



TRANSPORT AFFORDABILITY INDEX

MARCH QUARTER 2023



Australian
Automobile
Association

Released June 2023

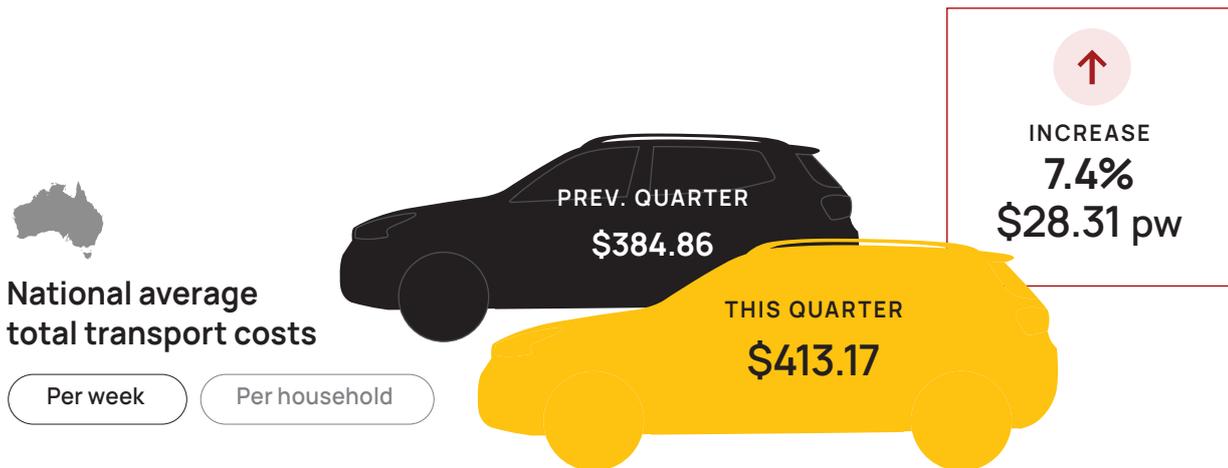




The Australian Automobile Association (AAA) Transport Affordability Index is based on modeling commissioned by the AAA and developed by SGS Economics and Planning.

02	Foreword
03	Key figures
04	Annual transport costs
06	Weekly transport costs
08	Transport affordability
10	Transport costs by category
19	States and territories comparison
28	Background and methodology

Transport costs continue to rise across Australia



The latest AAA Transport Affordability Index shows that rising transport costs are continuing to stress household budgets.

Even as Australia's overall inflation rate eased slightly, transport cost increases accelerated.

In the March 2023 quarter, the typical Australian household's transport costs rose by almost 7.4 per cent. This is much higher than the consumer price index increase of 1.4 per cent over the same period.

This rise was largely driven by higher up-front costs for purchasing new vehicles and the impact of rising interest rates on car loans. The typical Australian household's annualised car loan payments increased by \$1,424 – or \$27.40 a week. Costs for servicing and tyres also rose across the country.

For the first time, weekly transport costs were more than \$500 in Australia's three largest cities, and more than \$395 in three of the benchmarked regional centres – Alice Springs, Bunbury and Geelong.

In the March quarter, the typical Australian household spent 15.8 per cent of its income on transport, up from 15.1 per cent in the December quarter.

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

Transport is a significant and unavoidable expense for households and is one of the key drivers of inflation.

Governments at all levels must consider these cost pressures when formulating policy.



Michael Bradley
Managing Director
Australian Automobile Association

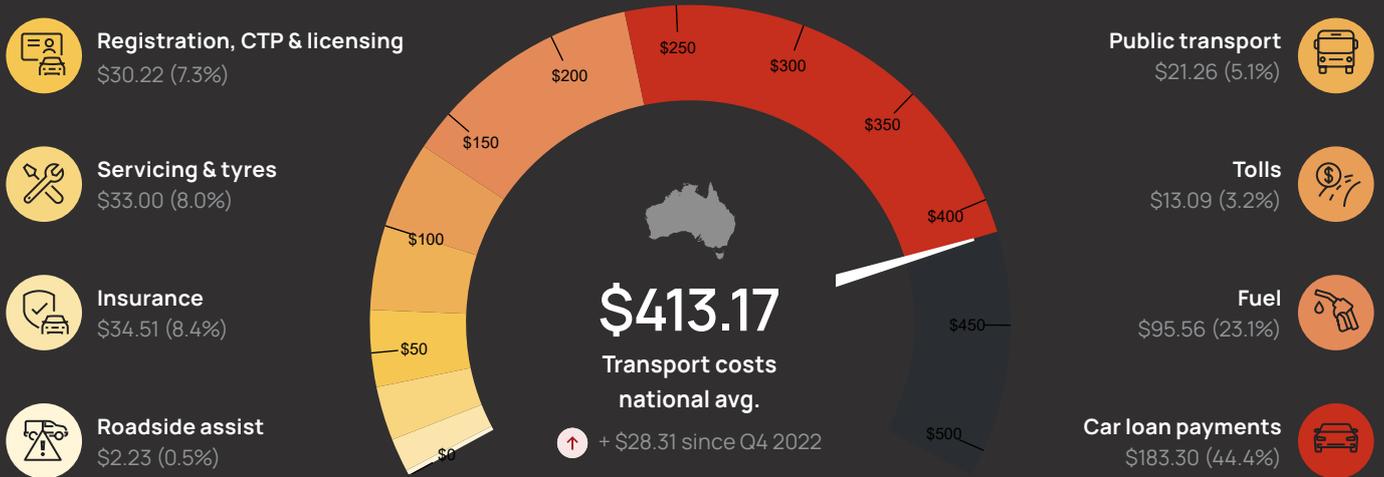
KEY FIGURES

March Quarter 2023

Total transport costs

Per week

Per household



Capital cities

Regional

Total costs

AVERAGE	HIGHEST	LOWEST
<p>\$446.40 ↑ +\$29.01 since Q4 2022</p>	<p>Sydney ↑ +\$18.28</p>	<p>Hobart ↑ +\$27.32</p>

Total costs

AVERAGE	HIGHEST	LOWEST
<p>\$375.20 ↑ +\$27.52 since Q4 2022</p>	<p>Alice Springs ↑ +\$25.72</p>	<p>Wagga Wagga ↑ +\$30.32</p>

Affordability (% of income)

<p>16.4% ↑ +0.7% since Q4 2022</p>	<p>Hobart ↑ +0.7%</p>	<p>Canberra ↑ +0.7%</p>
---	----------------------------------	------------------------------------

Affordability (% of income)

<p>15.2% ↑ +0.8% since Q4 2022</p>	<p>Launceston ↑ +0.8%</p>	<p>Wagga Wagga ↑ +0.9%</p>
---	--------------------------------------	---------------------------------------

Total transport costs

Per year

Per household

VIEW COSTS PER WEEK (PAGE 6) →



Capital cities

Capital average



\$23,213

↑ \$1,509 since Q4 2022

In the March quarter, the typical Australian capital city household's annualised cost of transport increased by \$1,509 to \$23,213.

The largest component in this price rise came from higher car loan payments.

These rose by \$1,424 a year on average in the capitals.

Brisbane had the greatest increase in transport costs – equivalent to \$1,788 per year.

1	2	3	4
 <p>Sydney \$26,562 ↑ + \$951 since Q4 2022</p>	 <p>Melbourne \$26,142 ↑ + \$1,771 since Q4 2022</p>	 <p>Brisbane \$26,027 ↑ + \$1,788 since Q4 2022</p>	 <p>Canberra \$22,200 ↑ + \$1,610 since Q4 2022</p>
5	6	7	8
 <p>Perth \$21,641 ↑ + \$1,631 since Q4 2022</p>	 <p>Adelaide \$21,459 ↑ + \$1,256 since Q4 2022</p>	 <p>Darwin \$21,360 ↑ + \$1,641 since Q4 2022</p>	 <p>Hobart \$20,311 ↑ + \$1,421 since Q4 2022</p>

Average taxes



Fuel excise

\$1,255

↑ + \$45 since Q4 2022

+



Registration, CTP and licensing

\$1,605

↓ - \$1 since Q4 2022

=

Household total

\$2,860

↑ + \$44 since Q4 2022

Total transport costs

Per year

Per household

VIEW COSTS PER WEEK (PAGE 7) →



Regional

Regional average



\$19,510

↑ + \$1,430 since Q4 2022

The typical regional household's annual cost of transport rose to \$19,510, up \$1,430 from the previous quarter.

The largest component in this price rise came from higher car loan payments, which rose by \$1,418 a year (slightly less

than the capital city average because it does not include an ACT component).

The biggest increases in benchmarked regional centres were in Townsville and Wagga Wagga, where annual transport costs rose by \$1,578 and \$1,577 respectively from the previous quarter.

1	2	3	4
 <p>Alice Springs \$20,900</p> <p>↑ + \$1,337 since Q4 2022</p>	 <p>Geelong \$20,599</p> <p>↑ + \$1,390 since Q4 2022</p>	 <p>Bunbury \$20,580</p> <p>↑ + \$1,495 since Q4 2022</p>	 <p>Mount Gambier \$19,323</p> <p>↑ + \$1,239 since Q4 2022</p>
5	6	7	 <p>Explore the interactive data</p> <p>DATA.AAA.ASN.AU</p>
 <p>Launceston \$18,961</p> <p>↑ + \$1,399 since Q4 2022</p>	 <p>Townsville \$18,372</p> <p>↑ + \$1,578 since Q4 2022</p>	 <p>Wagga Wagga \$17,837</p> <p>↑ + \$1,577 since Q4 2022</p>	

Average taxes



Fuel Excise

\$1,316

↑ + \$47 since Q4 2022

+



Registration, CTP and Licensing

\$1,533

↑ + \$6 since Q4 2022

=

Household total

\$2,849

↑ + \$53 since Q4 2022

Total transport costs

Per week

Per household



Capital cities

Capital average



\$446.40

↑ + \$29.01 since Q4 2022

In the March quarter, Sydney remained the capital city with the highest total transport costs, and Hobart was still the capital with the lowest costs. Perth and Adelaide switched fifth and sixth place rankings, with Perth becoming more expensive than Adelaide. This was the only change in rankings from the previous quarter.

1	2	3	4
 <p>Sydney \$510.80</p> <p>↑ + \$18.28 since Q4 2022</p>	 <p>Melbourne \$502.73</p> <p>↑ + \$34.06 since Q4 2022</p>	 <p>Brisbane \$500.52</p> <p>↑ + \$34.39 since Q4 2022</p>	 <p>Canberra \$426.92</p> <p>↑ + \$30.96 since Q4 2022</p>
5	6	7	8
 <p>Perth \$416.18</p> <p>↑ + \$31.38 since Q4 2022</p>	 <p>Adelaide \$412.68</p> <p>↑ + \$24.15 since Q4 2022</p>	 <p>Darwin \$410.76</p> <p>↑ + \$31.54 since Q4 2022</p>	 <p>Hobart \$390.60</p> <p>↑ + \$27.32 since Q4 2022</p>

Total transport costs

Per week

Per household



Regional

Regional average



\$375.20

↑ + \$27.52 since Q4 2022

Transport costs rose in each of the Index's benchmark regional centres. But regional costs were, on average, \$71.20 a week cheaper than in the capitals.

All rankings among those regional cities remained unchanged – Alice Springs was still the most expensive and Wagga Wagga the cheapest.

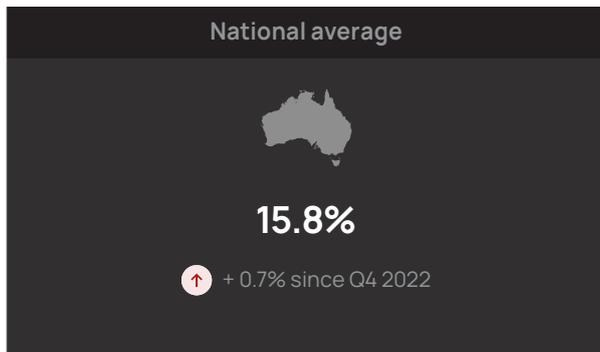
1	2	3	4
 Alice Springs \$401.93 ↑ + \$25.72 since Q4 2022	 Geelong \$396.13 ↑ + \$26.72 since Q4 2022	 Bunbury \$395.76 ↑ + \$28.74 since Q4 2022	 Mount Gambier \$371.59 ↑ + \$23.82 since Q4 2022
5	6	7	
 Launceston \$364.64 ↑ + \$26.91 since Q4 2022	 Townsville \$353.31 ↑ + \$30.35 since Q4 2022	 Wagga Wagga \$343.02 ↑ + \$30.32 since Q4 2022	 Explore the interactive data DATA.AAA.ASN.AU

Transport affordability

Costs as a percentage of income

Per week

Per household



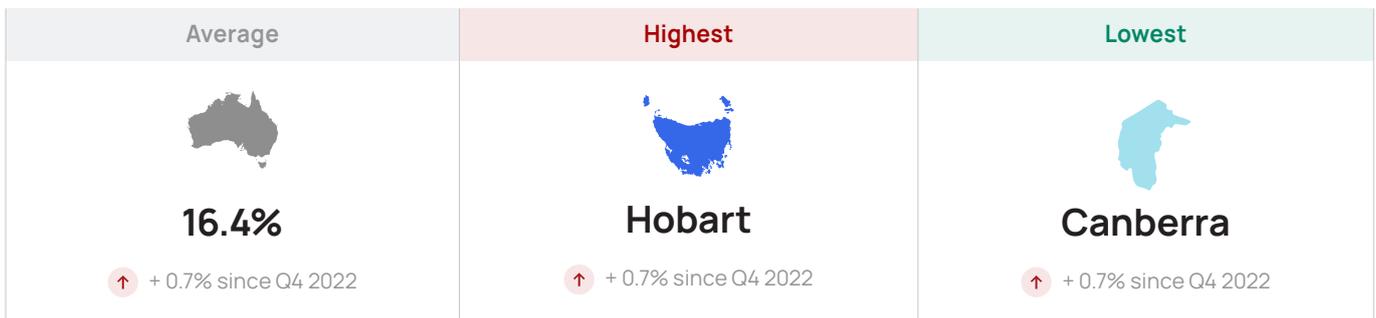
The relationship between a region's income and its costs determines local purchasing power – or affordability.

In dollar terms Hobart had the lowest total transport costs, while Sydney had the highest. But when this cost was measured as a percentage of typical household income, Hobart – not Sydney – ranked as the capital city with the least affordable transport.

Canberra remained the most affordable capital. Darwin and Sydney switched fourth and fifth place in affordability rankings with Sydney becoming more affordable than Darwin. This was the only change in the rankings from the previous quarter.



Capital cities



Rank		June Qtr 2022	Sept Qtr 2022	Dec Qtr 2022	March Qtr 2023
1	Hobart	18.2%	17.6%	17.7%	18.4%
2	Brisbane	17.4%	17.0%	17.3%	18.2%
3	Melbourne	16.4%	16.5%	16.7%	17.5%
4	Darwin	16.1%	15.7%	15.6%	16.6%
5	Sydney	15.5%	15.5%	15.7%	16.0%
6	Adelaide	15.0%	14.5%	14.7%	15.5%
7	Perth	14.1%	13.6%	13.7%	14.5%
8	Canberra	13.3%	13.7%	13.7%	14.4%
	Capital avg.	15.8%	15.5%	15.7%	16.4%

Transport affordability

Costs as a percentage of income

Per week

Per household

Across Australia, regional households earned, on average, \$223 per week less than their city counterparts (based on ABS data).

The difference was more pronounced in NSW and South Australia. Typical Wagga Wagga and Mount Gambier households earned considerably less per week than their state capital counterparts – \$280 and \$282 less, respectively.

In the March quarter, transport costs consumed 15.8 per cent of the typical Australian household's income, up from 15.1 per cent in the previous quarter.

Transport consumed 16.4 per cent of a typical capital city household's income and 15.2 per cent of a typical regional household's income.



Regional



Rank

	June Qtr 2022	Sept Qtr 2022	Dec Qtr 2022	March Qtr 2023
1 Launceston	18.6%	18.0%	18.1%	18.9%
2 Alice Springs	16.8%	16.6%	16.5%	17.3%
3 Mount Gambier	15.1%	14.4%	14.7%	15.6%
4 Bunbury	14.5%	14.0%	14.1%	14.8%
5 Geelong	13.4%	13.5%	13.7%	14.3%
6 Townsville	12.7%	12.3%	12.5%	13.4%
7 Wagga Wagga	10.7%	10.8%	10.9%	11.8%
Regional avg.	14.6%	14.2%	14.4%	15.2%



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household

Typical household transport costs rose across Australia in the March quarter. This increase was driven by changes in these cost categories:

- **Car loan payments** – interest rates on new car loans and upfront costs for purchasing new vehicles increased in all jurisdictions.
- **Comprehensive insurance** – premiums increased in all locations except Adelaide and Mount Gambier.
- **Car maintenance** – costs increased in all locations.
- **Public transport** – costs increased in Brisbane.

Costs fell in some categories, including:

- **Fuel** – expenditure decreased in all locations.
- **Toll roads** – toll road costs fell considerably in Sydney due to the introduced toll relief rebate scheme, but in Melbourne they rose slightly because of scheduled indexation.
- **Registration, CTP and licensing** – costs dropped slightly in the Australian Capital Territory but rose slightly in New South Wales.



Capital cities

1	2	3	4
 <p>Car loan payments \$183.33</p> <p>↑ + \$27.40 since Q4 2022</p>	 <p>Fuel \$94.02</p> <p>↓ - \$2.08 since Q4 2022</p>	 <p>Tolls \$65.43</p> <p>↓ - \$4.10 since Q4 2022</p>	 <p>Public transport \$39.86</p> <p>↑ + \$0.21 since Q4 2022</p>
5	6	7	8
 <p>Insurance \$37.70</p> <p>↑ + \$3.48 since Q4 2022</p>	 <p>Servicing & Tyres \$33.85</p> <p>↑ + \$1.54 since Q4 2022</p>	 <p>Registration, CTP & licensing \$30.87</p> <p>↓ - \$0.01 since Q4 2022</p>	 <p>Roadside assist \$2.24</p> <p>↑ + \$0.01 since Q4 2022</p>

Transport costs by category

Per week

Per household

The ranking of the typical city and regional families' expenses remained largely unchanged over the March 2023 quarter.

The exception was that insurance costs became a greater expense than registration, CTP and licensing for the average regional household.

Car loan payments remained the largest expense in the representative families' transport budgets, while roadside assistance was the smallest expense.

The Index assumes that a jurisdiction's capital city and regional households have the same costs for purchasing and financing a new car and for roadside assistance. As city and regional households drive similar cars, the Index applies the same assumptions about fuel efficiency and fuel mix.



Regional

1	2	3
 <p>Car loan payments \$183.28 ↑ + \$27.29 since Q4 2022</p>	 <p>Fuel \$97.33 ↓ - \$3.51 since Q4 2022</p>	 <p>Servicing & Tyres \$32.03 ↑ + \$1.50 since Q4 2022</p>
4	5	6
 <p>Insurance \$30.86 ↑ + \$2.11 since Q4 2022</p>	 <p>Registration, CTP & licensing \$29.49 ↑ + \$0.13 since Q4 2022</p>	 <p>Roadside assist \$2.22 — Steady since Q4 2022</p>



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household



Car loan payments

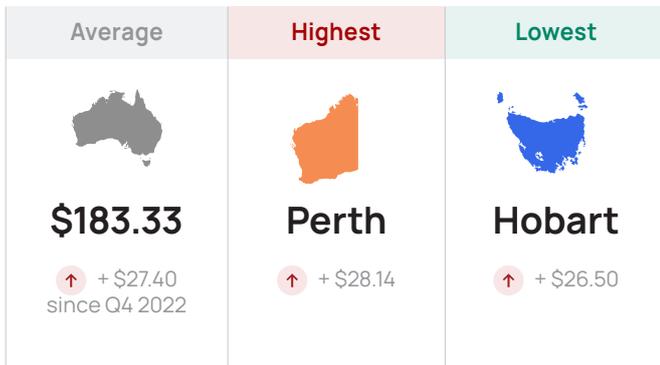
Interest rates on new car loans rose 0.15 per cent in all jurisdictions. Typical upfront costs of purchasing a new car also rose – by \$6,043 – largely because more expensive models were among the highest-selling vehicles in 2022.

As a result, typical Australian car loan payments rose by \$27.40 per week, or \$1,424 a year on average.

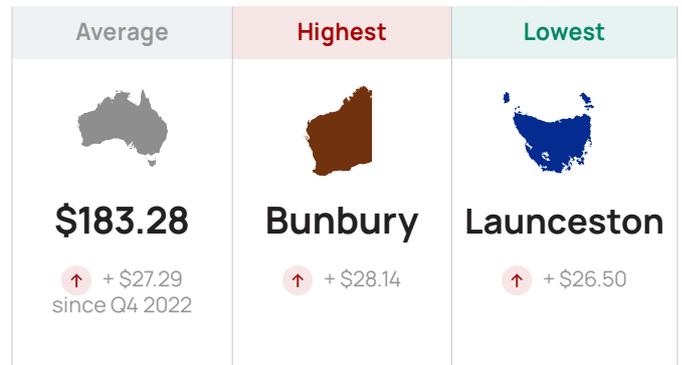
Regional households incurred the same costs in this category as their capital city counterparts as the Index assumes interest rates and new car purchase costs are the same in a state's regional centres and its capital city.



Capital cities



Regional



Rank

1		Perth	\$185.32	+\$28.14
2		Sydney	\$184.60	+\$27.57
3		Melbourne	\$183.78	+\$27.66
4	↑	Canberra	\$183.67	+\$28.15
5	↑	Adelaide	\$182.62	+\$27.14
6	↑	Darwin	\$182.26	+\$26.89
7	↑	Brisbane	\$182.25	+\$27.09
8	↓	Hobart	\$182.10	+\$26.50
		Capital avg.	\$183.33	+\$27.40

Rank

1		Bunbury	\$185.32	+\$28.14
2		Wagga Wagga	\$184.60	+\$27.57
3		Geelong	\$183.78	+\$27.66
4	↑	Mount Gambier	\$182.62	+\$27.14
5	↑	Alice Springs	\$182.26	+\$26.89
6	↑	Townsville	\$182.25	+\$27.09
7	↓	Launceston	\$182.10	+\$26.50
		Regional avg.	\$183.28	+\$27.29

Transport costs by category

Per week

Per household



Vehicle registration, CTP and driver's licence

Registration, compulsory third-party insurance, and licensing costs fell slightly in the ACT, rose slightly in NSW, and remained steady in other jurisdictions.

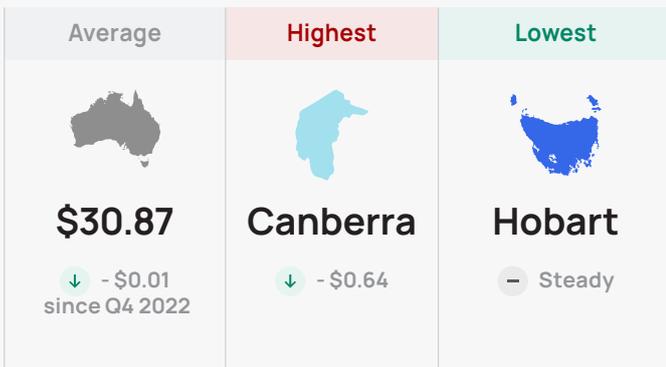
Canberra remained the most expensive capital for registration, CTP and licensing, while Hobart stayed the least costly. The typical Canberra household spends \$16.98 per week (or \$883 more a year) more on registration than its Hobart counterpart.

Among the benchmark regional centres, Bunbury remained the city with the highest costs and Mount Gambier had the lowest costs in this category.

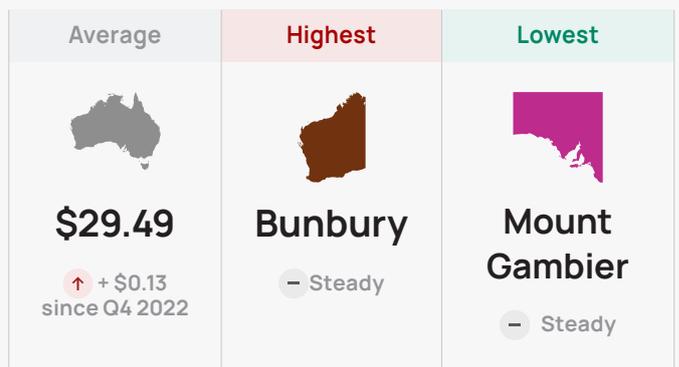
Bunbury and Mount Gambier households' registration, CTP and licensing costs differed by \$11.91 a week (or \$619 a year).



Capital cities



Regional



Rank

1		Canberra	\$40.10	- \$0.64
2		Perth	\$34.66	-
3		Melbourne	\$34.07	-
4		Darwin	\$31.55	-
5		Brisbane	\$31.23	-
6		Adelaide	\$27.51	-
7		Sydney	\$24.69	+ \$0.52
8		Hobart	\$23.12	-
		Capital avg.	\$30.87	- \$0.01

Rank

1		Bunbury	\$34.66	-
2		Geelong	\$31.91	-
3		Alice Springs	\$31.55	-
4		Townsville	\$31.23	-
5		Wagga Wagga	\$31.19	+ \$0.88
6		Launceston	\$23.12	-
7		Mount Gambier	\$22.75	-
		Regional avg.	\$29.49	+ \$0.13



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household



Comprehensive car insurance

Comprehensive insurance costs for new and used vehicles rose in all jurisdictions except South Australia. Premiums rose most sharply in Darwin and Melbourne – up by \$6.32 and \$6.08 a week, respectively. Adelaide was the only capital city where annual insurance costs fell – down by \$2.80.

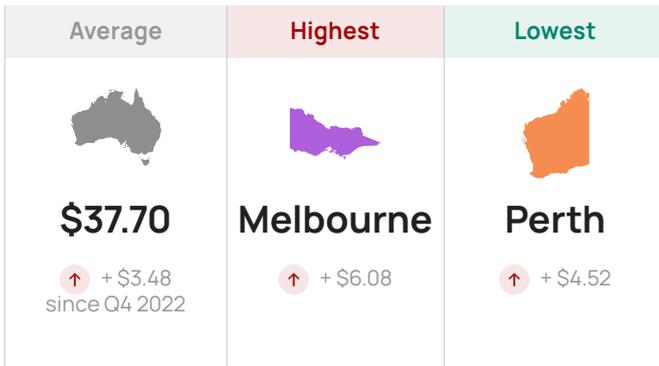
Melbourne replaced Adelaide as the capital with the most expensive insurance (previously it was second-most expensive). Perth still has the cheapest insurance – its typical household spends \$25.78 a week (or \$1,341 a year) less in this category than its Melbourne counterpart.

Townsville, Geelong and Bunbury had the biggest insurance cost rises among the benchmarked regions – up by \$3.98, \$3.90 and \$3.85 a week, respectively. Mount Gambier was the only centre where insurance costs fell – declining by \$2.45 a year.

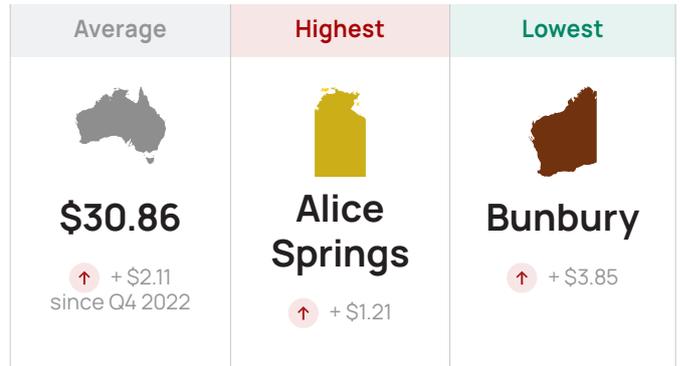
The largest difference between a capital city and its benchmark regional counterpart was in Victoria – a typical Melbourne household spends \$17.62 a week (or \$916 a year) more on comprehensive insurance than its Geelong equivalent.



Capital cities



Regional



Rank

1	↑	Melbourne	\$48.59	+\$6.08
2	↑	Darwin	\$46.75	+\$6.32
3	↑	Brisbane	\$44.92	+\$4.81
4	↓	Adelaide	\$40.58	-\$2.80
5		Sydney	\$38.02	+\$2.68
6		Canberra	\$33.15	+\$4.20
7		Hobart	\$26.76	+\$2.03
8		Perth	\$22.81	+\$4.52
		Capital avg.	\$37.70	+\$3.48

Rank

1		Alice Springs	\$44.79	+\$1.21
2	↑	Townsville	\$36.85	+\$3.98
3	↓	Mount Gambier	\$33.63	-\$2.45
4		Geelong	\$30.97	+\$3.90
5		Wagga Wagga	\$28.54	+\$2.45
6		Launceston	\$22.30	+\$1.80
7		Bunbury	\$18.92	+\$3.85
		Regional avg.	\$30.86	+\$2.11

Transport costs by category

Per week

Per household



Servicing and tyres

Servicing and tyre costs increased over the March quarter for both the typical capital city and benchmark regional households.

Overall, the cost of maintaining representative new and used cars remained highest in Canberra and lowest in Adelaide. A typical Canberra household paid \$16.12 a week (or \$838 a year) more than its Adelaide counterpart.

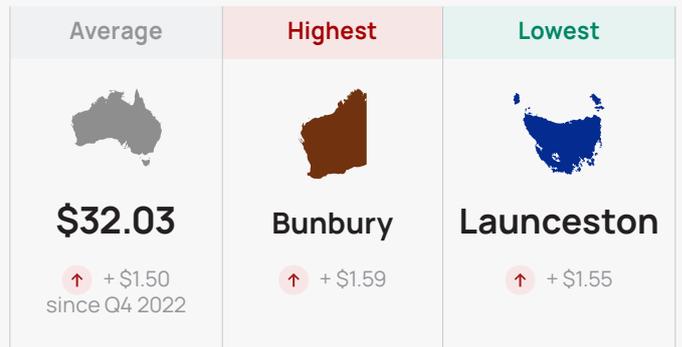
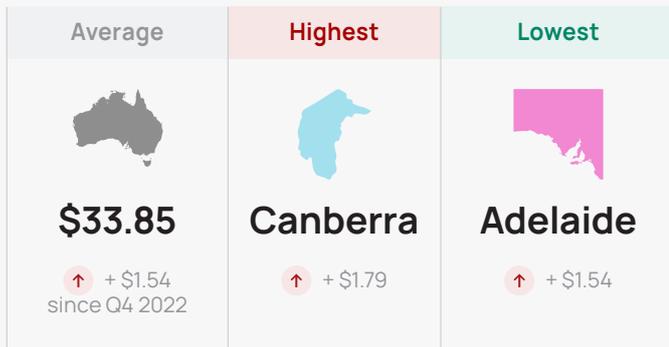
Bunbury remained the benchmark regional location with the highest household costs in this category. Launceston remained the cheapest centre. In the March quarter, the typical Bunbury household's servicing and tyres costs were \$11.98 a week (or \$623 annually) more than its Launceston counterpart's.



Capital cities



Regional



Rank

1		Canberra	\$43.81	+\$1.79
2		Perth	\$35.36	+\$1.57
3		Melbourne	\$34.95	+\$1.36
4		Sydney	\$34.59	+\$1.53
5		Darwin	\$34.34	+\$1.56
6		Hobart	\$32.33	+\$1.64
7		Brisbane	\$27.74	+\$1.36
8		Adelaide	\$27.69	+\$1.54
		Capital avg.	\$33.85	+\$1.54

Rank

1		Bunbury	\$38.15	+\$1.59
2		Alice Springs	\$37.89	+\$1.59
3		Geelong	\$33.48	+\$1.36
4		Wagga Wagga	\$32.45	+\$1.51
5		Townsville	\$28.26	+\$1.36
6		Mount Gambier	\$27.79	+\$1.53
7		Launceston	\$26.17	+\$1.55
		Regional avg.	\$32.03	+\$1.50



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household



Fuel

In the March quarter, diesel prices fell across the country. Petrol prices fell in most Australian capital cities and all the benchmark regional centres, but rose in Sydney (by 0.8 cents per litre) and Brisbane (2.4 cents per litre).

The average capital city retail price of regular unleaded petrol fell by 1.2 cents a litre, and the average retail price of diesel fell even more – by 22.1 cents a litre – cutting weekly fuel expenditure by \$2.08. Despite a big drop in its fuel prices, Hobart remained the capital with the highest fuel expenditure.

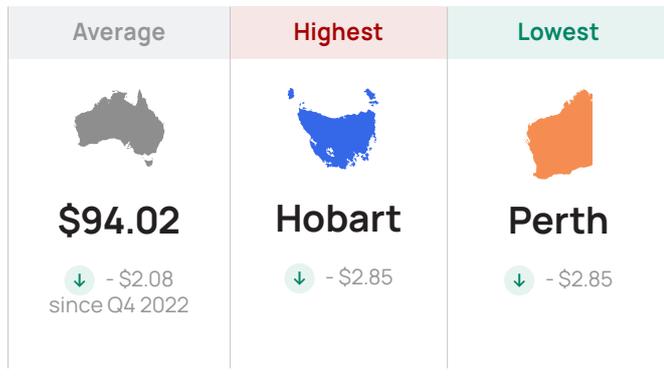
Across the benchmarked regional centres, petrol prices fell by an average of 3.8 cents per litre and diesel fell by 23.2 cents per litre.

Alice Springs remained the regional centre with the most expensive fuel – \$1.93.2 per litre for petrol (down 5.7 cents) and \$2.17.4 per litre for diesel (down 19.2 cents).

The typical Bunbury household still spent more on fuel than its other regional counterparts – \$116.48 a week – as its residents tend to drive longer distances than most regional Australians. Wagga Wagga still had the lowest fuel expenditure as its residents typically drive less than the regional average.



Capital cities

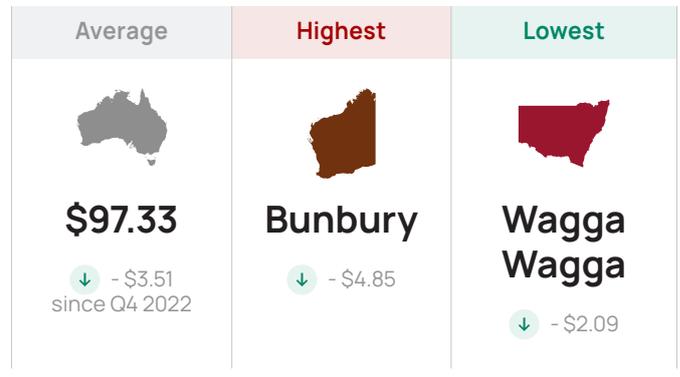


Rank

1		Hobart	\$95.87	- \$2.85
2	↑ 	Brisbane	\$95.67	- \$0.59
3	↑ 	Sydney	\$95.47	- \$1.12
4	↑ 	Melbourne	\$94.72	- \$1.70
5	↓ 	Canberra	\$94.14	- \$2.53
6	↓ 	Darwin	\$93.90	- \$3.23
7	↑ 	Adelaide	\$91.61	- \$1.71
8	↓ 	Perth	\$90.80	- \$2.85
		Capital avg.	\$94.02	- \$2.08



Regional



Rank

1		Bunbury	\$116.48	- \$4.85
2		Geelong	\$113.57	- \$6.25
3		Launceston	\$108.53	- \$2.94
4		Alice Springs	\$103.48	- \$3.97
5		Mount Gambier	\$102.63	- \$2.40
6		Townsville	\$72.68	- \$2.08
7		Wagga Wagga	\$63.91	- \$2.09
		Regional avg.	\$97.33	- \$3.51

Transport costs by category

Per week

Per household



Public transport

Brisbane is the capital city with the highest public transport costs. Darwin has the lowest costs in this category.

In the March quarter, the typical Brisbane household's public transport costs rose by \$1.71 a week or \$89 a year.

The typical Darwin household spent \$2,063 per year (\$39.67 per week) less on public transport than its Brisbane counterpart.



Toll roads

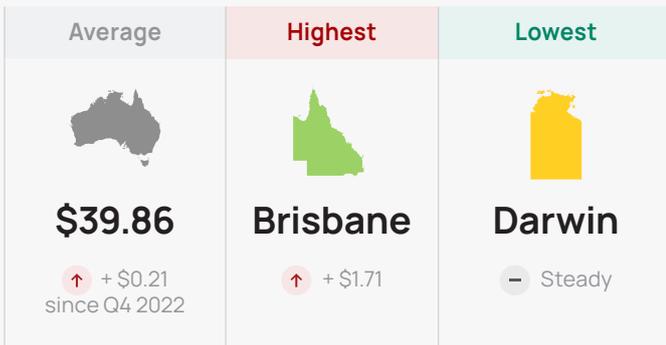
Only three Australian capital cities – Sydney, Melbourne and Brisbane – use toll roads. Brisbane toll costs did not change, but Sydney and Melbourne implemented quarterly price adjustments.

The NSW toll relief rebate scheme introduced this year reduced typical overall Sydney household toll road costs by \$671 a year. In contrast, typical annual Melbourne household toll costs rose by \$31.

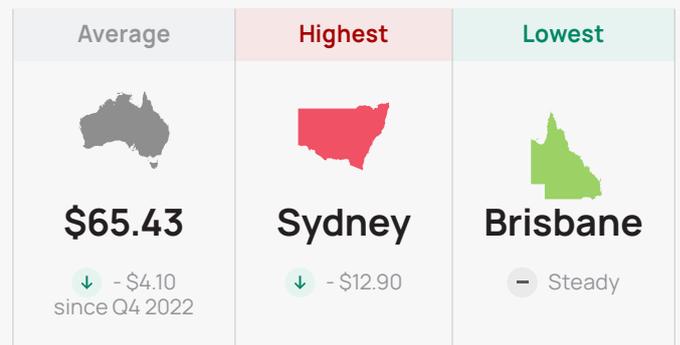
However, the typical Sydney household continued to pay the most for toll roads, while Brisbane still paid the least among these three cities. The typical Brisbane household spent \$24.10 per week (or \$1,253 per year) less on tolls than its Sydney counterpart.



Capital cities



Capital cities



Rank

1		Brisbane	\$59.67	+\$1.71
2		Sydney	\$50.00	-
3		Melbourne	\$46.00	-
4		Perth	\$45.00	-
5		Adelaide	\$40.50	-
6		Canberra	\$29.72	-
7		Hobart	\$28.00	-
8		Darwin	\$20.00	-
		Capital avg.	\$39.86	+\$0.21

Rank

1		Sydney	\$81.10	-\$12.90
2		Melbourne	\$58.20	+\$0.60
3		Brisbane	\$57.00	-
		Avg.	\$65.43	-\$4.10



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household



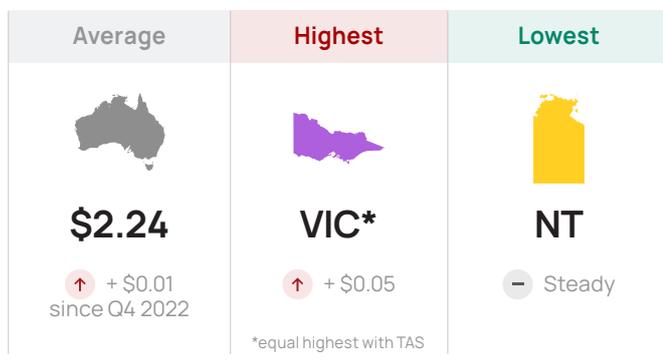
Roadside assistance

The differences between states for roadside assistance costs are small.

Tasmania and Victoria had the highest ongoing roadside assistance costs at \$2.42 a week or \$126 a year, while the Northern Territory had the lowest at \$1.96 a week or \$102 a year.

Roadside assistance costs are based on 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 because roadside assistance providers offer standard statewide pricing.



Rank

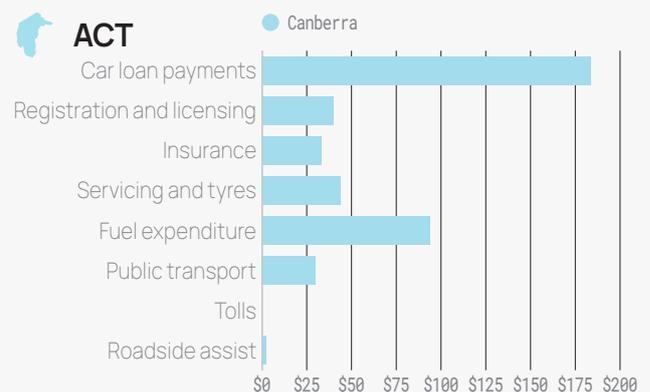
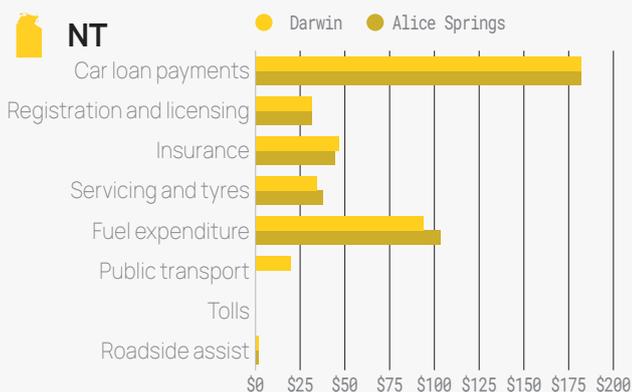
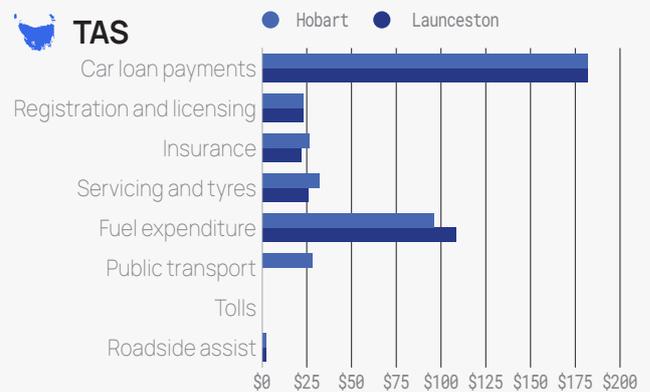
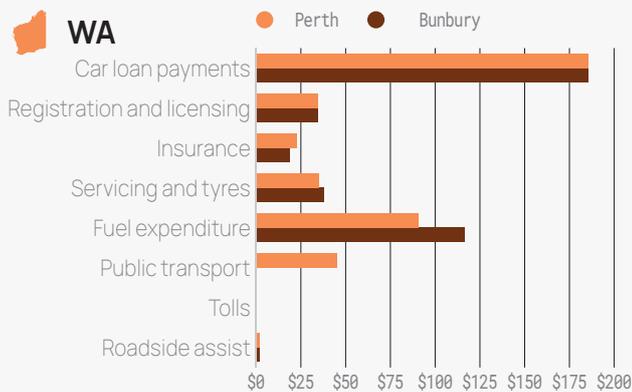
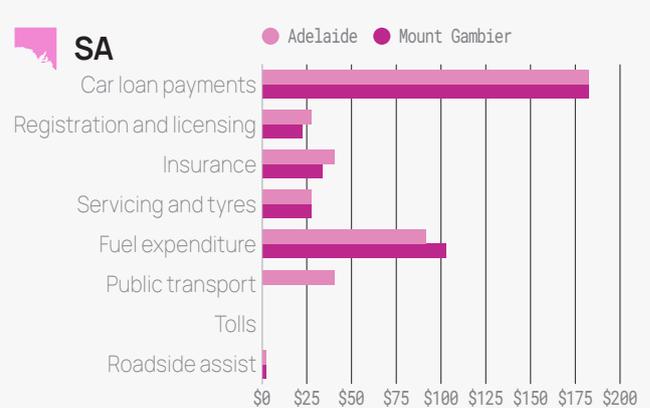
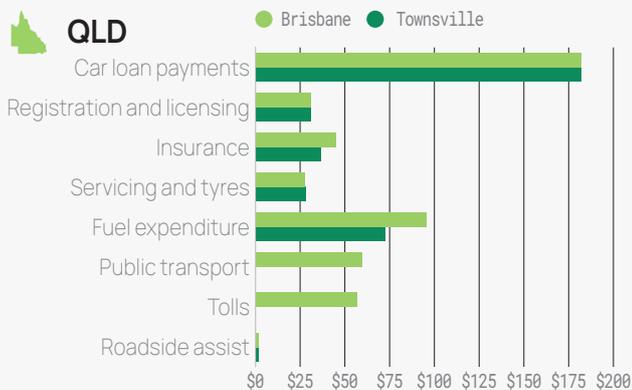
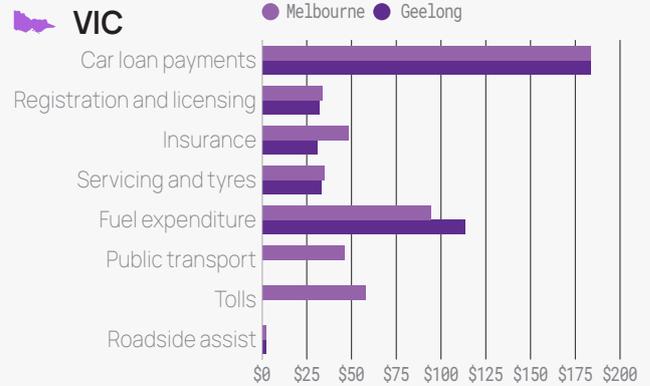
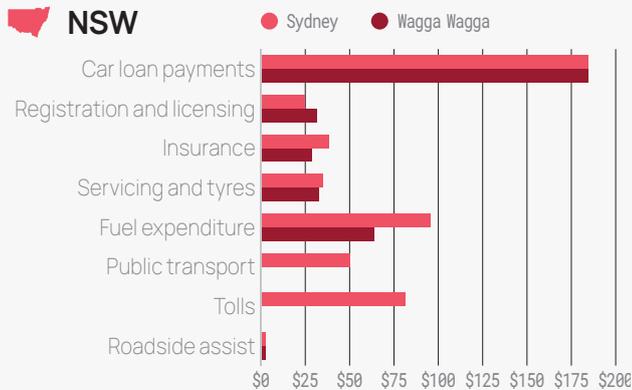
1		TAS	\$2.42	-
1	↑ 	VIC	\$2.42	+ \$0.05
3		ACT	\$2.33	-
3		NSW	\$2.33	-
5		WA	\$2.23	-
6		SA	\$2.17	-
7		QLD	\$2.04	-
8		NT	\$1.96	-
		Avg.	\$2.24	+ \$0.01

State by state overview

Capital city vs regional centre comparison

Per week

Per household





Sydney

Sydney's annualised typical transport costs rose by \$951 per year, but it was the only city or regional centre where total transport cost rises were below \$1,000 per annum. Its transport costs as a proportion of income deteriorated less than in other cities, yet it still has Australia's highest total costs.

Sydney's costs rose in most categories. Yet its toll relief rebate scheme kept its aggregate cost increases below those of other cities.

Wagga Wagga

Wagga Wagga remained the benchmark regional centre with the lowest transport costs – both in terms of total cost (at \$17,837 a year) and in its local income-to-cost ratio.

Its costs increased by \$1,577 per annum, driven largely by higher car loan repayments which increased in line with Sydney. Insurance premiums and servicing and tyre costs increased by \$128 and \$78 per annum, respectively. Annualised fuel expenditure fell by \$109.

cost rank 1 / 8 highest cost		affordability rank 5 / 8	
Total weekly transport costs \$510.80 ↑ + \$18.28 since Q4 2022	% of income 16.0% ↑ + 0.3% since Q4 2022		

cost rank 7 / 7 lowest cost		affordability rank 7 / 7 most affordable*	
Total weekly transport costs \$343.02 ↑ + \$30.32 since Q4 2022	% of income 11.8% ↑ + 0.9% since Q4 2022		

*by local purchasing power

Changes in weekly transport costs

↑ Increased	
Car loan payments = +\$27.57	
Insurance = +\$2.68	
Servicing & tyres = +\$1.53	
Rego, CTP & licensing = +\$0.52	
– Unchanged	
Public transport	
Roadside assistance	
↓ Decreased	
Tolls = -\$12.90	
Fuel expenditure = -\$1.12	

↑ Increased	
Car loan payments = +\$27.57	
Insurance = +\$2.45	
Servicing & tyres = +\$1.51	
Rego, CTP & licensing = +\$0.88	
– Unchanged	
Roadside assistance	
↓ Decreased	
Fuel expenditure = -\$2.09	



Melbourne

Melbourne remained Australia's second-most expensive city for transport. The typical Melbourne household's annualised transport costs rose to \$26,142 – an increase of \$1,771 per annum from the previous quarter.

Annualised car loan repayments rose by \$1,439 and insurance premiums rose by \$317. Servicing and tyre costs increased by \$70 a year. But annualised fuel expenditure fell by \$89.

Geelong

Geelong remained the regional centre with the second-highest costs. Its annualised household transport costs rose to \$20,599, an increase of \$1,390 a year.

Car loan repayments rose by \$1,439 (in line with Melbourne); insurance premiums increased by \$202; and servicing and tyre costs rose by \$71. But annualised fuel expenditure fell by \$325.

cost rank 2 / 8		affordability rank 3 / 8	
Total weekly transport costs	% of income		
\$502.73	17.5%		
↑ + \$34.06 since Q4 2022	↑ + 0.8% since Q4 2022		

cost rank 2 / 7		affordability rank 5 / 7	
Total weekly transport costs	% of income		
\$396.13	14.3%		
↑ + \$26.72 since Q4 2022	↑ + 0.6% since Q4 2022		

Changes in weekly transport costs

↑ Increased

- Car loan payments = + \$27.66
- Insurance = + \$6.08
- Servicing & tyres = + \$1.36
- Tolls = + \$0.60
- Roadside assistance = + \$0.05

– Unchanged

- Public transport
- Rego, CTP & licensing

↓ Decreased

- Fuel expenditure = - \$1.70

↑ Increased

- Car loan payments = + \$27.66
- Insurance = + \$3.90
- Servicing & tyres = + \$1.36
- Roadside assistance = + \$0.05

– Unchanged

- Rego, CTP & licensing

↓ Decreased

- Fuel expenditure = - \$6.25



QLD transport costs

Per household

Brisbane

Annualised transport costs for Brisbane's typical household rose to \$26,027 a year – up by \$1,788. This made it Australia's third-most expensive and second-least affordable capital for transport costs.

The bulk of this increase came from higher car loan repayments (up by \$1,409 on an annualised basis) and insurance premiums (up by \$251). Brisbane was the only capital city where public transport fares rose, pushing up annual costs by \$89. Servicing and tyre costs also increased by \$70 per annum. Annualised fuel expenditure fell by \$31.

Townsville

The typical Townsville household's annualised transport costs rose by \$1,578 to reach \$18,372. Annual car loan repayments rose by \$1,409 (in line with Brisbane) and insurance premiums rose by \$207. Servicing and tyre costs also rose by \$71 per annum, but fuel expenditure fell by \$109.

Townsville remained the regional centre with the second-least expensive and the second-most affordable transport costs when measured by local purchasing power.

cost rank 3 / 8		affordability rank 2 / 8	
Total weekly transport costs \$500.52	% of income 18.2%		
↑ +\$34.39 since Q4 2022	↑ +0.9% since Q4 2022		

cost rank 6 / 7		affordability rank 6 / 7	
Total weekly transport costs \$353.31	% of income 13.4%		
↑ +\$30.35 since Q4 2022	↑ +0.9% since Q4 2022		

Changes in weekly transport costs

↑ Increased	
Car loan payments = +\$27.09	
Insurance = +\$4.81	
Public transport = +\$1.71	
Servicing & tyres = +\$1.36	
– Unchanged	
Rego, CTP & licensing	
Tolls	
Roadside assistance	
↓ Decreased	
Fuel expenditure = -\$0.59	

↑ Increased	
Car loan payments = +\$27.09	
Insurance = +\$3.98	
Servicing & tyres = +\$1.36	
– Unchanged	
Rego, CTP & licensing	
Roadside assistance	
↓ Decreased	
Fuel expenditure = -\$2.08	



SA transport costs

Per household

Adelaide

Adelaide's annualised typical household transport costs increased by \$1,256 to reach \$21,459 per annum.

This was largely driven by higher car loan repayments which rose by \$1,411. Servicing and tyre costs also increased – by \$80 per annum. On the other side of the ledger, annualised fuel expenditure fell by \$89, and Adelaide's typical household transport insurance premiums fell by \$146 a year – the only capital city to post a decrease in this category.

Mount Gambier

Mount Gambier's typical household annualised transport costs rose to \$19,323 in the March quarter – up \$1,239 from the previous quarter. Its car loan repayments rose in line with Adelaide (up by \$1,411). Annualised servicing and tyre costs also increased by \$80.

Mount Gambier was the only regional centre with a fall in insurance costs; annual insurance premiums fell by \$127 (in line with Adelaide), and fuel expenditure fell by \$125 per annum. It has a worse income-to-transport costs ratio than Adelaide.

cost rank 6 / 8		affordability rank 6 / 8	
Total weekly transport costs	% of income		
\$412.68	15.5%		
↑ + \$24.15 since Q4 2022	↑ + 0.8% since Q4 2022		

cost rank 4 / 7		affordability rank 3 / 7	
Total weekly transport costs	% of income		
\$371.59	15.6%		
↑ + \$23.82 since Q4 2022	↑ + 0.9% since Q4 2022		

Changes in weekly transport costs

↑ Increased

- Car loan payments = +\$27.14
- Servicing & tyres = +\$1.54

– Unchanged

- Rego, CTP & licensing
- Public transport
- Roadside assistance

↓ Decreased

- Insurance = -\$2.80
- Fuel expenditure = -\$1.71

↑ Increased

- Car loan payments = +\$27.14
- Servicing & tyres = +\$1.53

– Unchanged

- Rego, CTP & licensing
- Roadside assistance

↓ Decreased

- Insurance = -\$2.45
- Fuel expenditure = -\$2.40



Perth

In the March quarter, the typical Perth household's annualised transport costs rose to \$21,641, up \$1,631 from the previous quarter. This increase was mainly due to higher car loan repayments (up by \$1,464) and insurance premiums (up \$235). Servicing and tyre costs rose by \$82 per annum. But annualised fuel expenditure fell by \$148.

Perth and Adelaide swapped places in the transport costs ranking. Perth is now the capital with the fourth-lowest transport costs and Adelaide has the third-lowest.

Bunbury

Typical annualised household transport costs in Bunbury rose to \$20,580 per annum, up by \$1,495 from the previous quarter.

Car loan repayments increased in line with Perth (up by \$1,464) and insurance premiums rose by \$201. Servicing and tyre costs also increased by \$83 per annum.

Fuel expenditure fell by \$252 per annum. Bunbury was one of four regional centres with lower transport affordability than in their state capitals when measured by local purchasing power.

cost rank 5 / 8		affordability rank 7 / 8	
Total weekly transport costs	% of income		
\$416.18	14.5%		
↑ + \$31.38 since Q4 2022	↑ + 0.8% since Q4 2022		

cost rank 3 / 7		affordability rank 4 / 7	
Total weekly transport costs	% of income		
\$395.76	14.8%		
↑ + \$28.74 since Q4 2022	↑ + 0.7% since Q4 2022		

Changes in weekly transport costs

↑ Increased	
Car loan payments = +\$28.14	
Insurance = +\$4.52	
Servicing & tyres = +\$1.57	
– Unchanged	
Rego, CTP & licensing	
Public transport	
Roadside assistance	
↓ Decreased	
Fuel expenditure = -\$2.85	

↑ Increased	
Car loan payments = +\$28.14	
Insurance = +\$3.85	
Servicing & tyres = +\$1.59	
– Unchanged	
Rego, CTP & licensing	
Roadside assistance	
↓ Decreased	
Fuel expenditure = -\$4.85	



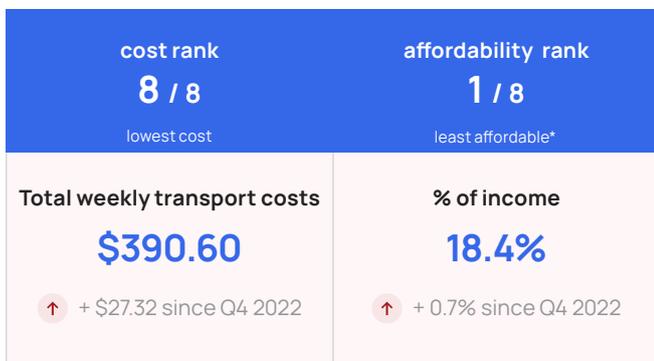
Hobart

Hobart's annualised typical household transport costs rose to \$20,311 – up \$1,421 from the previous quarter. Car loan repayments rose \$1,378. Insurance, servicing and tyre costs also rose. Annualised fuel expenditure fell by \$148 – more than in most cities. Its average petrol price fell 2.4 cents per litre and its average diesel price fell 25.3c/litre. Yet it was still the capital with the second-highest fuel prices and the highest fuel expenditure. It remained the capital with the lowest total transport costs but also with the least affordable transport in terms of local purchasing power.

Launceston

In the March quarter, Launceston's annualised household transport costs reached \$18,961 – a rise of \$1,399 overwhelmingly driven by a big increase in car loan repayments (in line with Hobart). Annualised insurance premiums and servicing and tyre costs rose by \$94 and \$81, respectively, and fuel expenditure fell by \$152.

Launceston had the lowest average earnings and the worst transport cost-to-income ratio of all the cities and benchmark regional centres.

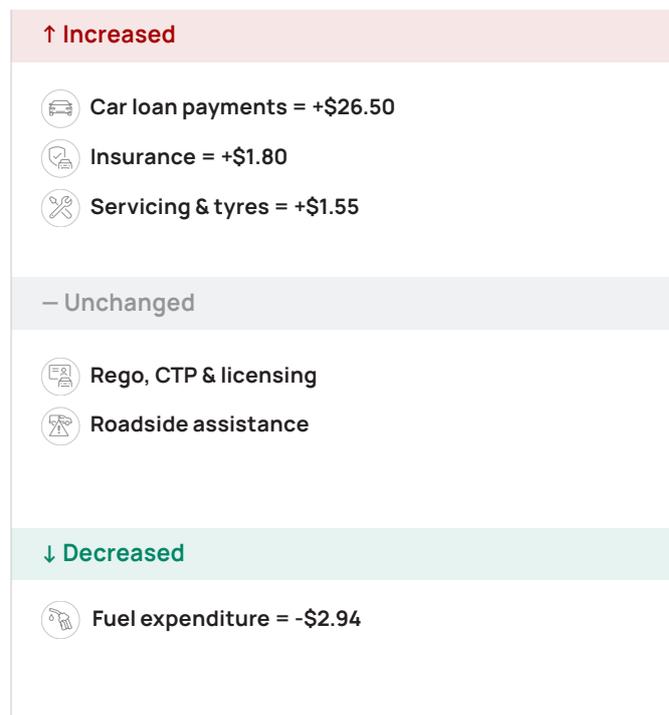
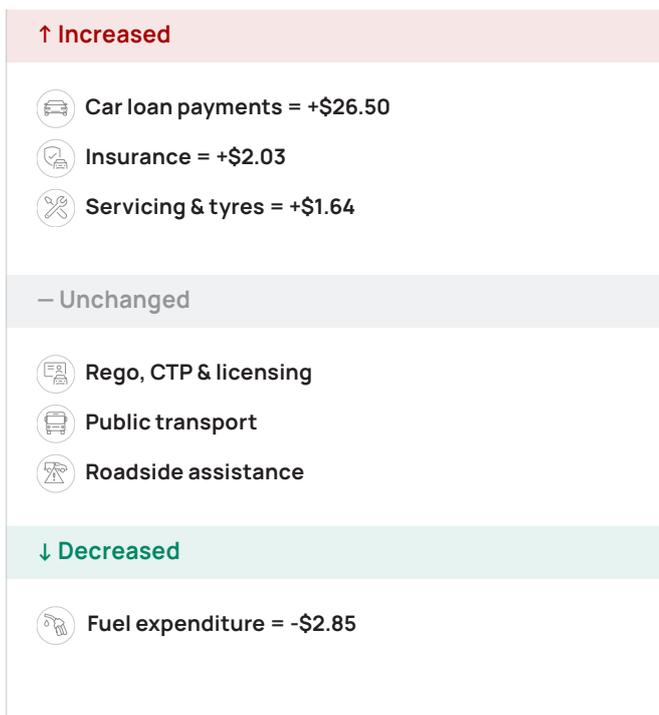


*by local purchasing power



*by local purchasing power

Changes in weekly transport costs





NT transport costs

Per household

Darwin

Darwin's annualised typical household transport costs rose to \$21,360 a year – \$1,641 higher than in the previous quarter.

Rising expenses included car loan repayments (up by \$1,399 a year); insurance premiums (up by \$329); and servicing and tyre costs (up by \$81). But fuel expenditure fell by \$168 per annum.

Darwin remained the city with the second-lowest transport costs, but it became the fourth-least affordable capital city (previously fourth-most affordable), swapping places with Sydney.

Alice Springs

Alice Springs remained the regional centre with the highest annualised transport costs – which rose to \$20,900 a year, up \$1,337 from the previous quarter.

Car loan repayments rose by \$1,399, in line with Darwin; servicing and tyre costs rose by \$83; and insurance premiums increased by \$63. But fuel expenditure fell by \$207 per year.

When measured by local purchasing power, Alice Springs was one of four regional centres with less affordable transport than their state or territory capitals.

cost rank 7 / 8		affordability rank 4 / 8	
Total weekly transport costs \$410.76 ↑ + \$31.54 since Q4 2022	% of income 16.6% ↑ + 1.0% since Q4 2022		

cost rank 1 / 7 <small>highest cost</small>		affordability rank 2 / 7	
Total weekly transport costs \$401.93 ↑ + \$25.72 since Q4 2022	% of income 17.3% ↑ + 0.8% since Q4 2022		

Changes in weekly transport costs

↑ Increased	
Car loan payments = +\$26.89	
Insurance = +\$6.32	
Servicing & tyres = +\$1.56	
– Unchanged	
Rego, CTP & licensing	
Public transport	
Roadside assistance	
↓ Decreased	
Fuel expenditure = -\$3.23	

↑ Increased	
Car loan payments = +\$26.89	
Servicing & tyres = +\$1.59	
Insurance = +\$1.21	
– Unchanged	
Rego, CTP & licensing	
Roadside assistance	
↓ Decreased	
Fuel expenditure = -\$3.97	



Canberra

Annualised transport costs for the typical Canberra household reached \$22,200 in the March quarter – an increase of \$1,610 from the previous quarter.

Car loan repayments rose by \$1,464 a year; insurance premiums increased by \$218; and servicing and tyre costs rose by \$93 per annum. Compared to other capital cities, Canberra has the fourth-highest total transport costs but also the most affordable transport costs when measured by local purchasing power.

cost rank 4 / 8	affordability rank 8 / 8 <small>most affordable*</small>
Total weekly transport costs \$426.92 <small>↑ + \$30.96 since Q4 2022</small>	% of income 14.4% <small>↑ + 0.7% since Q4 2022</small>

*by local purchasing power

Changes in weekly transport costs

↑ Increased	
	Car loan payments = +\$28.15
	Insurance = +\$4.20
	Servicing & tyres = +\$1.79
– Unchanged	
	Public transport
	Roadside assistance
↓ Decreased	
	Fuel expenditure = -\$2.53
	Rego, CTP & licensing = -\$0.64

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 has included 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 car loan payments, registration, stamp duty, compulsory third party (CTP) insurance, driver 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 of 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 allows 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.

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 Sydney, Melbourne and Brisbane, that the family uses toll roads to access the CBD.

In Sydney, the Index assumes that one member of the family uses toll roads only two days per week to travel to the CBD because toll costs are high and alternate routes are available. It assumes one member of the benchmark household uses toll roads every weekday in Melbourne and Brisbane. (Sydney vehicle owners are also eligible for free vehicle registration costs under the state's Toll Relief Scheme, and this is factored into the calculations.)

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 because they usually drive more and generally face higher fuel prices than their city counterparts
- on average, earns less than their city counterparts
- pays less for insurance because most states offer lower comprehensive premiums on new and used cars in regional areas
- doesn't pay road tolls
- doesn't pay for public transport as there is little or no availability in regional areas.

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

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.

The regional locations included for comparison are:

- 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.

Other considerations

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.¹ 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 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. 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 The difference between regional and city households is attributable to differences in the cost of servicing the older car and the cost of tyres.

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 91.3 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 91.3 per cent of the city household's income. Using this method, all regional households reported lower weekly earnings than their city counterparts.

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

End notes

1. 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

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, Sept 2020, cat. no. 6401.0. Accessed 28 October 2020. <https://www.abs.gov.au/ausstats/abs@nsf/mf/6401.0>

4. SGS Economics and Planning, 2016. Transport Affordability Index Final Report. August 2016. Accessed 1 February 2019. <https://www.aaa.asn.au/wp-content/uploads/2016/08/sgs-report-aaa-transport-affordability-index.pdf>

Notes

Notes

Mailing Address:
GPO Box 1555
Canberra ACT 2601

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

Address:
103 Northbourne Ave
Canberra ACT 2601