# TRANSPORT <br> AFFORDABILITY INDEX JUNE QUARTER 2023 

Australian
Automobile
Association

RACV
RACQ
RAA
RAC
RACT
MANT
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 cost inflation eases but prices remain high



The growth in Australian transport cost has eased, but the pause in price rises leaves costs at a considerably higher level than they were a year ago.

In the June quarter, typical capital city household transport costs rose by an average 0.5 per cent across Australia, and typical benchmark regional household transport costs rose by an average of 0.6 per cent.

These rises are much lower than the surges in the previous quarters of the 2022-23 financial year, but they leave prices settled for now at levels that are causing considerable discomfort for many Australians.

At the end of the June quarter, typical capital city household transport costs were 8.8 per cent higher than they had been at the end of June 2022, and typical benchmark regional costs were 10.1 per cent higher than they had been 12 months previously

These increases are significantly higher than the consumer price index rate of 6.0 per cent for the same period.

The cumulative effect of continued high 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 cost to households. Governments at all levels must consider these cost pressures when formulating policy.


Michael Bradley
Managing Director
Australian Automobile Association

## June Quarter 2023 <br> Total transport costs




Capital cities

Total costs

| AVERAGE | HIGHEST | LOWEST |
| :---: | :---: | :---: |
|  |  |  |
|  |  |  |
| \$448.54 <br> since $\$ 2.14$ | Sydney | Hobart |



Regional

Total costs

| AVERAGE | HIGHEST | LOWEST |
| :---: | :---: | :---: |
|  |  |  |
| $\$ 377.47$ | Alice | Wagga |
| $\uparrow$ <br> since 012027 | Springs | Wagga |
|  | $\uparrow+\$ 1.41$ | $\uparrow+\$ 1.13$ |

Affordability (\% of income) $\qquad$ Affordability (\% of income) $\qquad$
16.4\%
$\uparrow+0.1 \%$
since Q1 2023


# Total transport costs 

## Capital average

\$23,324
$\uparrow$ \$111 since Q1 2023

In the June quarter, the typical
Australian capital city household's annualised cost of transport increased by $\$ 111$ to $\$ 23,324$ - or 0.5 per cent - less than the rate of the quarter's CPI rate of 0.8 per cent.

The largest component in the higher transport costs came from a rise in comprehensive insurance premiums - up by an annualised average of $\$ 60$ across the capitals.

Canberra had the biggest transport cost rise - equivalent to \$268 per year.

| 1 | 2 | 3 | 4 |
| :---: | :---: | :---: | :---: |
| Sydney <br> \$26,653 | Melbourne \$26,332 | Brisbane \$26,119 | Canberra $\$ 22,468$ |
| 5 | 6 | 7 | 8 |
|  | Adelaide \$21,523 | Darwin <br> \$21,283 <br> - \$77 since Q1 2023 | Hobart <br> \$20,390 <br> + \$79 since Q1 2023 |

## Average taxes



# Total transport costs 

## Regional

Regional average

\$19,629
$\uparrow+\$ 119$ since Q1 2023

The typical regional household's annual cost of transport rose to \$19,629, up \$119 from the previous quarter - or 0.6 per cent.

This was higher than the typical capital city costs rise, but below the quarter's CPI rate of 0.8 per cent.

The largest component in the regional costs rise came from higher comprehensive insurance premiums, which increased by \$65 a year.

The biggest rises in the benchmarked regional centres were in Geelong and Bunbury, where annualised transport costs rose by \$187 and \$172 respectively from the previous quarter.


## Average taxes



Fuel Excise
\$1,316

- Steady since Q1 2023


Registration, CTP and Licensing \$1,535

Household total

$$
=
$$

\$2,851
$\uparrow+\$ 2$ since Q1 2023

## Total transport costs

## Capital cities

## Capital average


$\$ 448.54$
$\uparrow+\$ 2.14$ since Q1 2023

In the June quarter, Sydney remained
the capital city with the highest
total weekly transport costs, and
Hobart was still the capital with the
lowest costs. All rankings remained
unchanged from the previous quarter.

| 1 | 2 | 3 | 4 |
| :---: | :---: | :---: | :---: |
|  |  |  |  |
| Sydney | Melbourne | Brisbane | Canberra |
| $\$ 512.55$ | $\$ 506.38$ | $\$ 502.29$ | $\$ 432.08$ |
| $\uparrow+\$ 1.75$ since Q1 2023 | $\uparrow+\$ 3.65$ since Q1 2023 | $\uparrow+\$ 1.77$ since Q1 2023 | $\uparrow+\$ 5.16$ since Q1 2023 |


| 5 | 6 | 7 | 8 |
| :---: | :---: | :---: | :---: |
|  |  |  |  |
| Perth | Adelaide |  |  |
| $\$ 419.69$ | $\$ 413.91$ | Darwin | Hobart |
| $\uparrow+\$ 3.51$ since Q1 2023 | $\uparrow+\$ 1.23$ since Q1 2023 | $\downarrow-\$ 1.48$ since Q1 2023 | $\uparrow+\$ 1.52$ since Q1 2023 |

## Total transport costs

## Regional

Regional average

\$377.47
$\uparrow+\$ 2.27$ since Q1 2023

Weekly transport costs rose in each of the Index's benchmark regional centres. But regional costs were - when averaged nationally - \$71.07 a week cheaper than the average capital city costs.

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 $\$ 403.34$ | Geelong \$399.73 | Bunbury <br> \$399.08 | Mount Gambier \$374.12 <br> $\uparrow+\$ 2.53$ since Q1 2023 |
| 5 | 6 | 7 |  |
| Launceston \$366.55 <br> $\uparrow+\$ 1.91$ since Q1 2023 | Townsville \$355.35 <br> $\uparrow+\$ 2.04$ since Q1 2023 | Wagga Wagga \$344.15 | Explore the interactive data <br> 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.

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.

All rankings remained unchanged over the quarter. Canberra was still the most affordable capital and Hobart the least affordable.

## 湢 <br> Capital cities

| Average | Highest | Lowest |
| :---: | :---: | :---: |
| $16.4 \%$ | Hobart | Canberra |
| $\uparrow+0.1 \%$ since Q1 2023 | $\uparrow+0.1 \%$ since Q1 2023 | $\uparrow+0.2 \%$ since Q1 2023 |


| Rank |  | $\begin{array}{r} \text { Sept Qtr } \\ 2022 \end{array}$ | $\begin{gathered} \text { Dec Qtr } \\ 2022 \end{gathered}$ | March Qtr 2023 | $\begin{gathered} \text { June Otr } \\ 2023 \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |
| 1 | Hobart | 17.6\% | 17.7\% | 18.4\% | 18.5\% |
| 2 | Brisbane | 17.0\% | 17.3\% | 18.2\% | 18.2\% |
| 3 | Melbourne | 16.5\% | 16.7\% | 17.5\% | 17.6\% |
| 4 | Darwin | 15.7\% | 15.6\% | 16.6\% | 16.5\% |
| 5 | Sydney | 15.5\% | 15.7\% | 16.0\% | 16.0\% |
| 6 | Adelaide | 14.5\% | 14.7\% | 15.5\% | 15.5\% |
| 7 | Perth | 13.6\% | 13.7\% | 14.5\% | 14.6\% |
| 8 | Canberra | 13.7\% | 13.7\% | 14.4\% | 14.6\% |
|  | Capital avg. | 15.5\% | 15.7\% | 16.4\% | 16.4\% |

## Transport affordability

## Costs as a percentage of income

## Per week

Per household

In the June quarter, transport costs consumed 15.9 per cent of the typical Australian household's income, up from 15.8 per cent in the previous quarter.

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

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.

The difference between metropolitan and regional incomes 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.

## Regional

| Average | Highest | Lowest |
| :---: | :---: | :---: |
| $15.2 \%$ | Launceston | Wagga Wagga |
| $\uparrow+0.1 \%$ since Q1 2023 | $\uparrow+0.1 \%$ since Q1 2023 | - Steady since Q1 2023 |


| Rank |  | $\begin{gathered} \mathbf{S e p t}_{2022} \end{gathered}$ | Dec Otr 2022 | March Qtr 2023 | June Qtr 2023 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Launceston | 18.0\% | 18.1\% | 18.9\% | 19.0\% |
| 2 | Alice Springs | 16.6\% | 16.5\% | 17.3\% | 17.3\% |
| 3 | Mount Gambier | 14.4\% | 14.7\% | 15.6\% | 15.7\% |
| 4 | Bunbury | 14.0\% | 14.1\% | 14.8\% | 15.0\% |
| 5 | Geelong | 13.5\% | 13.7\% | 14.3\% | 14.4\% |
| 6 | Townsville | 12.3\% | 12.5\% | 13.4\% | 13.4\% |
| 7 | Wagga Wagga | 10.8\% | 10.9\% | 11.8\% | 11.8\% |
|  | Regional avg. | 14.2\% | 14.4\% | 15.1\% | 15.2\% |

## Transport costs by category

Per week Per household

In the June quarter, typical household transport costs rose slightly across Australia (except in the Northern Territory). This increase was driven by changes in the following cost categories:
$\rightarrow$ Car loan payments: interest rates on new car loans increased in all jurisdictions as did upfront costs for purchasing new vehicles, albeit negligibly.
$\rightarrow$ Registration, CTP and licensing: costs rose slightly in NSW but fell slightly in the Australian Capital Territory due to CTP premium adjustments.
$\rightarrow$ Comprehensive insurance: premiums increased in all locations except Darwin.
$\rightarrow$ Car maintenance: costs increased in all locations, except Sydney, Perth, Wagga Wagga and Bunbury.
$\rightarrow$ Toll roads: toll road costs rose in Sydney and Melbourne because of scheduled indexation.

Fuel costs decreased inmostlocations. Darwin, Canberra, Geelong, Townsville andMount Gambier were the exceptions.

Public transport costs remained unchanged over the quarter.

## Capital cities

| 1 | 2 | 3 | 4 |
| :---: | :---: | :---: | :---: |
| Car loan payments \$184.19 <br> $\uparrow+\$ 0.86$ since Q1 2023 | Fuel \$93.62 <br> $\downarrow$ - \$0.40 since Q1 2023 | Tolls \$66.19 <br> $\uparrow+\$ 0.76$ since Q1 2023 | Public transport \$39.86 <br> - Steady since Q1 2023 |
| 5 | 6 | 7 | 8 |
| Insurance \$38.84 <br> $\uparrow+\$ 1.14$ since Q1 2023 | Servicing \& Tyres \$34.05 <br> $\uparrow+\$ 0.20$ since Q1 2023 | Registration, CTP \& licensing \$30.89 | Roadside assist \$2.28 <br> $\uparrow+\$ 0.04$ since Q1 2023 |

## Transport costs by category

Per week Per household

Ranking of the typical city and regional families' weekly expenses remained unchanged over the June 2023 quarter.

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 metropolitan and regional households drive similar cars, the Index applies the same assumptions about fuel efficiency and fuel mix.


| 1 | 2 | 3 |
| :---: | :---: | :---: |
| E- ${ }^{\text {c }}$ | $081$ | ag |
| Car loan payments | Fuel | Servicing \& Tyres |
| \$184.14 | \$97.30 | \$32.13 |
| $\uparrow$ + \$0.86 since Q1 2023 | $\downarrow$ - \$0.03 since Q1 2023 | ィ + \$0.10 since Q1 2023 |


| 4 | 5 | 6 |
| :---: | :---: | :---: |
| Insurance |  <br> licensing | Roadside assist |
| \$32.12 | $\mathbf{\$ 2 9 . 5 1}$ | $\mathbf{\$ 2 . 2 7}$ |
| $\uparrow+\$ 1.26$ since Q1 2023 | $\uparrow+\$ 0.02$ since Q1 2023 | $\uparrow+$ + 0.05 since 012023 |

# Transport costs by category 

Per week

## - <br> 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, albeit only by $\$ 44$.

As a result, typical Australian car loan payments rose by \$0.86 per week, or \$45 a year on average.

## Capital cities

| Average | Highest | Lowest |
| :---: | :---: | :---: |
|  |  |  |


| Rank |  |  |  |
| :--- | :--- | :--- | :--- |
| 1 | Perth | $\$ 186.19$ | $+\$ 0.87$ |
| 2 | Sydney | $\$ 185.47$ | $+\$ 0.87$ |
| 3 | Melbourne | $\$ 184.67$ | $+\$ 0.89$ |
| 4 | Canberra | $\$ 184.54$ | $+\$ 0.87$ |
| 5 | Adelaide | $\$ 183.47$ | $+\$ 0.85$ |
| 6 | Darwin | $\$ 183.11$ | $+\$ 0.85$ |
| 7 | Brisbane | $\$ 183.10$ | $+\$ 0.85$ |
| 8 | Hobart | $\$ 182.95$ | $+\$ 0.85$ |
|  | Capital avg. | $\$ 184.19$ | $+\$ 0.86$ |

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

| Average | Highest | Lowest |
| :---: | :---: | :---: |
| $\mathbf{\$ 1 8 4 . 1 4}$ | Bunbury | Launceston |
| $\uparrow+\$ 0.86$ <br> $\sin c e$ Q12023 | $\uparrow+\$ 0.87$ | $\uparrow+\$ 0.85$ |

## Rank

| 1 | Bunbury | $\$ 186.19$ | $+\$ 0.87$ |
| :--- | :--- | :--- | :--- |
| 2 | Wagga Wagga | $\$ 185.47$ | $+\$ 0.87$ |
| 3 | Geelong | $\$ 184.67$ | $+\$ 0.89$ |
| 4 | Mount Gambier | $\$ 183.47$ | $+\$ 0.85$ |
| 5 | Alice Springs | $\$ 183.11$ | $+\$ 0.85$ |
| 6 | Townsville | $\$ 183.10$ | $+\$ 0.85$ |
| 7 | Launceston | $\$ 182.95$ | $+\$ 0.85$ |
|  | Regional avg. | $\$ 184.14$ | $+\$ 0.86$ |

# Transport costs by category 

Per week

## E요 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. CTP premium adjustments were responsible for these changes.

Canberra remained the most expensive capital for registration, CTP and licensing, while Hobartstill had the lowest costs in this category. The typical Canberra household spends $\$ 16.89$ per week (or $\$ 879$ more ayear) more on registration than its Hobart counterpart.

## Capital cities

| Average | Highest | Lowest |
| :---: | :---: | :---: |
|  |  |  |
| \$30.89 <br> since Q12023 | $\downarrow 0.02$ |  |
|  | Canberra | Hobart |


| Rank |  |  |  |
| :--- | :--- | ---: | ---: |
| 1 | Canberra | $\$ 40.01$ | $-\$ 0.09$ |
| 2 | Perth | $\$ 34.66$ | - |
| 3 | Melbourne | $\$ 34.07$ | - |
| 4 | Darwin | $\$ 31.55$ | - |
| 5 | Brisbane | $\$ 31.23$ | - |
| 6 | Adelaide | $\$ 27.51$ | - |
| 7 | Sydney | $\$ 24.94$ | $+\$ 0.25$ |
| 8 | Hobart | $\$ 23.12$ | - |
|  | Capital avg. | $\$ 30.89$ | $+\$ 0.02$ |

Among the benchmark regional centres, Bunbury remained the place with the highest costs in this category and Mount Gambier had the lowest. Bunbury and MountGambier households' registration, CTP and licensing costs differed by \$11.91 a week (or \$619 a year).

## 的 ${ }^{\circ}{ }^{\circ}$ Regional

| Average | Highest | Lowest |
| :---: | :---: | :---: |
| \$29.51 <br> $\uparrow+\$ 0.02$ <br> since Q12023 | Bunbury | Mount <br> - Steady |

## Transport costs by category

Per week

Per household

## 2

Comprehensive insurance costs for new and used vehicles rose in all jurisdictions except the Northern Territory.
Premiums rose most sharply in Perth and Melbourne - up by $\$ 3.13$ and $\$ 2.92$ a week, respectively. Darwin was the only capital city where annual insurance costs fell - down by $\$ 131$.

Melbourne remained the capital with the most expensive insurance and Perth still had the cheapest insurance - its typical household spends \$25.57 a week (or \$1,330 a year) less in this category than its Melbourne counterpart.


| Rank |  |  |  |
| :--- | :--- | :--- | :--- |
| 1 | Melbourne | $\$ 51.51$ | $+\$ 2.92$ |
| 2 | Brisbane | $\$ 45.62$ | $+\$ 0.70$ |
| 3 | $\downarrow$ | Darwin | $\$ 44.17$ |
| 4 | Adelaide | $\$ 40.85$ | $+\$ 2.58$ |
| 5 | Sydney | $\$ 38.71$ | $+\$ 0.69$ |
| 6 | Canberra | $\$ 35.68$ | $+\$ 2.53$ |
| 7 | Hobart | $\$ 28.23$ | $+\$ 1.47$ |
| 8 | Perth | $\$ 25.94$ | $+\$ 3.13$ |
|  | Capital avg. | $\$ 38.84$ | $+\$ 1.14$ |

Bunbury had the biggest insurance cost rises among the benchmarked regions - up by $\$ 2.67$ a week. No regional centre recorded any drop in comprehensive insurance costs.

The largest difference between a capital city and its benchmark regional counterpart was in Victoria - a typical Melbourne household spends \$18.67 a week (or \$971 a year) more on comprehensive insurance than its Geelong equivalent.

## 䚛 Regional

| Average | Highest | Lowest |
| :---: | :---: | :---: |
|  |  |  |
| \$32.12 | Alice | Bunbury |
| $\uparrow+\$ 1.26$ <br> since Q12023 | Springs | $\uparrow+\$ 2.67$ |
|  |  |  |


| Rank |  |  |  |
| :---: | :---: | :---: | :---: |
| 1 | Alice Springs | \$45.63 | + \$0.84 |
| 2 | Townsville | \$37.43 | + \$0.58 |
| 3 | Mount Gambier | \$34.29 | +\$0.66 |
| 4 | Geelong | \$32.84 | + \$1.87 |
| 5 | Wagga Wagga | \$29.34 | + \$0.80 |
| 6 | Launceston | \$23.75 | + \$1.45 |
| 7 | Bunbury | \$21.59 | + \$2.67 |
|  | Regional avg. | \$32.12 | + \$1.26 |

# Transport costs by category 

Per week

## a

## Servicing and tyres

Servicing and tyre costs increased over the June 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. Brisbane replaced Adelaide as the capital city with the cheapest servicing and tyre costs (Adelaide became the second-cheapest). Darwin and Sydney switched fourth and fifth placed rankings in this cost category.

## Capital cities

| Average | Highest | Lowest |
| :---: | :---: | :---: |
|  |  |  |

The Canberra household paid $\$ 16.73$ a week (or $\$ 870$ a year) more for servicing and tyres than its Brisbane counterpart.

Alice Springs became the benchmark regional location with the highest household costs in this category (replacing Bunbury which became the second-most expensive). Launceston remained the cheapest centre. In the June quarter, the typical Alice Springs household's servicing and tyres cost was $\$ 11.80$ a week (or $\$ 614$ annually) higher than its Launceston counterpart's.

## Regional



| Rank |  |  |  |
| :--- | :--- | ---: | ---: |
| 1 | Canberra | $\$ 44.65$ | $+\$ 0.84$ |
| 2 | Perth | $\$ 35.21$ | $-\$ 0.15$ |
| 3 | Melbourne | $\$ 35.15$ | $+\$ 0.20$ |
| 4 | Darwin | $\$ 34.49$ | $+\$ 0.15$ |
| 5 | $\downarrow \bigcirc$ | Sydney | $\$ 34.42$ |
| 6 | Hobart | $\$ 32.48$ | $+\$ 0.17$ |
| 7 | Adelaide | $\$ 28.08$ | $+\$ 0.39$ |
| 8 | $\downarrow \bigcirc$ | Brisbane | $\$ 27.92$ |
|  | Capital avg. | $\$ 34.05$ | $+\$ 0.20$ |

Rank

| 1 | $\uparrow$ | Alice Springs | $\$ 38.07$ |
| :--- | :--- | :--- | :--- |
| 2 | $\downarrow$ | Bunbury | $\$ 0.18$ |
| 3 | Geelong | $\$ 37.99$ | $-\$ 0.16$ |
| 4 | Wagga Wagga | $\$ 32.29$ | $+\$ 0.19$ |
| 5 | Townsville | $\$ 28.45$ | $+\$ 0.19$ |
| 6 | Mount Gambier | $\$ 28.19$ | $+\$ 0.40$ |
| 7 | Launceston | $\$ 26.27$ | $+\$ 0.10$ |
|  |  | Regional avg. | $\$ 32.13$ |

# Transport costs by category 

Per week

Per household



## Fuel

In the June quarter, diesel prices fell across the country. Petrol prices rose slightly in most Australian capitals and all the benchmark regional centres, but fell slightly in Sydney (by 1.4 cents per litre).

The average capital city retail price for regular unleaded petrol rose by 1.4 cents a litre, but the average retail price for diesel fell much further - by 14 cents a litre - cutting average weekly fuel expenditure by 40 cents. Brisbane became the capital city with the highest fuel expenditure (replacing Hobart which dropped to have the thirdhighest fuel expenditure). Perth remained the capital city with the lowest fuel expenditure.

## Capital cities

| Average | Highest | Lowest |
| :---: | :---: | :---: |
| $\$ 93.62$ | Brisbane <br> $\downarrow$ - $\$ 0.15$ | Perth <br> $\downarrow-50.34$ |


| Rank |  |  |  |
| :--- | :--- | ---: | :--- |
| 1 | $\uparrow \bigcirc$ | Brisbane | $\$ 95.52$ |
| 2 | $\uparrow$ | Canberra | $-\$ 0.15$ |
| 3 | $\downarrow$ | Hobart | $\$ 95.15$ |
| 4 | $\uparrow$ | Darwin | $\$ 94.92$ |
| 5 | $\downarrow \bigcirc$ | Sydney | $\$ 94.00$ |
| 6 | $\downarrow$ | Melbourne | $\$ 93.90$ |
| 7 | Adelaide | $\$ 93.76$ | $-\$ 0.10$ |
| 8 | Perth | $\$ 91.21$ | $-\$ 0.40$ |
|  | Capital avg. | $\$ 90.46$ | $-\$ 0.34$ |
|  |  | $\$ 93.62$ | $-\$ 0.40$ |

Across the benchmarked regional centres, petrol prices rose by an average of 2.1 cents per litre and diesel fell by 13.7 cents per litre.

Alice Springs remained the regional centre with the most expensive fuel - \$1.94.7 per litre for petrol (up 1.5 cents) and \$2.02.1 per litre for diesel (down 15.3 cents).

The typical Bunbury household still spent more on fuel than its other regional counterparts - \$116.42 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.

## Regional

| Average | Highest | Lowest |
| :---: | :---: | :---: |
| \$97.30 | Bunbury | Wagga |
| $\downarrow-\$ 0.03$ |  |  |
| sinceQ12023 |  |  |

Rank

| 1 | Bunbury | $\$ 116.42$ | $-\$ 0.06$ |
| :--- | :--- | ---: | :--- |
| 2 | Geelong | $\$ 114.22$ | $+\$ 0.65$ |
| 3 | Launceston | $\$ 108.04$ | $-\$ 0.49$ |
| 4 | $\uparrow$ | Mount Gambier | $\$ 103.13$ |
| $5 \downarrow \bigcirc$ | Alice Springs | $\$ 103.02$ | $-\$ 0.46$ |
| 6 | Townsville | $\$ 72.91$ | $+\$ 0.23$ |
| 7 | Wagga Wagga | $\$ 63.36$ | $-\$ 0.55$ |
|  | Regional avg. | $\$ 97.30$ | $-\$ 0.03$ |

# Transport costs by category 



## Public transport

Public transport costs remained unchanged in all capital cities.
Brisbane is the capital city with the highest public transport costs.
Darwin has the lowest costs in this category.
The typical Darwin household spent an annualised \$2,063 per year (or \$39.67 per week) less on public transport than its Brisbane counterpart.

## 0 m 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 increase in annual toll road costs was \$88 for Sydney and \$32 for Melbourne.

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 \$25.78 per week (or \$1,341 per year) less on tolls than its Sydney counterpart.

## Capital cities

| Average | Highest | Lowest |
| :---: | :---: | :---: |
|  | $M$ | - |
| \$39.86 | Brisbane | Darwin |
| $\begin{gathered} \text { - Steady } \\ \text { since Q1 } 2023 \end{gathered}$ | - Steady | - Steady |



| Rank |  |  |  | Rank |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Brisbane | \$59.67 | - | 1 | Sydney | \$82.78 | + \$1.68 |
| 2 | Sydney | \$50.00 | - | 2 | Melbourne | \$58.80 | + \$0.60 |
| 3 | Melbourne | \$46.00 | - | 3 | Brisbane | \$57.00 | - |
| 4 | Perth | \$45.00 | - |  | Avg. | \$66.19 | + \$0.76 |
| 5 | Adelaide | \$40.50 | - |  |  |  |  |
| 6 | Canberra | \$29.72 | - |  |  |  |  |
| 7 | Hobart | \$28.00 | - |  |  |  |  |
| 8 | Darwin | \$20.00 | - |  |  |  |  |
|  | Capital avg. | \$39.86 | - |  |  |  |  |

# Transport costs by category 

Per week

## 5

## Roadside assistance

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.

| Average | Highest | Lowest |
| :---: | :---: | :---: |
| \$2.28 | VIC* | NT |
| $\uparrow+\$ 0.04$ <br> since Q12023 | - Steady | - Steady |
| *equal highestwith TAS |  |  |

Rank

| 1 | TAS | $\$ 2.42$ | - |
| :--- | :--- | ---: | ---: |
| 1 | VIC | $\$ 2.42$ |  |
| 3 | ACT | $\$ 2.33$ | - |
| 3 | NSW | $\$ 2.33$ | - |
| 5 | $\uparrow$ | SA | $\$ 2.29$ |
| 6 | $\downarrow$ | WA | $\$ 2.23$ |
| 6 | $\uparrow$ | QLD | $\$ 2.23$ |
|  | NT | $\$ 1.96$ | - |
|  | Avg. | $\$ 2.28$ | $+\$ 0.04$ |

## State by state overview



## Sydney

Sydney's annualised typical household transport costs rose by \$91 a year. It remained the city with the highest total transport costs.

Sydney's toll road costs rose by $\$ 88$ per annum due to scheduled quarterly indexation and its fuel expenditure declined by $\$ 81$ per annum.

| cost rank |  |
| :---: | :---: |
| $1 / 8$ | affordability rank |
| highest cost | $5 / 8$ |
| Total weekly transport costs | \% of income |
| \$512.55 | $16.0 \%$ |
| $\uparrow+\$ 1.75$ since Q1 2023 | $\uparrow+0.1 \%$ since Q1 2023 |

Changes in weekly transport costs

```
```

\uparrow Increased

```
```

\uparrow Increased
(Q)= Tolls +\$1.68
(Q)= Tolls +\$1.68
F={ Car loan payments +\$0.87
F={ Car loan payments +\$0.87
(). Insurance +\$0.69
(). Insurance +\$0.69
(㴘 Rego, CTP \& licensing +\$0.25
(㴘 Rego, CTP \& licensing +\$0.25

- Unchanged
- Unchanged
F\#) Public transport
F\#) Public transport
R. Roadside assistance
R. Roadside assistance
\downarrow Decreased
\downarrow Decreased
*(3) Fuel expenditure -\$1.57
*(3) Fuel expenditure -\$1.57
2.g) Servicing \& tyres -\$0.17

```
```

2.g) Servicing \& tyres -\$0.17

```
```


## Wagga Wagga

Wagga Wagga remained the benchmark regional centre with the lowest transport costs - both in terms of total costs (at \$17,896 a year) and in its local income-to-cost ratio. Its annual transport costs increased by \$59.

*by local purchasing power

## Melbourne

Melbourne remained Australia's second-most expensive city for transport. The typical Melbourne household's annualised transport costs rose to \$26,332 - an increase of \$190 per annum from the previous quarter. This was driven largely by comprehensive insurance premiums which rose by $\$ 152$ per annum.

| cost rank |  |
| :---: | :---: |
| $2 / 8$ | affordability rank |
|  | $3 / 8$ |
| Total weekly transport costs | \% of income |
| $\$ 506.38$ | $17.6 \%$ |
| $\uparrow+\$ 3.65$ since Q1 2023 | $\uparrow+0.1 \%$ since Q1 2023 |

## Changes in weekly transport costs



## Brisbane

Annualised transport costs for Brisbane's typical household rose to an annualised $\$ 26,119$ a year - up by $\$ 92$ - in the June quarter. This made it Australia's third-most expensive and second-least affordable capital for transport costs.

| cost rank |  |
| :---: | :---: |
| $3 / 8$ | affordability rank |
| Total weekly transport costs | $2 / 8$ |
| \$502.29 | \% of income |
| $\uparrow+\$ 1.77$ since Q1 2023 | $18.2 \%$ |

## Changes in weekly transport costs

```
\uparrow Increased
```

Car loan payments $\mathbf{+} \mathbf{\$ 0 . 8 5}$
(2) Insurance $+\$ 0.70$

Roadside assistance $\mathbf{+} \mathbf{\$ 0 . 1 9}$
\%) Servicing \& tyres $\mathbf{+} \mathbf{\$ 0 . 1 8}$

- Unchanged
(圆 Rego, CTP \& licensing
(Q) $=$ TollsPublic transport


## $\downarrow$ Decreased

(8i) Fuel expenditure - $\mathbf{\$ 0 . 1 5}$

## Townsville

The typical Townsville household's annualised transport costs rose by $\$ 106$ to reach $\$ 18,478$. The North Queensland city remained the regional centre with the second-least expensive and the second-most affordable transport costs when measured by local purchasing power.

Townsville's fuel expenditure increased, but only by an annualised \$12 per annum. It was one of three benchmarked regional centres where fuel costs increased.

| cost rank | affordability rank |
| :---: | :---: |
| $6 / 7$ | $6 / 7$ |

## $\uparrow$ Increased

Car loan payments $\mathbf{+} \mathbf{\$ 0 . 8 5}$(2) Insurance +\$0.58
(8) Fuel expenditure $\mathbf{+} \mathbf{\$ 0 . 2 3}$

Roadside assistance $\mathbf{+} \mathbf{\$ 0 . 1 9}$
2g) Servicing \& tyres $\mathbf{+} \mathbf{\$ 0 . 1 9}$

- Unchanged
(Eo Rego, CTP \& licensing


## Adelaide

Adelaide's annualised typical household transport costs increased by $\$ 64$ to reach $\$ 21,523$ 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. Typical household transport insurance premiums also fell by \$146 a year - Adelaide was the only capital city to post a decrease in this category.

| cost rank |  |
| :---: | :---: |
| $6 / 8$ | $6 / 8$ |
| affordability rank |  |
| Total weekly transport costs | \% of income |
| $\$ 413.91$ | $15.5 \%$ |
| $\uparrow+\$ 1.23$ since Q1 2023 | - Steady since Q1 2023 |

## Changes in weekly transport costs

```
\uparrow Increased
Car loan payments +$0.85
ag}\mathrm{ Servicing & tyres +$0.39
(2) Insurance +$0.27
Roadside assistance +$0.12
```

- Unchanged
(四 Rego, CTP \& licensing
F Public transport


## $\downarrow$ Decreased

(8) Fuel expenditure $\mathbf{-} \mathbf{\$ 0 . 4 0}$

## Mount Gambier

Mount Gambier's typical household annualised transport costs rose to $\$ 19,454$ in the June quarter - up \$131 from the previous quarter.

Mount Gambier was one of four benchmark regional centres with lower transport affordability than their state capitals when measured by local purchasing power. It was also one of three benchmarked regional centres where fuel expenditure increased (by an annualised \$26).

| cost rank | affordability rank |
| :---: | :---: |
| $4 / 7$ | $3 / 7$ |
|  |  |
| Total weekly transport costs | \% of income |
| $\$ 374.12$ | $15.7 \%$ |
| $+\$ 2.53$ since Q1 2023 | $\uparrow+0.1 \%$ since Q1 2023 |

## $\uparrow$ Increased

Car loan payments $\mathbf{+} \mathbf{\$ 0 . 8 5}$
(2) Insurance $\mathbf{+} \mathbf{\$ 0 . 6 6}$
(73) Fuel expenditure $+\$ 0.50$

2g Servicing \& tyres $\mathbf{+} \mathbf{\$ 0 . 4 0}$
Roadside assistance $+\mathbf{\$} 0.12$

## - Unchanged

ㅇore Rego, CTP \& licensing

## Perth

In the June quarter, the typical Perth household's annualised transport costs rose to $\$ 21,824$, up $\$ 183$ from the previous quarter.

This increase was mainly due to higher comprehensive insurance premiums, which rose by $\$ 163$ on an annualised basis.

| cost rank |  |
| :---: | :---: |
| $5 / 8$ | affordability rank |
| Total weekly transport costs | \% of income |
| \$419.69 | $14.6 \%$ |
| $\uparrow+\$ 3.51$ since Q1 2023 | $\uparrow+0.1 \%$ since Q1 2023 |

Changes in weekly transport costs
$\uparrow$ Increased

Insurance + \$3.13
(2) Car loan payments $\mathbf{+} \mathbf{\$ 0 . 8 7}$

- Unchanged
(园) Rego, CTP \& licensing
(\#) Public transport
(2) Roadside assistance
$\downarrow$ Decreased
(8) Fuel expenditure $\mathbf{-} \mathbf{\$ 0 . 3 4}$
(ag) Servicing \& tyres - $\mathbf{\$ 0 . 1 5}$


## Bunbury

Bunbury's typical annualised household transport costs rose to $\$ 20,752$ per annum, up by $\$ 172$. Comprehensive insurance premium rises of $\$ 139$ per year were the main factor.

Bunbury was one of four benchmark regional centres with lower transport affordability than their state capitals when measured by local purchasing power.

| cost rank | affordability rank |
| :---: | :---: |
| $\mathbf{3} / 7$ | $\mathbf{4 / 7}$ |
| Total weekly transport costs | \% of income |
| $\$ 399.08$ | $\mathbf{1 5 . 0 \%}$ |
| $\uparrow+\$ 3.32$ since Q1 2023 | $\uparrow+0.1 \%$ since Q1 2023 |

## $\uparrow$ Increased

Insurance +\$2.67
C- Car loan payments $\mathbf{+} \mathbf{\$ 0 . 8 7}$

- Unchanged
(ㅇon Rego, CTP \& licensing
(7.0 Roadside assistance


## $\downarrow$ Decreased

(ar) Servicing \& tyres -\$0.16
(8) Fuel expenditure $\mathbf{-} \mathbf{\$ 0 . 0 6}$

## Hobart

Hobart's annualised typical household transport costs rose to \$20,390 - up \$79 from the previous quarter. The main factor driving this increase was a $\$ 76$ rise in comprehensive insurance premiums.

Hobart remained the capital city with the lowest total transport costs but also still had the least affordable transport in terms of local purchasing power.


Changes in weekly transport costs

```
\uparrow Increased
    Insurance +$1.47
Car loan payments +$0.85
2g}\mathrm{ Servicing & tyres +$0.15
- Unchanged
    Rego, CTP & licensing
#) Public transport
F% Roadside assistance
\downarrow Decreased
    Fuel expenditure -$0.95
```


## Launceston

In the June quarter, Launceston's annualised household transport costs reached \$19,061 - a rise of \$100 driven by a $\$ 75$ annual cost increase in comprehensive insurance premiums.

Launceston had the lowest average earnings and the worst transport cost-to-income ratio of all the cities and benchmark regional centres. Launceston was one of four benchmark regional centres with lower transport affordability than their state capitals when measured by local purchasing power.


## $\uparrow$ Increased

(2) Insurance +\$1.45

Car Ioan payments $+\mathbf{\$ 0 . 8 5}$
ag Servicing \& tyres $\mathbf{+} \mathbf{\$ 0 . 1 0}$

- Unchanged
(器 Rego, CTP \& licensing
Roadside assistance


## $\downarrow$ Decreased

(8) Fuel expenditure - $\mathbf{\$ 0 . 4 9}$

## Darwin

Darwin's annualised typical household transport costs fell to \$21,283 a year - \$77 lower than in the previous quarter. Darwin was the only location among the capital cities and benchmarked regional centres to record an overall decrease in transport costs A \$134 drop in annual comprehensive insurance premiums was the main contributor to this cost decrease.

Darwin was one of only two capital cities where fuel expenditure increased (albeit negligibly). It remained the city with the secondlowest and the fourth-least affordable transport costs.

| cost rank | affordability rank |
| :---: | :---: |
| $7 / 8$ | $4 / 8$ |
| Total weekly transport costs | \% of income |
| $\$ 4.9 .28$ | $16.5 \%$ |
| $\downarrow-\$ 1.48$ since Q1 2023 | $\downarrow-0.1 \%$ since Q1 2023 |

Changes in weekly transport costs

```
\uparrow Increased
```

(-a) Car loan payments +\$0.85
arg Servicing \& tyres $\mathbf{+} \mathbf{\$ 0 . 1 5}$
(8) Fuel expenditure $\mathbf{+} \mathbf{\$ 0 . 1 0}$

- UnchangedRego, CTP \& licensingPublic transport
Roadside assistance


## $\downarrow$ Decreased

Insurance-\$2.58

## Alice Springs

Alice Springs remained the regional centre with the highest annualised transport costs - which rose to \$20,974 a year, up \$74 from the previous quarter.

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

| cost rank |  |
| :---: | :---: |
| $1 / 7$ | affordability rank |
| highest cost | $2 / 7$ |
| Total weekly transport costs |  |
| $\$ 403.34$ | $\%$ of income |
| $\uparrow+\$ 1.41$ since Q1 2023 | $\uparrow+0.1 \%$ since Q1 2023 |

## $\uparrow$ Increased

F-ㅕㅕㅇ Car loan payments +\$0.85
(). Insurance $\mathbf{+} \mathbf{\$ 0 . 8 4}$
Q. Servicing \& tyres $+\$ 0.18$

- Unchanged

Rego, CTP \& licensing
Roadside assistance

## $\downarrow$ Decreased

(8) Fuel expenditure - $\$ 0.46$

## ACT transport costs

## Canberra

Annualised transport costs for the typical Canberra household reached \$22,468 in the June quarter - an increase of $\$ 268$ from the previous quarter. Comprehensive insurance premium increases of $\$ 131$ in annual costs as well as a $\$ 53$ increase in annual net fuel expenditure were the main drivers behind this cost rise.

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.

Canberra was one of only two capital cities where fuel expenditure increased (in its case by $\$ 53$ per annum).

| cost rank | affordability rank |
| :---: | :---: |
| $4 / 8$ | $8 / 8$ |
| most affordable* |  |

*by local purchasing power

Changes in weekly transport costs
$\uparrow$ Increased

Insurance + \$2.53
(8) Fuel expenditure $\mathbf{+} \mathbf{\$ 1 . 0 1}$
( Car loan payments $+\$ 0.87$
ag Servicing \& tyres $\mathbf{+} \mathbf{\$ 0 . 8 4}$

- Unchanged

B Public transport
Roadside assistance
$\downarrow$ Decreased

Rego, CTP \& licensing - $\$ 0.09$

# Background and methodology 

## Overview

The AAA and SGS Economics developed the Transport Affordability Index as an indicator of movements in the total price of household transport through a longitudinal study design approach. It uses economic modelling to illustrate changes over time to transport costs relative to movements in the CPI and household incomes. The Index provides a snapshot of the costs of transport for a hypothetical or "benchmark" household in each capital city and in a regional location in each state and the Northern Territory by transport cost category (upfront, ongoing, and other "typical" costs) over time.

As with any economic modelling, the Index is built on a series of assumptions that remain constant over time. Since its release in 2016, the same specific data points have been updated and changes have been tracked quarterly. This longitudinal approach provides a way of understanding the degree and direction of change in costs by location over time. It is conceptually akin to the Australian Bureau of Statistics' "basket of goods" used to identify and track CPI over time.

As well as tracking the original data points, the Index also accommodates all relevant government policy levers that impact transport costs (such as toll relief schemes and public transport discounts and caps).

## The hypothetical households

The Index's economic modelling is based on a "hypothetical household" whose key characteristics are drawn from the Australian Bureau of Statistics (including census data), the Bureau of Infrastructure and Transport Research Economics (including motor vehicle use), and industry (including new vehicle sales and fuel prices).

For the purposes of the economic modelling, it is assumed the hypothetical household:
$\rightarrow$ Comprises a 36-year-old male and a 38-year-old female with children living in a detached house.
$\rightarrow$ Has both adults employed full time and commuting each weekday to workplaces in or near their city or town's CBD
$\rightarrow$ Has two cars - a near-new car financed with a variable-rate car loan and an older car owned outright. Both vehicles are roadworthy and registered, and they are garaged at home.
$\rightarrow$ Has comprehensive car insurance (for this purpose the drivers have a spotless driving record).
$\rightarrow$ Services both vehicles according to manufacturers' guidelines.

These characteristics are used to contextualise and model transport costs in each capital city and in one regional centre in every state and the Northern Territory.

The households in each capital city and benchmark regional centre are identical in almost all respects to enable ready comparison. But their transport costs differ based on where they live. Their assumed vehicle and public usage can also vary in some respects based on known local differences.

# "The Index is conceptually akin to the ABS 'basket of goods' used to identify and track CPI over time." 



## The capital city households

For each capital city household, it is assumed that the household's new car is driven 15,000 kilometres per year and its older car is driven 10,000 kilometres per year.

In each capital city, the hypothetical household is assumed to live in middle to outer-ring suburbs with relatively high population density and good access to public transport.

To ensure public transport costs are captured, the Index assumes one adult of the household commutes to and from work by public transport each weekday.

In the case of Sydney, Melbourne and Brisbane, the family also uses toll roads to commute.

The Index assumes one member of the household uses toll roads every weekday in Melbourne and Brisbane to travel to and from work.

For Sydney, it assumes that one member of the family uses toll roads to commute only two days a week because toll costs are high and alternative routes are available.


## The regional households

The Index's benchmark regional locations were selected as they have populations of over 10,000 people; have relatively dense populations (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 Index recognises that typical households in regional locations:
$\rightarrow$ Generally face higher fuel prices than their city counterparts.
$\rightarrow$ Earn less than their state or territory capital city counterparts.
$\rightarrow$ Pay less for insurance because most jurisdictions offer lower comprehensive premiums on new and used cars in regional areas.
$\rightarrow$ Do not pay to use toll roads.
$\rightarrow$ Do not pay for public transport as there is little or limited availability in regional areas.
$\rightarrow$ Have different commuting distances and patterns than their city counterparts (which are specific for the respective areas).

Incomes are based on ABS data for city and regional centres. This means that all the benchmark regional households have lower weekly earnings than their capital city counterparts.

## Mailing Address:

GPO Box 1555
Canberra ACT 2601

0262477311
@aaacomms www.aad.asn.au

Address:
103 Northbourne Ave
Canberra ACT 2601

