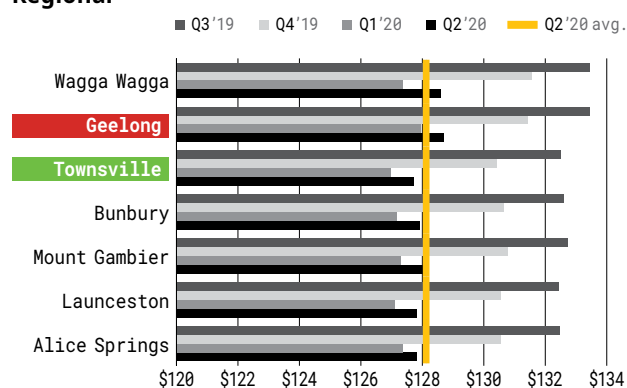
The rankings in this category changed considerably.

Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$133.47	\$131.57	\$127.36	\$128.62	↑ 2
Melbourne	\$133.47	\$131.45	\$127.95	\$128.70	1
Brisbane	\$132.51	\$130.44	\$126.98	\$127.72	8
Perth	\$132.62	\$130.64	\$127.19	\$127.93	↑ 5
Adelaide	\$132.73	\$130.77	\$127.31	\$128.04	↑ 4
Hobart	\$132.46	\$130.56	\$127.10	\$127.84	↑ 6
Darwin	\$132.48	\$130.55	\$127.38	\$127.83	↓ 7
Canberra	\$133.16	\$131.20	\$127.69	\$128.37	↓ 3
Capital avg.	\$132.86	\$130.90	\$127.37	\$128.13	

Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$133.47	\$131.57	\$127.36	\$128.62	↑ 2
Geelong	\$133.47	\$131.45	\$127.95	\$128.70	1
Townsville	\$132.51	\$130.44	\$126.98	\$127.72	7
Bunbury	\$132.62	\$130.64	\$127.19	\$127.93	↑ 4
Mount Gambier	\$132.73	\$130.77	\$127.31	\$128.04	↑ 3
Launceston	\$132.46	\$130.56	\$127.10	\$127.84	↑ 5
Alice Springs	\$132.48	\$130.55	\$127.38	\$127.83	↓ 6
Regional avg.	\$132.82	\$130.85	\$127.33	\$128.10	

Section Two

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

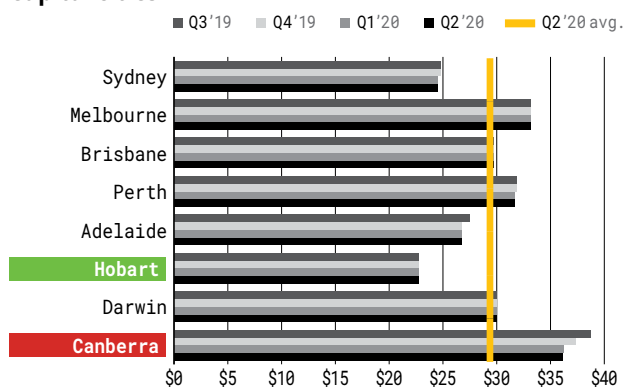
Registration, CTP and licensing costs decreased in the Australian Capital Territory due to a marginal decrease in CTP premiums. All other jurisdictions remained constant over the quarter.

Canberra remained the most expensive capital city for registration, CTP and licensing at \$36.12 a week (down from \$36.23 a week), while Hobart remained the least expensive (\$22.73 a week). When the June quarter figures are annualised, the typical Hobart household spends \$696 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 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.

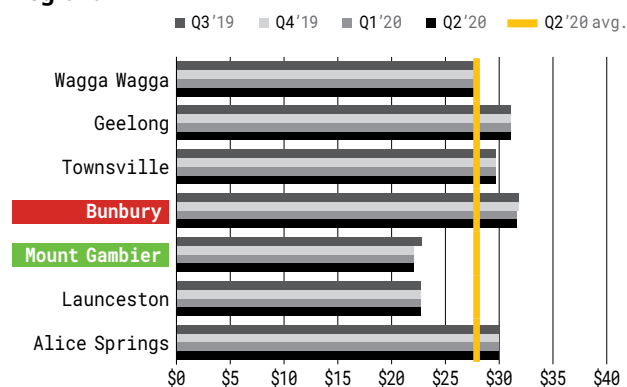
Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$24.79 (\$31.94)	\$24.79 (\$31.94)	\$24.50 (\$31.75)	\$24.50 (\$31.75)	7 (3)*
Melbourne	\$33.17	\$33.17	\$33.17	\$33.17	2
Brisbane	\$29.74	\$29.74	\$29.74	\$29.74	5
Perth	\$31.87	\$31.87	\$31.62	\$31.62	3
Adelaide	\$27.46	\$26.69	\$26.69	\$26.69	6
Hobart	\$22.73	\$22.73	\$22.73	\$22.73	8
Darwin	\$29.97	\$29.97	\$29.97	\$29.97	4
Canberra	\$38.73	\$37.31	\$36.23	\$36.12	1
Capital avg.	\$29.81	\$29.53	\$29.33	\$29.32	

* 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	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$27.85	\$27.85	\$27.78	\$27.78	5
Geelong	\$31.05	\$31.05	\$31.05	\$31.05	2
Townsville	\$29.74	\$29.74	\$29.74	\$29.74	4
Bunbury	\$31.87	\$31.87	\$31.62	\$31.62	1
Mount Gambier	\$22.86	\$22.09	\$22.09	\$22.09	7
Launceston	\$22.73	\$22.73	\$22.73	\$22.73	6
Alice Springs	\$29.97	\$29.97	\$29.97	\$29.97	3
Regional avg.	\$28.01	\$27.90	\$27.85	\$27.85	

Section Two

Household weekly comprehensive insurance costs

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

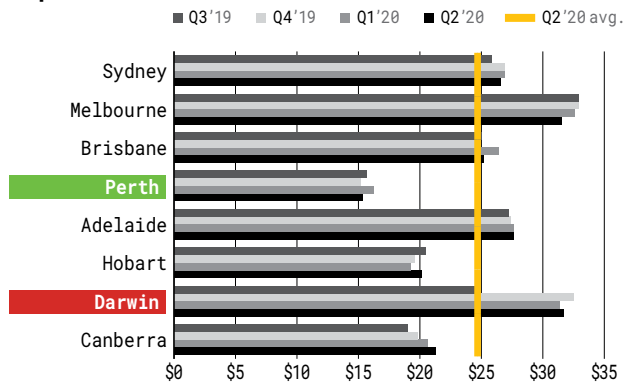
Darwin replaced Melbourne as the most expensive city for comprehensive insurance (\$31.65 a week); Perth remained the cheapest (\$15.33 a week). When these costs are annualised, the Perth household spends \$849 per year less on comprehensive insurance than the typical Darwin household. Brisbane recorded the largest decrease in comprehensive insurance premiums among the city households, falling by \$1.15 per week (equivalent to \$60 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 \$12.02 a week (or \$625 a year) less on comprehensive insurance than the typical Melbourne household.

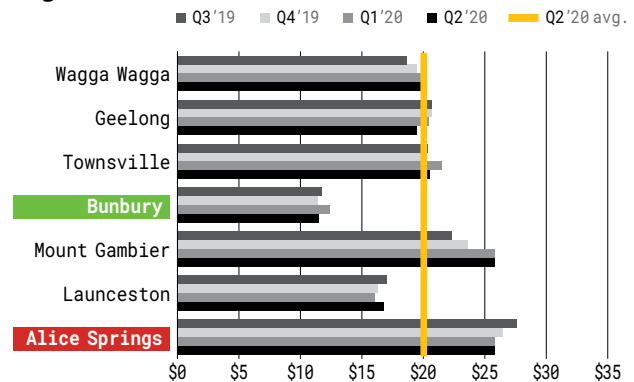
Alice Springs replaced Mount Gambier as the most expensive regional centre for comprehensive insurance, while Bunbury remained the cheapest.

Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$25.83	\$26.86	\$26.88	\$26.56	4
Melbourne	\$32.87	\$32.94	\$32.59	\$31.49	2
Brisbane	\$25.02	\$24.64	\$26.36	\$25.21	5
Perth	\$15.63	\$15.21	\$16.24	\$15.33	8
Adelaide	\$27.23	\$27.38	\$27.60	\$27.60	3
Hobart	\$20.45	\$19.60	\$19.25	\$20.10	7
Darwin	\$24.88	\$32.50	\$31.34	\$31.65	1
Canberra	\$18.99	\$19.80	\$20.58	\$21.26	6
Capital avg.	\$23.86	\$24.87	\$25.10	\$24.90	

Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$18.70	\$19.51	\$20.27	\$20.02	4
Geelong	\$20.67	\$20.68	\$20.48	\$19.47	5
Townsville	\$20.38	\$20.06	\$21.49	\$20.53	3
Bunbury	\$11.79	\$11.46	\$12.39	\$11.54	7
Mount Gambier	\$22.33	\$23.60	\$25.83	\$25.83	2
Launceston	\$17.05	\$16.33	\$16.04	\$16.76	6
Alice Springs	\$27.59	\$26.51	\$25.80	\$25.83	1
Regional avg.	\$19.79	\$19.73	\$20.33	\$20.00	

Section Two

Household total weekly servicing and tyre costs

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

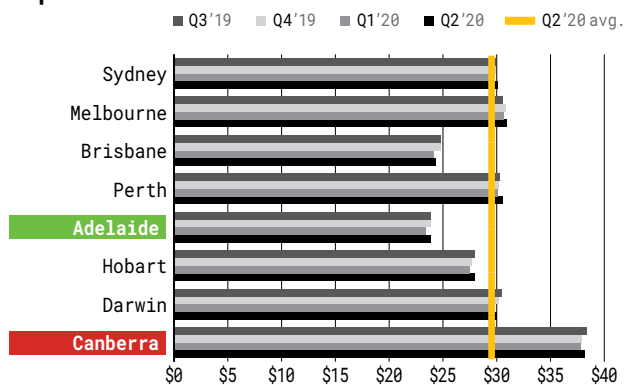
Overall, the cost of maintaining a representative new and used car remained highest in Canberra (\$38.14 a week) and lowest in Adelaide (\$23.84 a week). The annualised difference for the typical households in Canberra and Adelaide is \$744.

Among the regional locations, the cost of maintaining both a new and used car remained most expensive in Alice Springs (\$33.21 a week) and cheapest in Launceston (\$22.45 a week). The annualised difference between the Alice Springs and Launceston households is \$559.

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 older car and the cost of tyres.

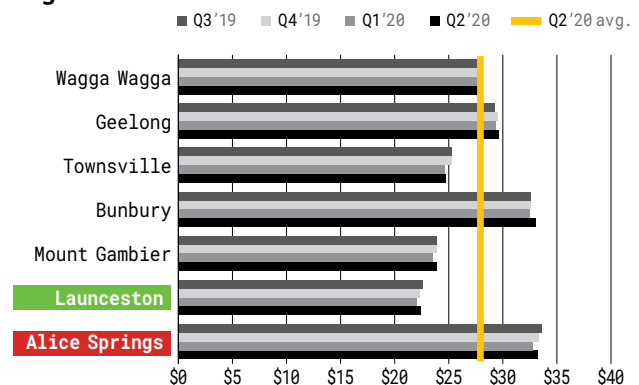
Costs associated with the older car, and tyres for both cars, are based on data from the ABS Household Expenditure Survey (HES)¹ and indexed in line with the CPI for maintenance and repair of motor vehicles.²

Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$29.93	\$29.91	\$29.50	\$30.09	4
Melbourne	\$30.57	\$30.85	\$30.65	\$30.95	2
Brisbane	\$24.80	\$24.82	\$24.15	\$24.27	7
Perth	\$30.24	\$30.20	\$30.03	\$30.56	3
Adelaide	\$23.83	\$23.81	\$23.41	\$23.84	8
Hobart	\$27.91	\$27.64	\$27.46	\$27.89	6
Darwin	\$30.41	\$30.15	\$29.62	\$30.02	5
Canberra	\$38.36	\$37.89	\$37.76	\$38.14	1
Capital avg.	\$29.51	\$29.41	\$29.07	\$29.47	

Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$28.08	\$28.04	\$27.62	\$28.18	4
Geelong	\$29.28	\$29.53	\$29.32	\$29.61	3
Townsville	\$25.27	\$25.30	\$24.62	\$24.75	5
Bunbury	\$32.63	\$32.61	\$32.46	\$33.03	2
Mount Gambier	\$23.93	\$23.91	\$23.50	\$23.93	6
Launceston	\$22.59	\$22.34	\$22.07	\$22.45	7
Alice Springs	\$33.59	\$33.31	\$32.78	\$33.21	1
Regional avg.	\$27.91	\$27.86	\$27.48	\$27.88	

Section Two

Household weekly fuel costs

The cost of fuel decreased across the country in the June quarter. The average Australian capital city retail price of regular unleaded petrol decreased 28.3 cents per litre, from 141.8 cents per litre to 113.5 cents per litre. If fuel prices remained at that level, fuel expenditure for the typical city household would decrease by \$727 per year.

Hobart remained the capital city with the highest fuel prices and fuel expenditure. Its average petrol price was 126.3 cents per litre in the June quarter, down 28.0 cents per litre from the previous quarter. Perth was the capital with the lowest fuel prices and fuel expenditure. Its average price for unleaded petrol was 106.7 cents per litre in the quarter, down 29.1 cents per litre from the March quarter.

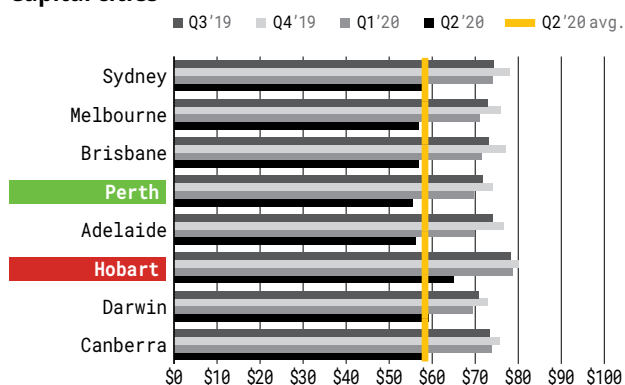
The typical Hobart household spent \$64.96 a week on fuel in the June 2020 quarter – down \$13.60 from the previous quarter. If Hobart had the same prices as Perth, its typical household would save \$9.65 per week (or \$502 a year).

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 26.2 cents a litre, from 144.7 cents per litre to 118.5 cents per litre. Alice Springs replaced Launceston as the household with the highest petrol prices – 133.3 cents per litre. Geelong remained the regional centre with the cheapest regional petrol prices at 108.1 cents per litre.

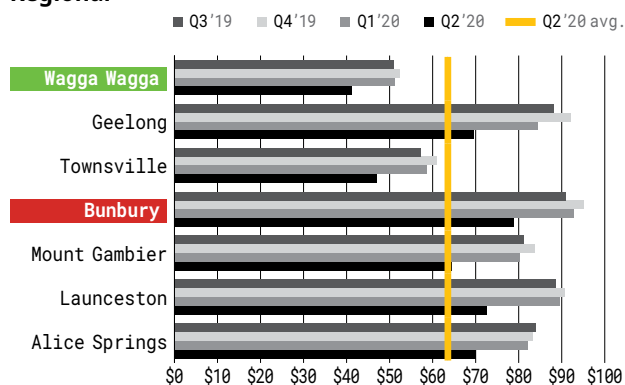
The typical household in Bunbury continued to have the highest fuel expenditure among the benchmark regional centres at \$78.93 per week (or \$4,104 per year) because Bunbury residents tend to drive longer distances than

Capital cities



City	Q3	Q4	Q1	Q2	Rank
Sydney	\$74.19	\$78.01	\$73.96	\$58.01	4
Melbourne	\$72.82	\$75.86	\$71.07	\$56.83	6
Brisbane	\$73.10	\$76.94	\$71.53	\$56.90	5
Perth	\$71.70	\$73.92	\$69.52	\$55.32	8
Adelaide	\$74.03	\$76.59	\$69.92	\$56.12	7
Hobart	\$78.28	\$80.18	\$78.56	\$64.96	1
Darwin	\$70.85	\$72.82	\$69.27	\$59.14	2
Canberra	\$73.37	\$75.56	\$73.83	\$58.53	3
Capital avg.	\$73.54	\$76.23	\$72.21	\$58.23	

Regional



City	Q3	Q4	Q1	Q2	Rank
Wagga Wagga	\$51.00	\$52.43	\$51.36	\$41.29	7
Geelong	\$88.16	\$92.16	\$84.47	\$69.55	4
Townsville	\$57.38	\$61.03	\$58.62	\$46.99	6
Bunbury	\$90.88	\$95.25	\$92.79	\$78.93	1
Mount Gambier	\$81.22	\$83.81	\$80.40	\$64.45	5
Launceston	\$88.76	\$90.78	\$89.49	\$72.60	2
Alice Springs	\$83.93	\$83.28	\$82.14	\$70.17	3
Regional avg.	\$77.33	\$79.82	\$77.04	\$63.43	

Section Two

people in the other benchmark regional centres. Wagga Wagga continued to have the lowest fuel expenditure among the benchmark regional centres at \$41.29 per week (or \$2,147 per year) because its residents typically drive less than people in the other benchmark regional centres.

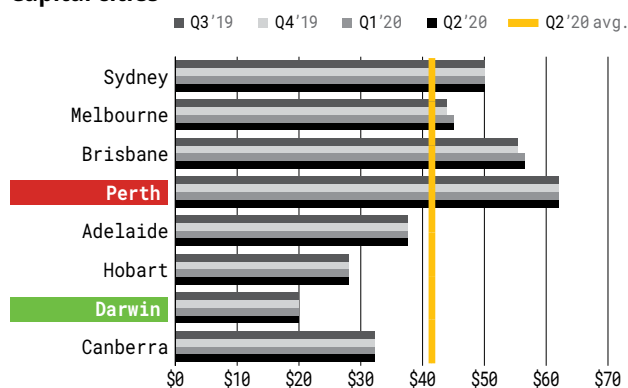
Household weekly public transport costs

In the June 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	Q3	Q4	Q1	Q2	Rank
Sydney	\$50.00	\$50.00	\$50.00	\$50.00	3
Melbourne	\$44.00	\$44.00	\$45.00	\$45.00	4
Brisbane	\$55.44	\$55.44	\$56.52	\$56.52	2
Perth	\$62.10	\$62.10	\$62.10	\$62.10	1
Adelaide	\$37.70	\$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.	\$41.18	\$41.18	\$41.44	\$41.44	

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 1 April 2020, with both increasing by 60 cents per week (equivalent to \$31 per year).

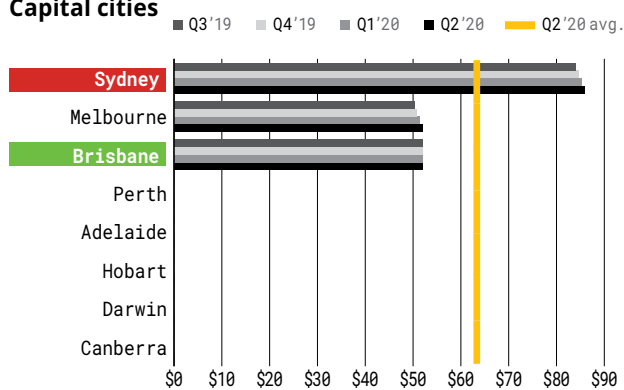
The typical Sydney household continues to incur the greatest costs for toll road usage, while the typical household in Brisbane replaced Melbourne as the one with the lowest toll costs among these three cities. The typical Brisbane household spends \$33.86 per week (or \$2,699 per year) less on tolls 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	Q3	Q4	Q1	Q2	Rank
Sydney	\$84.00	\$84.60	\$85.16	\$85.76	1
Melbourne	\$50.40	\$50.80	\$51.40	\$52.00	2
Brisbane	\$51.90	\$51.90	\$51.90	\$51.90	3
Perth	-	-	-	-	-
Adelaide	-	-	-	-	-
Hobart	-	-	-	-	-
Darwin	-	-	-	-	-
Canberra	-	-	-	-	-
Capital avg.	\$62.10	\$62.43	\$62.82	\$63.22	

Section Two

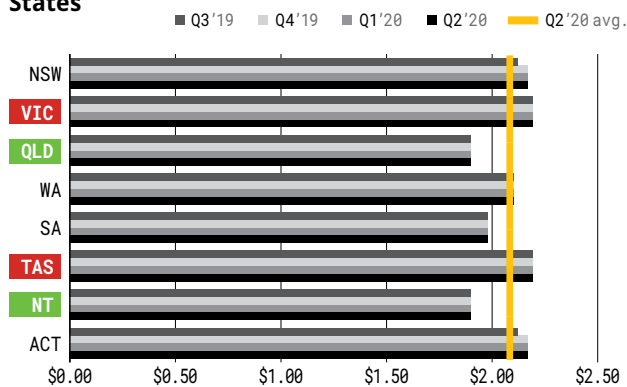
Household weekly costs of roadside assistance

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.

States



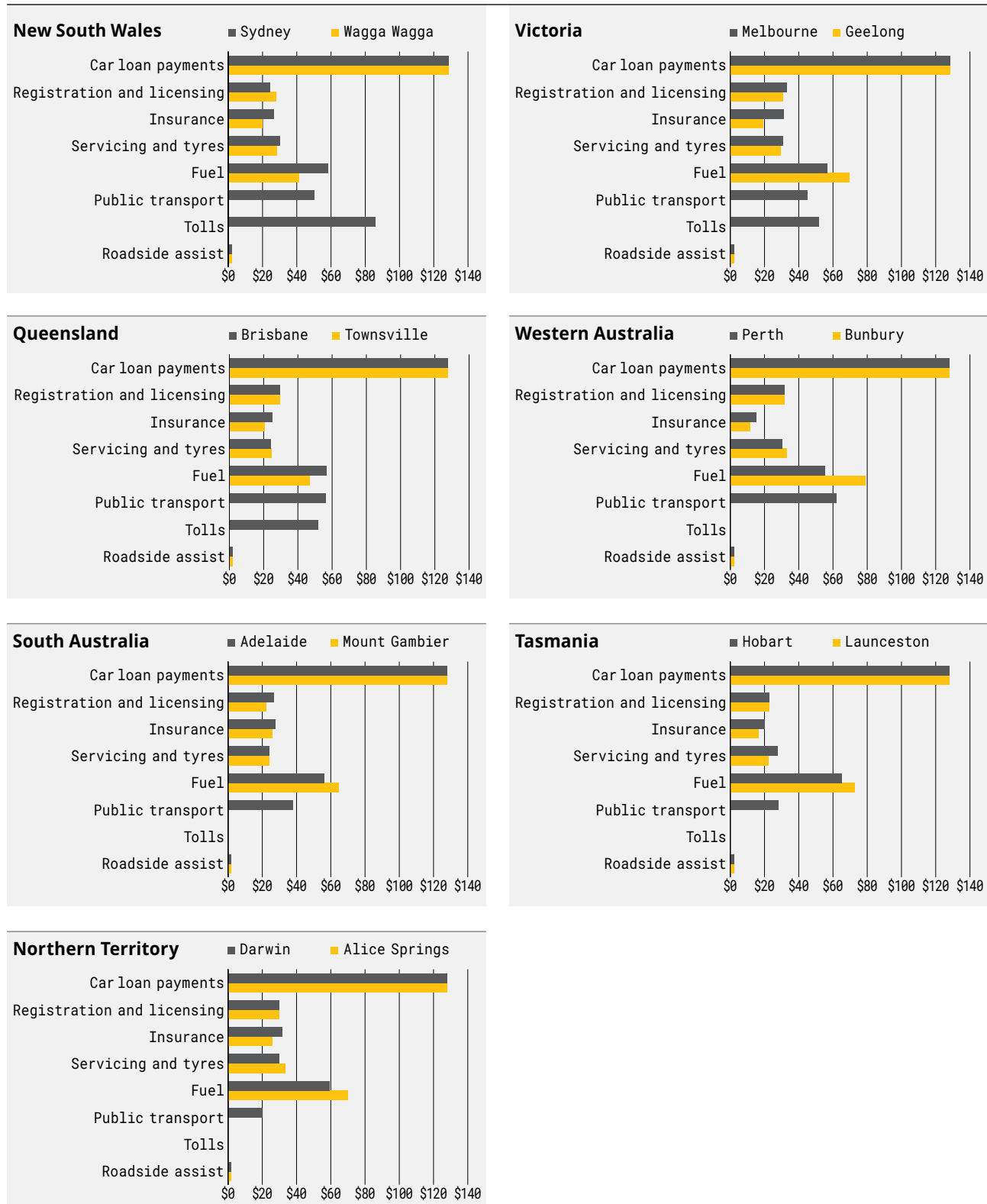
State	Q3	Q4	Q1	Q2	Rank
NSW	\$2.12	\$2.17	\$2.17	\$2.17	3
VIC	\$2.19	\$2.19	\$2.19	\$2.19	1
QLD	\$1.90	\$1.90	\$1.90	\$1.90	7
WA	\$2.10	\$2.10	\$2.10	\$2.10	5
SA	\$1.98	\$1.98	\$1.98	\$1.98	6
TAS	\$2.19	\$2.19	\$2.19	\$2.19	1
NT	\$1.90	\$1.90	\$1.90	\$1.90	7
ACT	\$2.12	\$2.17	\$2.17	\$2.17	3
National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



Section Three

State by state comparison

Capital city vs regional comparison by state



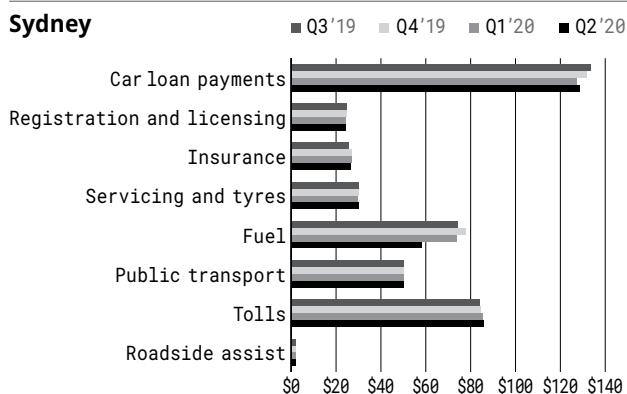
Section Three

New South Wales weekly costs of transport

Sydney transport costs decreased but remained Australia's most expensive city for transport. In the June quarter, the typical Sydney household spent \$405.70 a week (equivalent to \$21,097 a year) on transport (down \$13.84 a week or \$720 per annum from the previous quarter). Transport costs measured as a percentage of average income also decreased from 14.1 per cent to 13.6 per cent. Under this metric, Sydney remained the fourth-least affordable city for transport. This decrease was mainly attributable to lower fuel expenditure, which decreased by \$15.95 per week, equated to \$830 per annum (assuming costs remained constant). Sydney's comprehensive insurance costs also decreased by \$17 per annum.

Car loan payments increased by \$65 per annum due to higher upfront purchasing costs of new vehicles. Servicing and tyre costs also increased by \$31 per year. The city's toll road costs also increased by \$31 per year due to scheduled quarterly indexation from 1 April 2020.

Registration, CTP and licensing, public transport and roadside assistance costs remained unchanged.



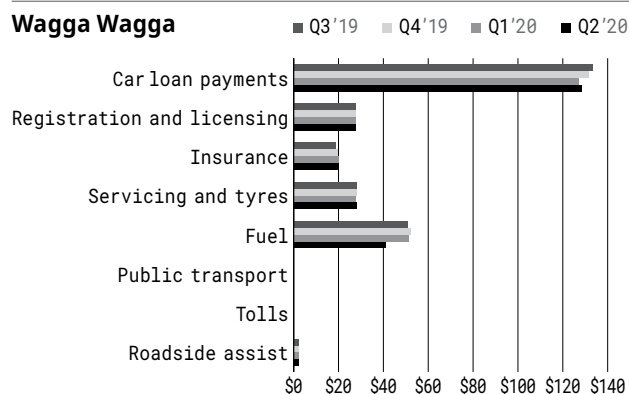
Sydney	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$133.47	\$131.57	\$127.36	\$128.62	1
Reg. and licensing	\$24.79 (\$31.94)	\$24.79 (\$31.94)	\$24.50 (\$31.75)	\$24.50 (\$31.75)	7 (5)*
Insurance	\$25.83	\$26.86	\$26.88	\$26.56	6
Servicing and tyres	\$29.93	\$29.91	\$29.50	\$30.09	5
Fuel	\$74.19	\$78.01	\$73.96	\$58.01	3
Public transport	\$50.00	\$50.00	\$50.00	\$50.00	4
Tolls	\$84.00	\$84.60	\$85.16	\$85.76	2
Roadside assist	\$2.12	\$2.17	\$2.17	\$2.17	8
Total	\$424.32	\$427.90	\$419.54	\$405.70	

* 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 (\$248.06 a week or \$12,899 a year) and in terms of the local income-to-cost ratio (at 9.1 per cent, down from 9.4 per cent in the previous quarter). Transport costs decreased over the June quarter by \$8.51 a week (equivalent to \$442 per annum), driven largely by lower fuel prices which decreased by \$10.07 a week – equivalent to \$523 a year (assuming fuel prices remained constant). Insurance costs also decreased slightly by \$13 per annum, while car loan payments increased in line with Sydney, and servicing and tyre costs increased by \$29 per annum.

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 did however pay slightly more for unleaded petrol in the June quarter – 3.7 cents per litre less compared to its city counterpart.

Registration, CTP and licensing, and roadside assistance costs remained unchanged.



Wagga Wagga	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$133.47	\$131.57	\$127.36	\$128.62	1
Reg. and licensing	\$27.85	\$27.85	\$27.78	\$27.78	4 ↓
Insurance	\$18.70	\$19.51	\$20.27	\$20.02	5
Servicing and tyres	\$28.08	\$28.04	\$27.62	\$28.18	3 ↑
Fuel	\$51.00	\$52.43	\$51.36	\$41.29	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.12	\$2.17	\$2.17	\$2.17	6
Total	\$261.20	\$261.57	\$256.57	\$248.06	

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

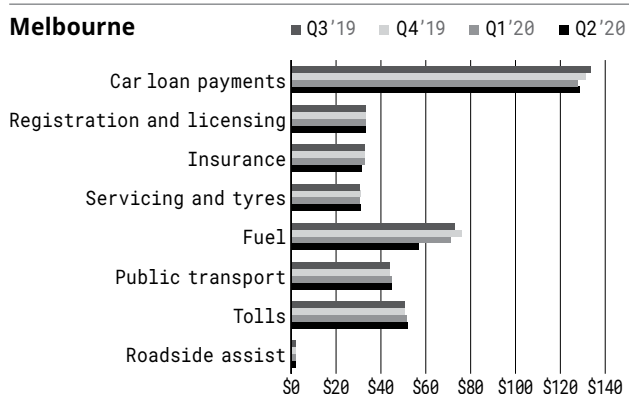
Section Three

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 decreased in the June quarter. The typical household spent the equivalent of \$19,777 a year on transport – a decrease of \$13.70 a week (or \$713 a year) from the previous quarter. Transport costs as a percentage of average income decreased from 14.8 per cent to 14.3 per cent compared to 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 fuel prices. Fuel expenditure decreased by \$14.24 per week (equivalent to \$741 per year). Comprehensive insurance premiums also decreased slightly by \$58 per annum. Car loan payments also increased slightly by \$39 per year due to higher upfront cost of purchasing new vehicles. Servicing and tyre costs increased slightly by \$15 per year.

Toll road costs increased by \$31 per year due to indexation from 1 April 2020 and as such Melbourne replaced Brisbane as the second most expensive city for tolls. Registration, CTP and licensing, public transport and roadside assistance costs remained constant over the quarter.

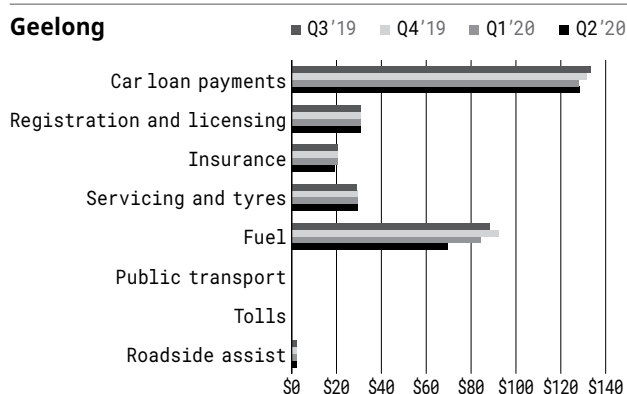


Melbourne	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$133.47	\$131.45	\$127.95	\$128.70	1
Reg. and licensing	\$33.17	\$33.17	\$33.17	\$33.17	5
Insurance	\$32.87	\$32.94	\$32.59	\$31.49	6
Servicing and tyres	\$30.57	\$30.85	\$30.65	\$30.95	7
Fuel	\$72.82	\$75.86	\$71.07	\$56.83	2
Public transport	\$44.00	\$44.00	\$45.00	\$45.00	4
Tolls	\$50.40	\$50.80	\$51.40	\$52.00	3
Roadside assist	\$2.19	\$2.19	\$2.19	\$2.19	8
Total	\$399.50	\$401.26	\$394.03	\$380.33	

Geelong had yearly transport costs of \$14,590 and remained the regional centre with the third-highest costs. When transport costs are considered as a percentage of average income (10.9 per cent compared to 11.5 per cent in the previous quarter), Geelong remained the third-most affordable regional centre for transport.

Weekly transport costs decreased by \$14.88 (equivalent to \$774 a year), mostly because of lower fuel expenditure. Fuel expenditure decreased by \$14.91 per week (equated to \$775 per annum). In the June quarter, Geelong had average unleaded petrol prices of 108.1 cents per litre – cheaper than all capital cities and regional centres, except Perth. While its petrol prices are low compared to other regional centres, fuel expenditure was the fourth-highest among all benchmark centres. BITRE data suggests that the typical Geelong family travels greater distances than other regional centres.

Comprehensive insurance premiums also decreased by \$52 per annum. Car loan payments increased in line with Melbourne, and servicing and tyre costs increased by \$15 per year. Registration, CTP and licensing, and roadside assistance costs remained unchanged in the June quarter.



Geelong	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$133.47	\$131.45	\$127.95	\$128.70	1
Reg. and licensing	\$31.05	\$31.05	\$31.05	\$31.05	3
Insurance	\$20.67	\$20.68	\$20.48	\$19.47	5
Servicing and tyres	\$29.28	\$29.53	\$29.32	\$29.61	4
Fuel	\$88.16	\$92.16	\$84.47	\$69.55	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.19	\$2.19	\$2.19	\$2.19	6
Total	\$304.83	\$307.07	\$295.46	\$280.58	

Section Three

Queensland weekly costs of transport

Brisbane's typical household had weekly transport costs of \$374.17 in the June quarter (or \$19,457 a year) – Australia's third-highest city for transport costs. Transport costs as a percentage of average income were 15 per cent compared to 15.6 per cent in the previous quarter, making Brisbane the second-least affordable city.

Transport costs decreased by \$14.91 a week (or \$775 a year) largely due to lower fuel prices. Fuel expenditure decreased by \$14.63 per week (equated to \$761 per year) and comprehensive insurance also decreased by \$60 per annum.

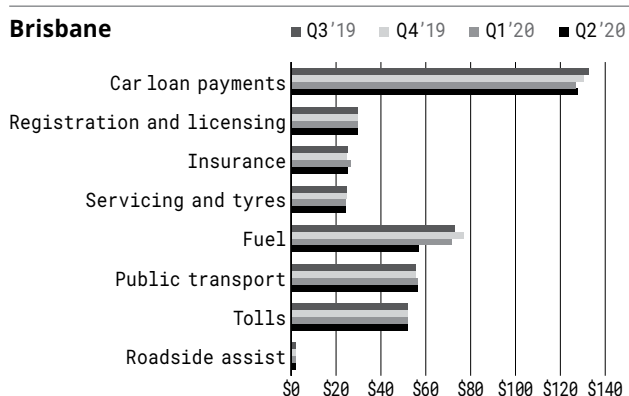
Car loan payments increased by \$38 per annum and servicing and tyre costs also increased marginally. All other costs remained constant over the quarter.

Brisbane remained the second-most expensive city for public transport costs. Brisbane's toll expenditure became the lowest among the three cities with toll roads, replacing Melbourne. Brisbane remained the cheapest city for car loan payments.

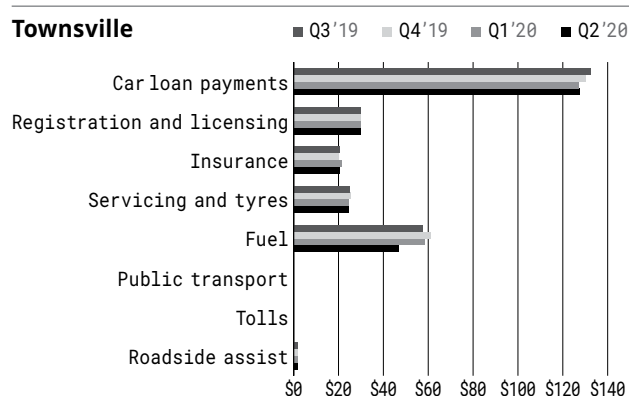
Townsville's typical household's transports costs decreased by \$11.72 a week to \$251.64 a week (or \$13,085 a year) in the June quarter. This is considerably less than its Brisbane counterpart. BITRE data suggests that Townsville residents travel slightly less than people in Brisbane.

Townsville remained the second-least expensive regional centre, and the second-most affordable when costs are considered as a percentage of average income (10.5 per cent compared to 11.0 per cent in the previous quarter). The decrease in transport costs was largely due to lower fuel prices with fuel expenditure decreasing by \$11.63 per week (equated to \$605 per annum). Comprehensive insurance premiums decreased by \$50 per year, while car loan payments increased in line with Brisbane and servicing and tyre costs also increased marginally. Registration, CTP and licensing, and roadside assistance costs remained constant in the June 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	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$132.51	\$130.44	\$126.98	\$127.72	1
Reg. and licensing	\$29.74	\$29.74	\$29.74	\$29.74	5
Insurance	\$25.02	\$24.64	\$26.36	\$25.21	6
Servicing and tyres	\$24.80	\$24.82	\$24.15	\$24.27	7
Fuel	\$73.10	\$76.94	\$71.53	\$56.90	2
Public transport	\$55.44	\$55.44	\$56.52	\$56.52	3
Tolls	\$51.90	\$51.90	\$51.90	\$51.90	4
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90	8
Total	\$394.42	\$395.81	\$389.08	\$374.17	



Townsville	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$132.51	\$130.44	\$126.98	\$127.72	1
Reg. and licensing	\$29.74	\$29.74	\$29.74	\$29.74	3
Insurance	\$20.38	\$20.06	\$21.49	\$20.53	5
Servicing and tyres	\$25.27	\$25.30	\$24.62	\$24.75	4
Fuel	\$57.38	\$61.03	\$58.62	\$46.99	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90	6
Total	\$267.19	\$268.47	\$263.35	\$251.64	

Section Three

Western Australia weekly costs of transport

Perth's typical household weekly transport costs were \$324.95 (or \$16,897 per annum) in the June quarter – a decrease of \$13.85 a week (\$720 a year) from the previous quarter. Perth remained the fourth-most affordable city when transport costs are considered as a share of average income at 13.0 per cent (compared to 13.5 per cent the previous quarter).

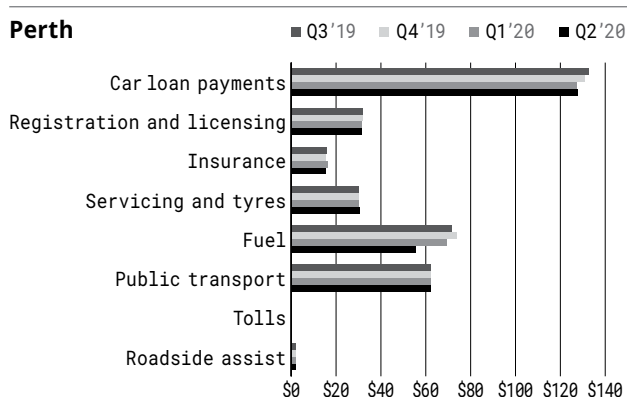
The decrease in transport costs was mainly attributable to lower fuel prices with fuel expenditure decreasing by \$14.21 per week (equivalent to \$739 per annum). Insurance premiums also decreased by \$47 per annum. Car loan payments increased by \$38 per annum due to higher upfront purchasing costs for new cars. Servicing and tyre costs also increased by \$28 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 for public transport.

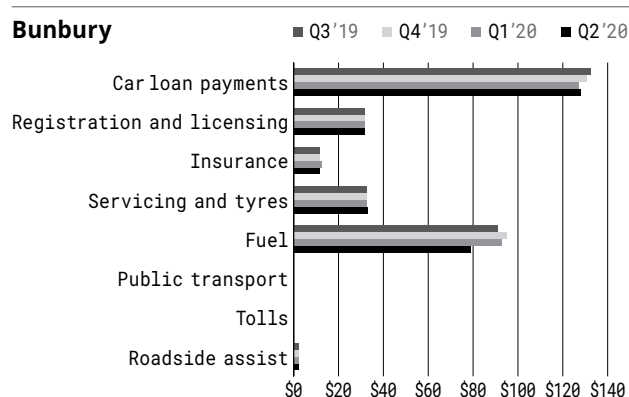
Bunbury's typical household weekly transport costs were \$285.14 (annualised to \$14,827) in the June quarter, a decrease of \$13.42 (or \$698 per annum) from the previous quarter. Bunbury remained the regional centre with the second-highest transport costs. Transport costs as a share of average income also decreased from 12.8 per cent to 12.3 per cent, with Bunbury remaining as the fourth least affordable regional centre.

The decrease in transport costs was driven by lower fuel prices, with fuel expenditure decreasing by \$13.87 per week (or \$721 per annum). Insurance premiums also decreased by \$44 per year, while car loan payments increased in line with Perth and servicing and tyre costs decreased by \$29 per year. Registration, CTP and licensing and roadside assistance costs remained unchanged.

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



Perth	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$132.62	\$130.64	\$127.19	\$127.93	1
Reg. and licensing	\$31.87	\$31.87	\$31.62	\$31.62	4
Insurance	\$15.63	\$15.21	\$16.24	\$15.33	6
Servicing and tyres	\$30.24	\$30.20	\$30.03	\$30.56	5
Fuel	\$71.70	\$73.92	\$69.52	\$55.32	3
Public transport	\$62.10	\$62.10	\$62.10	\$62.10	2
Tolls	-	-	-	-	-
Roadside assist	\$2.10	\$2.10	\$2.10	\$2.10	7
Total	\$346.26	\$346.04	\$338.79	\$324.95	



Bunbury	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$132.62	\$130.64	\$127.19	\$127.93	1
Reg. and licensing	\$31.87	\$31.87	\$31.62	\$31.62	4
Insurance	\$11.79	\$11.46	\$12.39	\$11.54	5
Servicing and tyres	\$32.63	\$32.61	\$32.46	\$33.03	3
Fuel	\$90.88	\$95.25	\$92.79	\$78.93	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.10	\$2.10	\$2.10	\$2.10	6
Total	\$301.89	\$303.92	\$298.55	\$285.14	

Section Three

South Australia weekly costs of transport

Adelaide's weekly household transport costs of \$301.97 (annualised at \$15,702) remained the third-least expensive among capital cities for total transport costs. Adelaide remained the third-most affordable city when costs are considered as a percentage of average income at 12.9 per cent (compared to 13.5 per cent in the previous quarter).

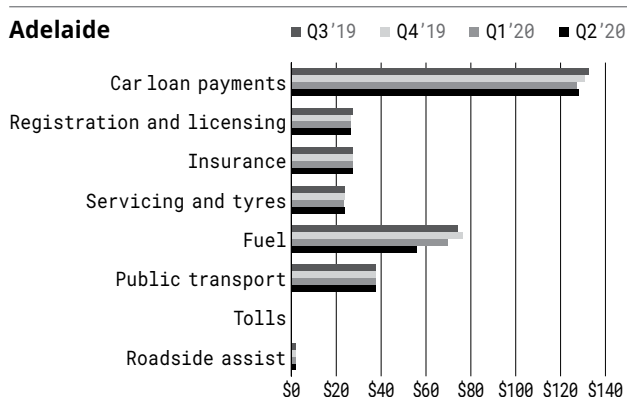
Transport costs decreased by \$12.64 per week (or \$657 per annum) due to lower fuel prices where fuel expenditure decreased by \$13.80 per week (or \$718 per annum). Car loan payments and servicing and tyre costs increased by \$38 and \$22 per year respectively, while all other costs remained unchanged in the quarter.

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

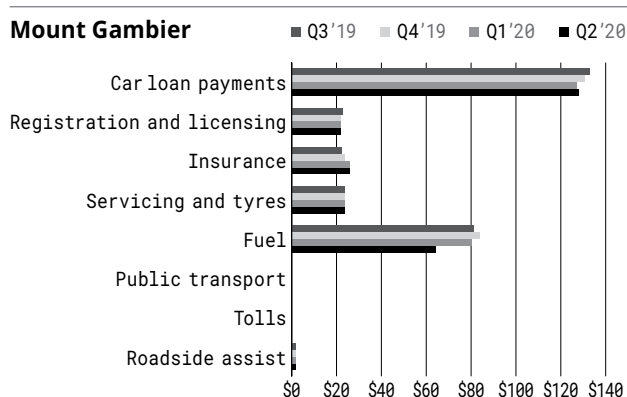
Mount Gambier's typical household spent \$266.33 a week on transport in the June quarter (or \$13,849 per year if all costs remained constant) – a decrease of \$14.78 a week from the previous quarter. Mount Gambier remained the fourth-highest out of seven regional centres for total transport costs. It replaced Alice Springs as the third-least affordable regional centre with costs as a percentage of income decreasing from 13.4 per cent to 12.7 per cent in the March quarter.

Mount Gambier's decrease in transport costs was attributable to lower fuel prices, with fuel expenditure decreasing by \$15.94 per week (\$829 per year, assuming costs remained constant). Car loan payments increased in line with Adelaide and servicing and tyre costs also increased by \$22 per annum. All other costs remained constant.

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



Adelaide	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$132.73	\$130.77	\$127.31	\$128.04	1
Reg. and licensing	\$27.46	\$26.69	\$26.69	\$26.69	5
Insurance	\$27.23	\$27.38	\$27.60	\$27.60	4
Servicing and tyres	\$23.83	\$23.81	\$23.41	\$23.84	6
Fuel	\$74.83	\$76.59	\$69.92	\$56.12	2
Public transport	\$37.70	\$37.70	\$37.70	\$37.70	3
Tolls	-	-	-	-	-
Roadside assist	\$1.98	\$1.98	\$1.98	\$1.98	7
Total	\$324.97	\$324.94	\$314.61	\$301.97	



Mount Gambier	Q3	Q4	Q1	Q2	Rank
Car loan payments	\$132.73	\$130.77	\$127.31	\$128.04	1
Reg. and licensing	\$22.86	\$22.09	\$22.09	\$22.09	5
Insurance	\$22.33	\$23.60	\$25.83	\$25.83	3
Servicing and tyres	\$23.93	\$23.91	\$23.50	\$23.93	4
Fuel	\$81.22	\$83.81	\$80.40	\$64.45	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$1.98	\$1.98	\$1.98	\$1.98	6
Total	\$285.05	\$286.16	\$281.11	\$266.33	

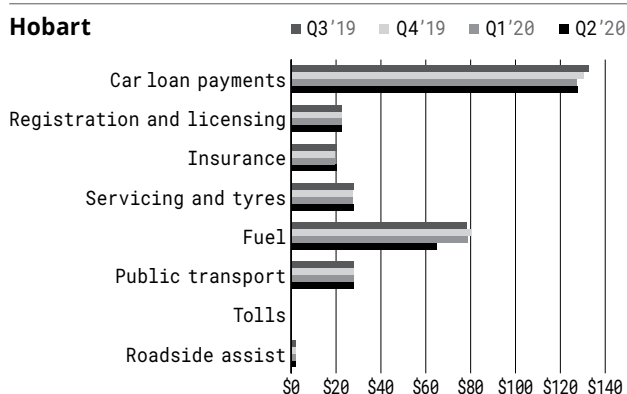
Section Three

Tasmania weekly costs of transport

Hobart's typical household spent \$293.72 per week (annualised at \$15,273) on transport in the June quarter, a decrease of \$11.57 per week (\$602 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 15.7 per cent (compared to 16.3 per cent in the previous quarter). The decrease in transport costs was due to lower fuel expenditure, which decreased by \$13.60 per week (equivalent to \$707 per annum). Car loan payments increased by \$38 per year due to higher upfront purchasing costs for new cars. Comprehensive insurance premiums, and servicing and tyre costs, also increased by \$44 and \$23 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.

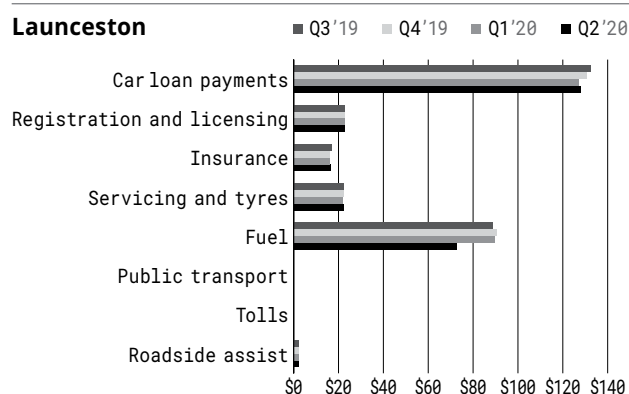


Hobart	Q3	Q4	Q1	Q2 Rank	
Car loan payments	\$132.46	\$130.56	\$127.10	\$127.84	1
Reg. and licensing	\$22.73	\$22.73	\$22.73	\$22.73	5
Insurance	\$20.45	\$19.60	\$19.25	\$20.10	6
Servicing and tyres	\$27.91	\$27.64	\$27.46	\$27.89	4
Fuel	\$78.28	\$80.18	\$78.56	\$64.96	2
Public transport	\$28.00	\$28.00	\$28.00	\$28.00	3
Tolls	-	-	-	-	-
Roadside assist	\$2.19	\$2.19	\$2.19	\$2.19	7
Total	\$312.01	\$310.90	\$305.29	\$293.72	

Launceston's annual household transport costs were equivalent to \$13,757 – a decrease of \$15.06 per week (or \$783 per annum) compared to the March 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 (15.6 per cent compared to 16.5 per cent in the previous quarter), Launceston remained the least affordable regional centre for transport. Launceston did however become more affordable than its city counterpart in Hobart. The decrease in transport costs is due to lower fuel expenditure, which decreased by \$16.89 per week (or \$879 per year, assuming costs remained constant). Car loan payments increased in line with Hobart, whilst insurance premiums and servicing and tyre costs also increased by \$37 and \$20 per annum, respectively. Registration, CTP and licensing and roadside assistance costs also remained unchanged.

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



Launceston	Q3	Q4	Q1	Q2 Rank	
Car loan payments	\$132.46	\$130.56	\$127.10	\$127.84	1
Reg. and licensing	\$22.73	\$22.73	\$22.73	\$22.73	3
Insurance	\$17.05	\$16.33	\$16.04	\$16.76	5
Servicing and tyres	\$22.59	\$22.34	\$22.07	\$22.45	4
Fuel	\$88.76	\$90.78	\$89.49	\$72.60	2
Public transport	-	-	-	-	-
Tolls	-	-	-	-	-
Roadside assist	\$2.19	\$2.19	\$2.19	\$2.19	6
Total	\$285.78	\$284.92	\$279.62	\$264.56	

Section Three

Northern Territory weekly costs of transport

Darwin's typical household spent \$300.51 per week on transport in the June quarter, a decrease of \$8.97 (equivalent to \$467 per annum) from the previous quarter. If costs remained constant over the year, this would equate to \$15,627 a year.

Darwin remained the capital city with the second-lowest transport costs. When transport costs are measured as a proportion of income – 12.6 per cent (compared to 12.9 per cent in the previous quarter) – Darwin remained the second-most affordable capital city.

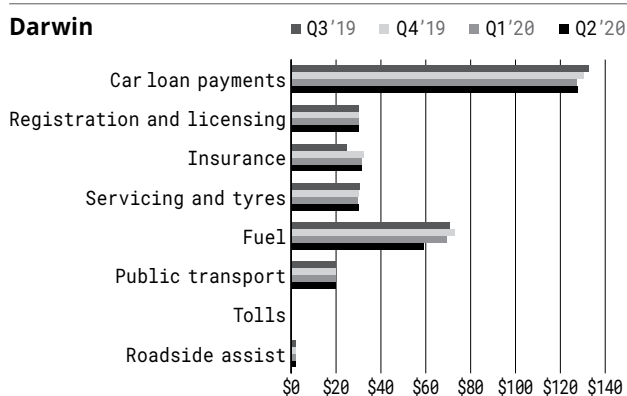
The decrease in the household's transport costs over the quarter is due to lower fuel prices, with fuel expenditure decreasing by \$10.13 per week (equivalent to \$527 per year). Car loan payments increased by \$23 per year due to higher upfront purchasing costs for new cars. Insurance premiums, and servicing and tyre costs, also increased by \$16 and \$21 per annum, respectively.

All other costs remained constant.

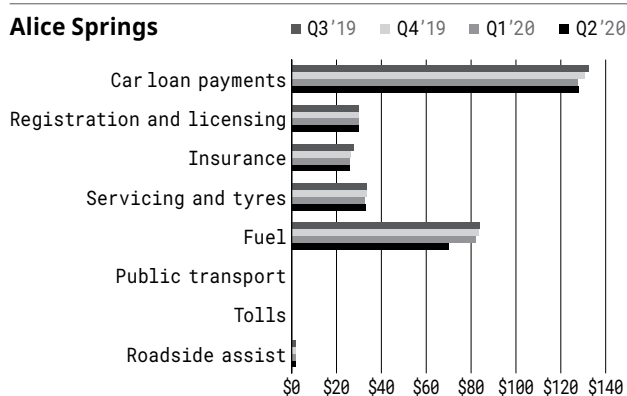
Alice Springs In the June quarter, Alice Springs was the regional centre with the highest transport costs. Its benchmark household spent \$288.90 per week on transport, a decrease of \$11.07 a week from the previous quarter. This was due to lower fuel expenditure, which decreased by \$11.97 per week (or \$622 per year). Car loan payments increased in line with Darwin and servicing and tyre costs also increased by \$22 per annum. Annualised, these costs equate to \$15,023 a year, with a decrease of \$576 per annum from the previous quarter (assuming costs remained constant).

Alice Springs replaced Mount Gambier as the second-least affordable regional centre when costs are considered as a percentage of average income – at 12.8 per cent compared to 13.3 per cent in the previous quarter. Alice Springs was the only regional centre 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.

Registration, CTP and licensing, and roadside assistance costs remained unchanged over the quarter.



Darwin	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$132.48	\$130.55	\$127.38	\$127.83 1
Reg. and licensing	\$29.97	\$29.97	\$29.97	\$29.97 5
Insurance	\$24.88	\$32.50	\$31.34	\$31.65 3
Servicing and tyres	\$30.41	\$30.15	\$29.62	\$30.02 4
Fuel	\$70.85	\$72.82	\$69.27	\$59.14 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	\$310.49	\$317.88	\$309.48	\$300.51



Alice Springs	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$132.48	\$130.55	\$127.38	\$127.83 1
Reg. and licensing	\$29.97	\$29.97	\$29.97	\$29.97 4
Insurance	\$27.59	\$26.51	\$25.80	\$25.83 5
Servicing and tyres	\$33.59	\$33.31	\$32.78	\$33.21 3
Fuel	\$83.93	\$83.28	\$82.14	\$70.17 2
Public transport	-	-	-	- -
Tolls	-	-	-	- -
Roadside assist	\$1.90	\$1.90	\$1.90	\$1.90 6
Total	\$309.47	\$305.52	\$299.97	\$288.90

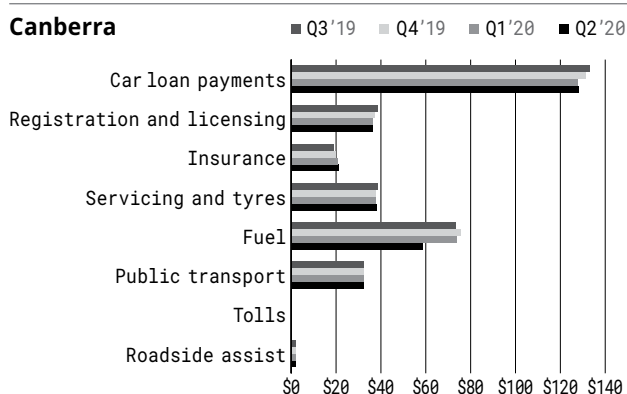
Section Three

Australian Capital Territory weekly costs of transport

Canberra's typical a household had the fifth-highest capital city transport costs at \$316.79 a week in the June quarter (or \$16,473 per annum). Its weekly costs decreased by \$13.67 over the quarter. Due to Canberra's high median income, the typical Canberra household's transport costs were 11.8 per cent of household income (compared to 12.3 per cent in the previous quarter), making it the most affordable city in the June quarter.

The decrease in Canberra's transport costs was largely driven by lower fuel prices, where fuel expenditure decreased by \$15.30 per week or \$796 per annum. Registration, CTP and licensing costs also decreased marginally due to lower CTP premiums. Car loan payments increased by \$36 per year. Insurance premiums, and servicing and tyre costs, also increased by \$35 and \$20 per annum, respectively. Public transport and roadside assistance 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	Q3	Q4	Q1	Q2 Rank
Car loan payments	\$133.16	\$131.20	\$127.69	\$128.37 1
Reg. and licensing	\$38.73	\$37.31	\$36.23	\$36.12 4
Insurance	\$18.99	\$19.80	\$20.58	\$21.26 6
Servicing and tyres	\$38.36	\$37.89	\$37.76	\$38.14 3
Fuel	\$73.37	\$75.56	\$73.83	\$58.53 2
Public transport	\$32.20	\$32.20	\$32.20	\$32.20 5
Tolls	-	-	-	- -
Roadside assist	\$2.12	\$2.17	\$2.17	\$2.17 7
Total	\$336.93	\$336.13	\$330.46	\$316.79



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, that the family uses toll roads to access the CBD.

A typical Australian passenger vehicle is driven 13,800 kilometres per year and is 9.8 years old. Correspondingly, for the city household, the model assumes that the household's two motor vehicles are driven 15,000 and 10,000 kilometres per year. The car that drives 10,000 kilometres per year is assumed to be 10 years old and owned outright. The car that drives 15,000 kilometres per year is assumed to be a near-new vehicle and financed with a car loan. In addition, one member of the household is assumed to travel by public transport into the CBD and home again, five days per week.

Regional household

There are key differences between metropolitan and regional households transport costs. The Index assumes that the regional household:

- on average, travels further than the city household
- pays more for petrol than the city household in some locations
- on average, earns less than their city counterparts
- pays less for registration and insurance due to lower premiums
- doesn't pay tolls
- doesn't have public transport as there is little or no availability in regional areas.

The regional locations chosen for analyses were selected as they have populations of over 10,000 people, have relatively dense population (at the SA2 ABS level), have ages similar to the average ages in the hypothetical city household, have a reasonable proportion of detached housing and have a substantial proportion of couple family households with children. Because of the ACT's small size and a lack of discernible differences in costs between suburbs, a second location for that jurisdiction has not been included.

The regional locations included for comparison include:

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

The underlying assumptions for the regional household are largely the same as for the city household, but vehicle use and household income have been adjusted. The Index also assumes that regional households do not use public transport because services are very limited in those areas. As there are no toll roads in any of the regional locations, this cost has also been excluded.

The method of calculating the car usage for each regional location has been based on BITRE 2015 data that analysed the average commuting distance for each centre based on size and location.³ 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.⁴

Endnotes

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- 1 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>>
 - 2 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>>
 - 3 Commonwealth of Australia, 2015. Information Sheet 73: Australia's commuting distance: cities and regions. Bureau of Infrastructure, Transport and Regional Economics. Accessed 21 January 2019, <https://www.bitre.gov.au/sites/default/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>

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