

TRANSPORT AFFORDABILITY INDEX

DECEMBER QUARTER 2022



Australian
Automobile
Association

Released February 2023

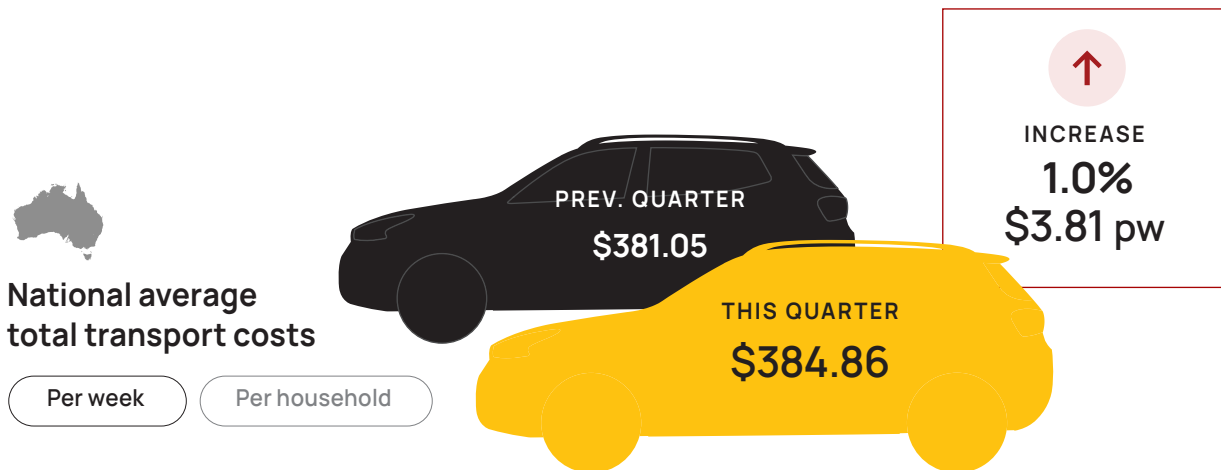




The Australian Automobile Association (AAA) Transport Affordability Index is based on modeling commissioned by the AAA and developed by SGS Economics and Planning.

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Transport costs continue to rise across Australia



The latest AAA Transport Affordability Index shows household transport costs continued to rise throughout the December quarter with Sydney, Melbourne and Brisbane remaining Australia's most expensive cities.

The latest findings also show the typical household now spends 15.1 per cent of its income on transport costs.

The latest quarterly results include the first three months of the return of the full fuel excise rate and annual inflation at 7.8 per cent.

The AAA data indicate that the typical weekly transport cost in capital city households was \$417.39 and \$347.68 in regional households.

With the return of the full rate of fuel excise, fuel expenditure increased over the quarter for the typical Australian household (\$98.31 per week) which are still paying \$12.96 per week more than the same time last year (\$85.35 per week Q4 2021) in fuel expenditure.

The AAA data show Sydney was still Australia's most expensive capital city with typical weekly transport costs averaging \$492.52, followed by Melbourne (\$468.67) and Brisbane (\$466.13).

Alice Springs was Australia's most expensive regional city at \$376.21 per week, followed by Geelong (\$369.41) and Bunbury (\$367.02).

The Tasmanian cities of Launceston (18.1 per cent) and Hobart (17.7 per cent), followed by Brisbane (17.3 per cent) had the highest transport costs as a proportion of household income.

The AAA's Index continues to show that transport costs are placing a significant strain on household budgets.

It is a timely reminder for all levels of government that they need to carefully consider policies that may add to transport cost of living pressures across both regional and metropolitan Australia.



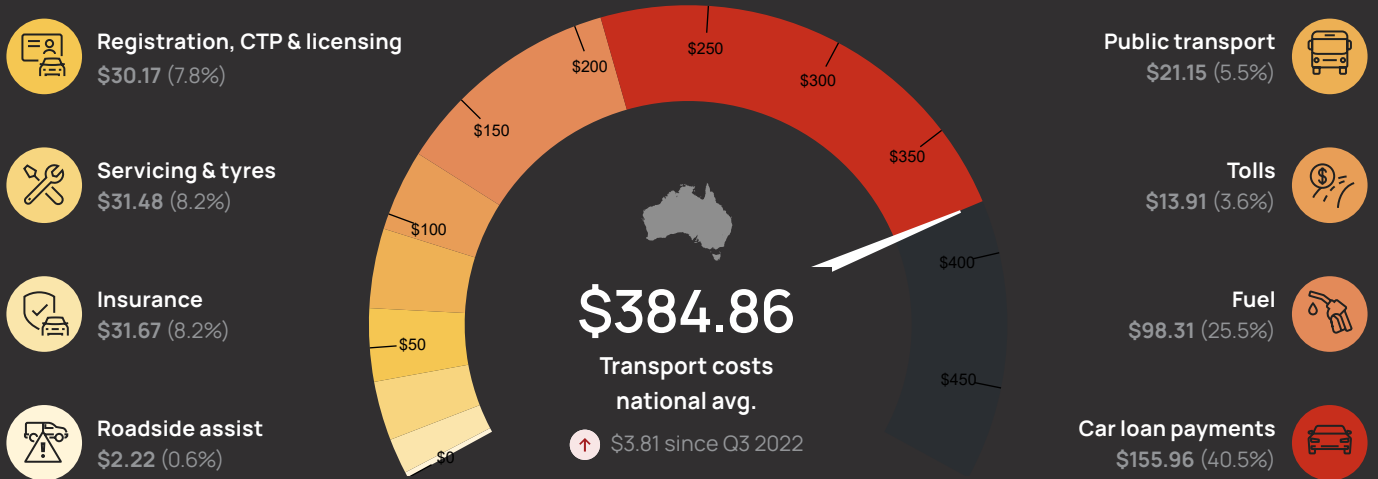
Michael Bradley
Managing Director
Australian Automobile Association

Quarter 4 2022

Total transport costs

Per week

Per household



Capital cities

Regional

Total costs

AVERAGE	HIGHEST	LOWEST
 \$417.39 ↑ +\$3.86 Since Q3 2022	 Sydney ↑ +\$6.84	 Hobart ↑ +\$1.36

Total costs

AVERAGE	HIGHEST	LOWEST
 \$347.68 ↑ +\$3.75 Since Q3 2022	 Alice Springs ↓ -\$1.64	 Wagga Wagga ↑ +\$2.94

Affordability (% of income)

 15.6% ↑ +0.1% Since Q3 2022	 Hobart ↑ +0.1%	 Canberra - Steady
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Affordability (% of income)

 14.4% ↑ +0.1% Since Q3 2022	 Launceston ↑ +0.1%	 Wagga Wagga ↑ +0.1%
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Total transport costs

Per year

Per household

VIEW COSTS PER WEEK (PAGE 6) 



Capital cities

Capital average



\$21,704

















 + \$200 since Q3 2022

In the December quarter, the typical Australian city household's average annualised cost of transport increased by \$200 to \$21,704.

due to the reintroduction of the full fuel excise rate from 29 September 2022.

Transport taxes – in the form of fuel excise, registration, compulsory third party (CTP) insurance and licensing – cost the typical two-car family \$2,816 annually – an increase of \$603 overall

The greatest increase in transport costs was recorded in Brisbane – equivalent to \$403 per year.

1	2	3	4
 Sydney \$25,611  + \$356 since Q3 2022	 Melbourne \$24,371  + \$262 since Q3 2022	 Brisbane \$24,239  + \$403 since Q3 2022	 Canberra \$20,590  + \$13 since Q3 2022
5	6	7	8
 Adelaide \$20,203  + \$312 since Q3 2022	 Perth \$20,010  + \$196 since Q3 2022	 Darwin \$19,719  - \$8 since Q3 2022	 Hobart \$18,890  + \$71 since Q3 2022

Average taxes



Fuel excise

\$1,210

 + \$605

since Q3 2022

+



Registration, CTP and licensing

\$1,606

 - \$2 since Q3 2022

=

Household total

\$2,816

 + \$603 since Q3 2022

Total transport costs

Per year

Per household

VIEW COSTS PER WEEK (PAGE 7) →



Regional

Regional average











\$18,080

↑ +\$195 since Q3 2022

The average annual cost of transport for the typical regional household increased by \$195 to \$18,080. Of this, transport taxes cost regional families \$2,796 – an increase of \$632 overall due to the reintroduction of the full fuel excise rate from 29 September 2022.

The greatest increase was recorded in Mount Gambier, where annual transport costs rose by \$442 when compared to the previous quarter.

1	2	3	4
 <p>Alice Springs \$19,563</p> <p>↓ -\$85 since Q3 2022</p>	 <p>Geelong \$19,209</p> <p>↑ +\$278 since Q3 2022</p>	 <p>Bunbury \$19,085</p> <p>↑ +\$184 since Q3 2022</p>	 <p>Mount Gambier \$18,084</p> <p>↑ +\$442 since Q3 2022</p>
5	6	7	 <p>Explore the interactive data</p> <p>DATA.AAA.ASN.AU</p>
 <p>Launceston \$17,562</p> <p>↑ +\$89 since Q3 2022</p>	 <p>Townsville \$16,794</p> <p>↑ +\$305 since Q3 2022</p>	 <p>Wagga Wagga \$16,260</p> <p>↑ +\$153 since Q3 2022</p>	

Average taxes



Fuel Excise

\$1,269

↑ +\$634 since Q3 2022



Registration, CTP and Licensing

\$1,527

↓ -\$2 since Q3 2022



Household total

\$2,796

↑ +\$632 since Q3 2022

Total transport costs

Per week

Per household



Capital cities









In the December quarter of 2022 all transport cost rankings remained unchanged with Sydney the most expensive and Hobart the cheapest.

Capital average



\$417.39

↑ +\$3.86 since Q3 2022

1	 Sydney \$492.52	2	 Melbourne \$468.67	3	 Brisbane \$466.13	4	 Canberra \$395.96
5	 Adelaide \$388.53	6	 Perth \$384.80	7	 Darwin \$379.22	8	 Hobart \$363.28
	↑ +\$6.84 since Q3 2022	↑ +\$5.03 since Q3 2022	↑ +\$77.6 since Q3 2023	↑ +\$0.26 since Q3 2022	↑ +\$1.36 since Q3 2022		
	↑ +\$5.99 since Q3 2022	↑ +\$3.76 since Q3 2022	↓ -\$0.16 since Q3 2022				

Total transport costs

Per week

Per household



Regional









Regional average



\$347.68

↑ +\$3.75 since Q3 2022

Transport in the regional centres was, on average, \$69.71 a week cheaper than in the capitals. All rankings among regional cities remained unchanged with Alice Springs the most expensive and Wagga Wagga the cheapest.

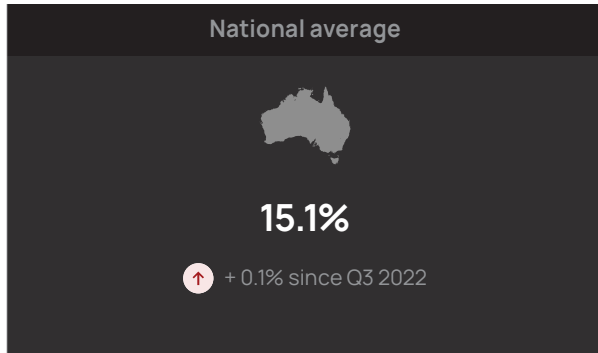
1	2	3	4
 Alice Springs \$376.21 ↓ -\$1.64 since Q3 2022	 Geelong \$369.41 ↑ +\$5.35 since Q3 2022	 Bunbury \$367.02 ↑ +\$3.54 since Q3 2022	 Mount Gambier \$347.77 ↑ +\$8.49 since Q3 2022
5	6	7	
 Launceston \$337.73 ↑ +\$1.71 since Q3 2022	 Townsville \$322.96 ↑ +\$5.86 since Q3 2022	 Wagga Wagga \$312.70 ↑ +\$2.94 since Q3 2022	 Explore the interactive data DATA.AAA.ASN.AU

Transport affordability

Costs as a percentage of income

Per week

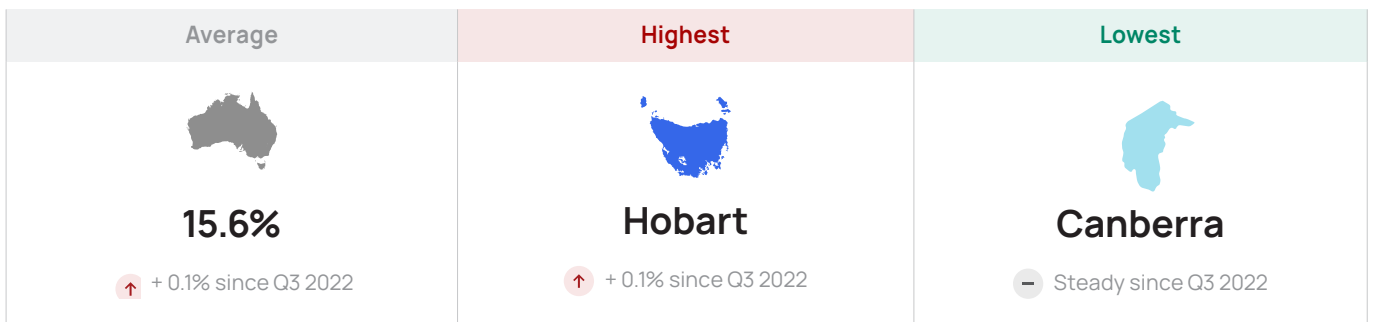
Per household



The relationship between a region's income and costs determines local purchasing power – or affordability. For example, in dollar terms Hobart had the lowest total transport costs, while Sydney had the highest. When this cost is measured as a percentage of typical household income, however, Hobart – not Sydney – ranked as the Australian city with the least affordable transport costs. Canberra replaced Perth as the most affordable city (previously second-most affordable). Darwin and Sydney switched fourth and fifth place in affordability rankings with Darwin becoming the more affordable capital.



Capital cities



Rank

		Q1	Q2	Q3	Q4
1	Hobart	17.9%	18.2%	17.6%	17.7%
2	Brisbane	17.1%	17.4%	17.0%	17.3%
3	Melbourne	16.0%	16.4%	16.5%	16.7%
4	↑ Sydney	15.1%	15.5%	15.5%	15.7%
5	↓ Darwin	15.3%	16.1%	15.7%	15.6%
6	Adelaide	14.6%	15.0%	14.5%	14.7%
7	↑ Perth	13.8%	14.1%	13.6%	13.7%
8	↓ Canberra	12.9%	13.3%	13.7%	13.7%
	Capital avg.	15.2%	15.6%	15.4%	15.6%

Transport affordability

Costs as a percentage of income

Per week

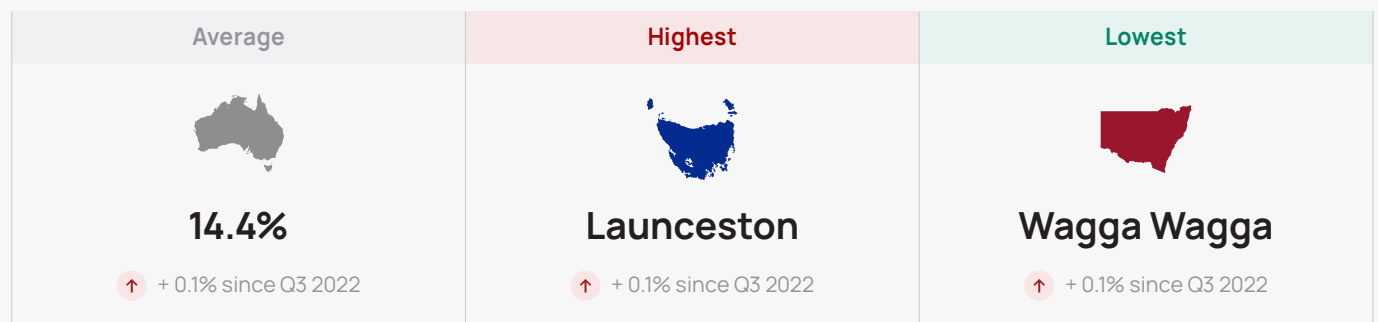
Per household

Across Australia, regional households earned \$217 per week less than their city counterparts (based on ABS data). The difference was more pronounced in New South Wales and South Australia. Households in Wagga Wagga and Mount Gambier earned considerably less per week than their city counterparts: \$274 and \$280 per week less on average, respectively.

Nationally, the average cost of transport took up 15.1 per cent of the typical household's income – 15.6 per cent in the capital cities and 14.4 per cent in regional centres.



Regional



Rank

		Q1	Q2	Q3	Q4
1	Launceston	18.1%	18.6%	18.0%	18.1%
2	Alice Springs	15.9%	16.8%	16.6%	16.5%
3	Mount Gambier	14.5%	15.1%	14.4%	14.7%
4	Bunbury	14.1%	14.5%	14.0%	14.1%
5	Geelong	12.9%	13.4%	13.5%	13.7%
6	Townsville	12.4%	12.7%	12.3%	12.5%
7	Wagga Wagga	10.4%	10.7%	10.8%	10.9%
8	Regional avg.	14.0%	14.6%	14.2%	14.4%



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household

↑ Overall, there was an increase in household average weekly transport expenses

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

- **Car loan payments** – interest on new car loans increased in all jurisdictions, more than offsetting decreases in purchase prices on new cars.
- **Comprehensive insurance** – premiums increased in all locations except Perth, Hobart, Wagga Wagga, Bunbury and Launceston.
- **Car maintenance** – costs increased slightly in all locations.

- **Fuel** – expenditure increased in all locations except Darwin, Canberra and Alice Springs.
- **Toll roads** – toll road costs increased for Sydney and Melbourne, due to scheduled indexation from 1 October 2022.









Decreases in transport costs over the quarter were observed in these categories:

- **Registration, CTP and licensing** – costs decreased slightly in New South Wales and Victoria but increased slightly in the Australian Capital Territory.

Public transport and roadside assistance costs remained unchanged over the quarter.



Capital cities

1	2	3	4
 <p>Car loan payments \$155.93 ↑ + \$0.65 since Q3 2022</p>	 <p>Fuel \$96.10 ↑ + \$1.29 since Q3 2022</p>	 <p>Tolls \$69.53 ↑ + \$0.69 since Q3 2022</p>	 <p>Public transport \$39.65 – Steady since Q3 2022</p>
5	6	7	8
 <p>Insurance \$34.22 ↑ + \$1.18 since Q3 2022</p>	 <p>Servicing & Tyres \$32.31 ↑ + \$0.51 since Q3 2022</p>	 <p>Registration, CTP & licensing \$30.88 ↓ - \$0.04 since Q3 2022</p>	 <p>Roadside assist \$2.23 – Steady since Q3 2022</p>

Transport costs by category

Per week







Per household

The ranking of average expenses for the typical city and regional families remained unchanged over the December 2022 quarter. Car loan payments remained the largest expense in the representative families' transport budgets, while roadside assistance was the smallest.

The Index assumes that city and regional households have the same costs for purchasing and financing a new car and for roadside assistance. Given city and regional households drive similar cars, the same assumptions about fuel efficiency and fuel mix are applied.



Regional

1	2	3
 Car loan payments \$155.99 ↑ + \$0.68 since Q3 2022	 Fuel \$100.84 ↑ + \$1.48 since Q3 2022	 Servicing & Tyres \$30.53 ↑ + \$0.53 since Q3 2022
4	5	6
 Registration, CTP & licensing \$29.36 ↓ - \$0.04 since Q3 2022	 Insurance \$28.75 ↑ + \$1.11 since Q3 2022	 Roadside assist \$2.22 - Steady Q3 2022

Transport costs by category

Per week

Per household



Car loan payments

Interest rates on new car loans increased by 0.84 per cent in all jurisdictions, offsetting a decrease in the upfront costs of purchasing a new car (decreasing by \$574 on average). As a result, the cost of weekly car loan payments increased in all locations by \$0.65 per week, or \$34 a year on average.




Regional households incurred the same costs in this category as their capital city counterparts because it is assumed that interest rates and new car purchase costs are the same in regional and capital city locations.






Capital cities



Regional

Average	Highest	Lowest
 \$155.93 ↑ + \$0.65 Since Q3 2022	 Perth ↑ + \$0.84	 Brisbane ↑ + \$0.72

Average	Highest	Lowest
 \$155.99 ↑ + \$0.68 Since Q3 2022	 Bunbury ↑ + \$0.84	 Townsville ↑ + \$0.72

Rank

1	↑		Perth	\$157.18	+ \$0.84
2	↓		Sydney	\$157.03	+ \$0.63
3			Melbourne	\$156.12	+ \$0.75
4	↑		Hobart	\$155.60	+ \$0.66
5	↓		Canberra	\$155.52	+ \$0.47
6	↓		Adelaide	\$155.48	+ \$0.48
7			Darwin	\$155.37	+ \$0.68
8			Brisbane	\$155.16	+ \$0.72
			Capital avg.	\$155.93	+ \$0.65

Rank

1	↑		Bunbury	\$157.18	+ \$0.84
2	↓		Wagga Wagga	\$157.03	+ \$0.63
3			Geelong	\$156.12	+ \$0.75
4	↑		Launceston	\$155.60	+ \$0.66
5	↓		Mount Gambier	\$155.48	+ \$0.48
6			Alice Springs	\$155.37	+ \$0.68
7			Townsville	\$155.16	+ \$0.72
			Regional avg.	\$155.99	+ \$0.68

Transport costs by category

Per week

Per household



Vehicle registration, CTP and driver's licence

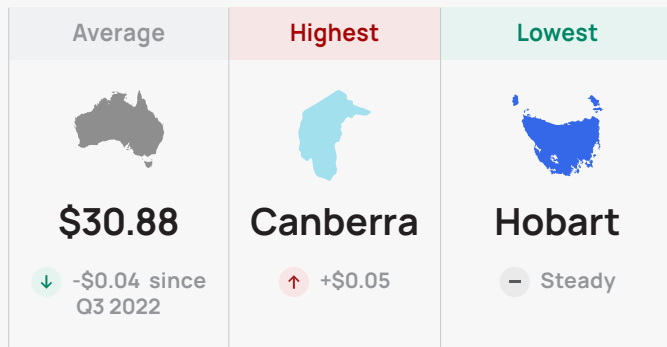
Weekly registration, CTP and licensing costs decreased slightly in New South Wales and Victoria, but increased slightly in the Australian Capital Territory.

Canberra remained the most expensive capital city for registration, CTP and licensing, while Hobart remained the least expensive, with the typical Canberra household spending \$916 more per year than Hobart.

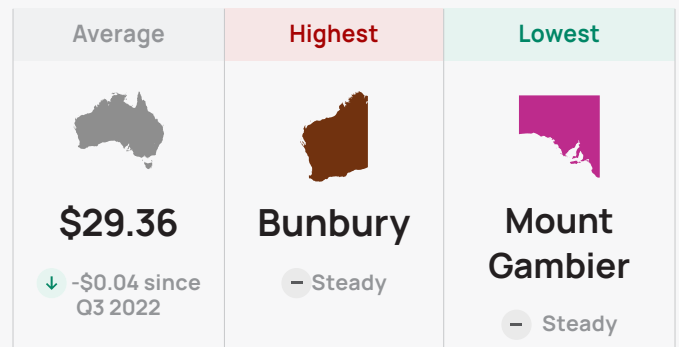
Bunbury remained the most expensive regional centre in this cost category. Mount Gambier remained the regional centre with the lowest registration, CTP and licensing costs. The annualised difference between Bunbury and Mount Gambier was \$619.



Capital cities




Regional



Rank

1		Canberra	\$40.74	+\$0.05
2		Perth	\$34.66	-
3		Melbourne	\$34.07	-\$0.27
4		Darwin	\$31.55	-
5		Brisbane	\$31.23	-
6		Adelaide	\$27.51	-
7		Sydney	\$24.17	-\$0.09
8		Hobart	\$23.12	-
		Capital avg.	\$30.88	-\$0.04

Rank

1		Bunbury	\$34.66	-
2		Geelong	\$31.91	-\$0.27
3		Alice Springs	\$31.55	-
4		Townsville	\$31.23	-
5		Wagga Wagga	\$30.31	-\$0.03
6		Launceston	\$23.12	-
7		Mount Gambier	\$22.75	-
		Regional avg.	\$29.36	-\$0.04



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household



Comprehensive car insurance

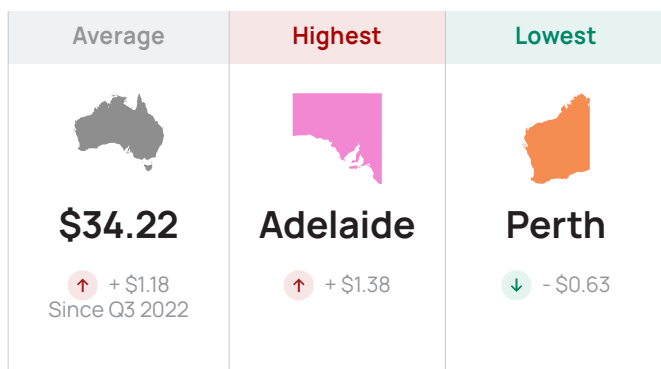
In the December quarter, the weekly cost of comprehensive insurance for both the benchmark new and used vehicles increased for the typical Australian city household. The largest rise in insurance premiums was observed in Brisbane with costs increasing by \$185 per year. Perth insurance costs decreased by \$33 per year. Adelaide remained the capital city with the most expensive insurance costs and Perth remained the cheapest with the typical Perth household spending \$1,305 per year less than Adelaide.

The largest increase among the regional households was in Mount Gambier where costs increased by \$175 per annum. Wagga Wagga insurance costs decreased marginally, and Bunbury annual insurance costs decreased by \$28.

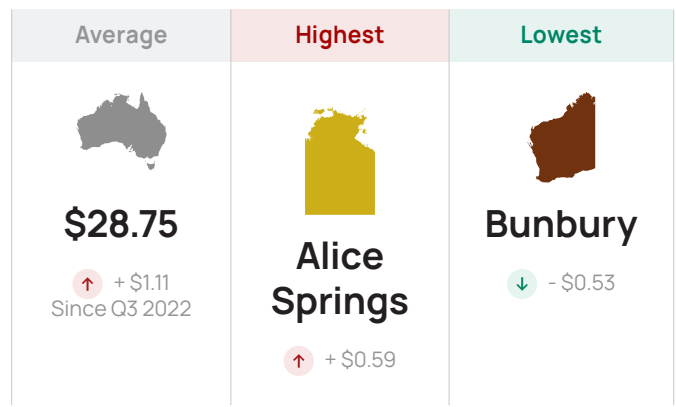
The largest difference between a capital city and its regional counterpart was in Victoria, where a typical Geelong household spends \$803 a year less on comprehensive insurance than Melbourne.












Capital cities




Regional



Rank

1		Adelaide	\$43.38	+\$1.38
2	↑ 	Melbourne	\$42.51	+\$2.31
3	↓ 	Darwin	\$40.43	+\$0.20
4		Brisbane	\$40.11	+\$3.55
5		Sydney	\$35.34	+\$1.44
6		Canberra	\$28.95	+\$1.19
7		Hobart	\$24.73	-
8		Perth	\$18.29	-\$0.63
		Capital avg.	\$34.22	+\$1.18

Rank

1		Alice Springs	\$43.58	+\$0.59
2		Mount Gambier	\$36.08	+\$3.37
3		Townsville	\$32.87	+\$2.94
4	↑ 	Geelong	\$27.07	+\$1.47
5	↓ 	Wagga Wagga	\$26.09	-\$0.07
6		Launceston	\$20.50	-
7		Bunbury	\$15.07	-\$0.53
		Regional avg.	\$28.75	+\$1.11

Transport costs by category

Per week

Per household



Servicing and tyres

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

Overall, the cost of maintaining a representative new and used car remained highest in Canberra and lowest in Adelaide, with a typical Canberra household paying \$825 more per year than Adelaide.




Among the regional locations Bunbury remained the household with the highest costs. Launceston remained the cheapest, with families in Bunbury paying \$620 more on an annual basis.






Capital cities



Regional

Average	Highest	Lowest
 \$32.31 ↑ +\$0.51 Since Q3 2022	 Canberra ↑ +\$0.35	 Adelaide ↑ +\$0.33

Average	Highest	Lowest
 \$30.53 ↑ +\$0.53 Since Q3 2022	 Bunbury ↑ +\$0.44	 Launceston ↑ +\$0.42

Rank	City	Cost	Change
1	Canberra	\$42.02	+\$0.35
2	Perth	\$33.79	+\$0.43
3	Melbourne	\$33.59	+\$0.58
4	Sydney	\$33.06	+\$0.73
5	Darwin	\$32.78	+\$0.76
6	Hobart	\$30.69	+\$0.45
7	Brisbane	\$26.38	+\$0.44
8	Adelaide	\$26.15	+\$0.33
	Capital avg.	\$32.31	+\$0.51

Rank	Location	Cost	Change
1	Bunbury	\$36.56	+\$0.44
2	Alice Springs	\$36.30	+\$0.82
3	Geelong	\$32.12	+\$0.57
4	Wagga Wagga	\$30.94	+\$0.70
5	Townsville	\$26.90	+\$0.44
6	Mount Gambier	\$26.26	+\$0.33
7	Launceston	\$24.62	+\$0.42
	Regional avg.	\$30.53	+\$0.53



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household



Fuel

The average Australian capital city retail price of regular unleaded petrol increase by 0.9 cents to 183.9 cents per litre, costing the typical city household \$67 more per year. Hobart replaced Darwin as the capital city with the highest fuel expenditure (previously third-highest); Hobart's average petrol price was down 2.2 cents to 188.1 cents per litre in the December quarter. Adelaide remained the city with the lowest fuel prices and expenditure, paying 179.1 cents per litre, up 7.0 cents from the September quarter.




Averaged across the regions, the cost of petrol increased by 1.0 cent to 184.0 cents per litre. Alice Springs remained the centre with the highest petrol prices at 198.9 cents per litre while Townsville became the cheapest at 174.4 cents per litre. The typical household in Bunbury continued to have the highest fuel expenditure among the regional centres, at \$6,309 per year, because research shows that Bunbury residents tend to drive longer distances than people in the other centres. Wagga Wagga continued to have the lowest expenditure at \$3,432 per year because its residents typically drive less.






Capital cities












Regional









Average	Highest	Lowest
 \$96.10 ↑ +\$1.29 Since Q3 2022	 Hobart ↑ +\$0.25	 Adelaide ↑ +\$3.81

Average	Highest	Lowest
 \$100.84 ↑ +\$1.48 Since Q3 2022	 Bunbury ↑ +\$2.79	 Wagga Wagga ↑ +\$1.72

Rank

1	↑		Hobart	\$98.72	+\$0.25
2	↓		Darwin	\$97.13	-\$1.81
3	↓		Canberra	\$96.67	-\$1.82
4	↑		Sydney	\$96.59	+\$2.65
5	↓		Melbourne	\$96.42	+\$1.07
6			Brisbane	\$96.26	+\$3.05
7			Perth	\$93.65	+\$3.12
8			Adelaide	\$93.32	+\$3.81
			Capital avg.	\$96.10	+\$1.29

Rank

1			Bunbury	\$121.33	+\$2.79
2			Geelong	\$119.82	+\$2.84
3	↑		Launceston	\$111.47	+\$0.64
4	↓		Alice Springs	\$107.45	-\$3.73
5			Mount Gambier	\$105.03	+\$4.33
6			Townsville	\$74.76	+\$1.76
7			Wagga Wagga	\$66.00	+\$1.72
			Regional avg.	\$100.84	+\$1.48

Transport costs by category

Per week

Per household



Public transport

In the December quarter, public transport costs remained unchanged. With the lowest expenditure, the typical Darwin household spent \$37.96 per week (\$1,974 per year) less on public transport costs than its equivalent household in Brisbane, the most expensive city.



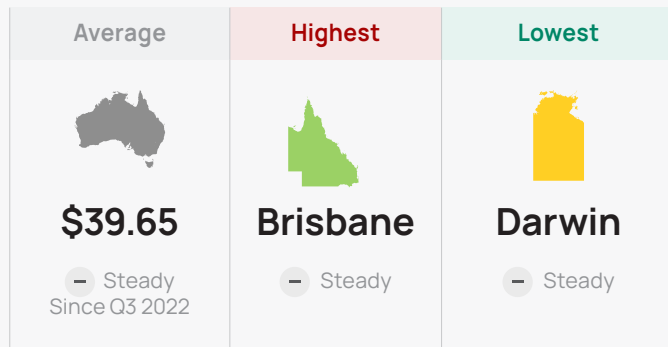
Toll roads

Only three Australian capital cities – Sydney, Melbourne and Brisbane – use toll roads. Costs increased by \$77 per year in Sydney and \$31 per year in Melbourne due to a scheduled quarterly price adjustment. Toll road costs were unchanged in Brisbane.

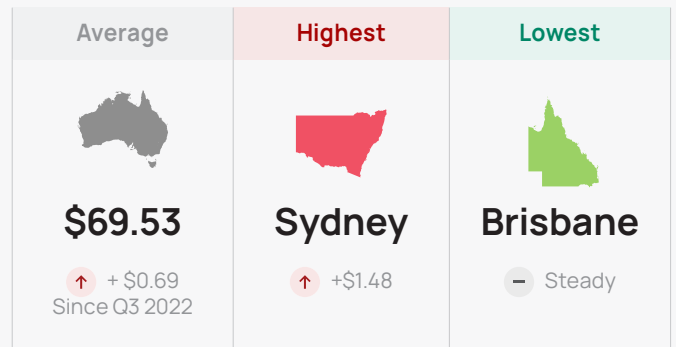
The typical Sydney household continued to incur the greatest costs for toll roads, while Brisbane became the sole cheapest capital city, previously being equal with Melbourne. The typical Brisbane household spent \$37.00 per week (or \$1,924 per year) less on tolls than the one in Sydney.










Capital cities







Capital cities



Rank

1		Brisbane	\$57.96	-
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.	\$39.65	-

Rank

1		Sydney	\$94.00	+ \$1.48
2		Melbourne	\$57.60	+ \$0.60
3		Brisbane	\$57.00	-
		Avg.	\$69.53	+ \$0.69



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

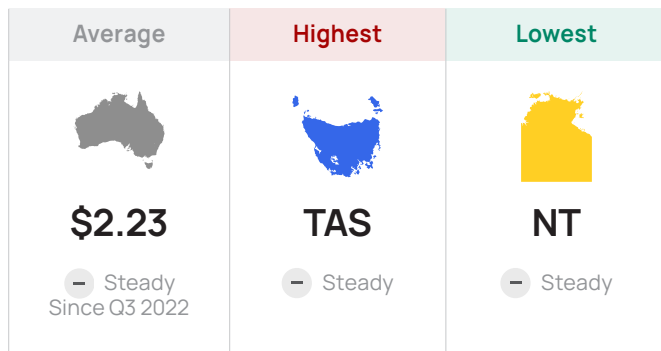
Per week

Per household



Roadside assistance

The differences between states for roadside assistance costs are not large. Tasmania had the highest ongoing roadside assistance costs at \$126 per year, while the Northern Territory had the lowest at \$102 per year. Roadside assistance costs are based on state and Northern Territory motoring clubs' basic or standard packages, but services included in these packages vary from club to club. The Index assumes that the regional households face the same costs as their capital city counterparts because roadside assistance providers offer standard state-wide pricing.



Rank

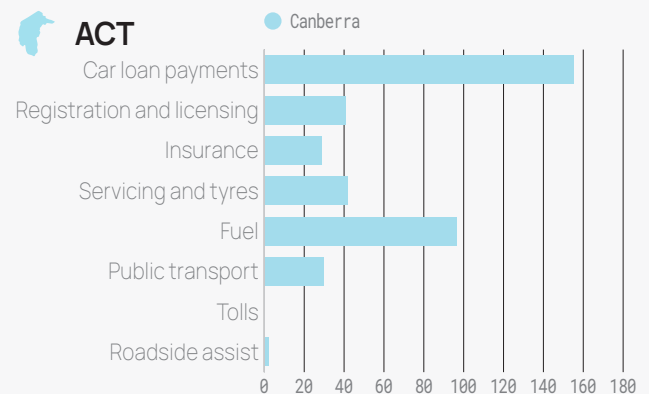
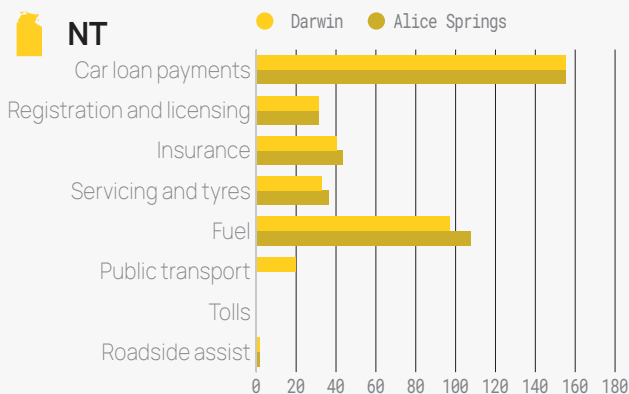
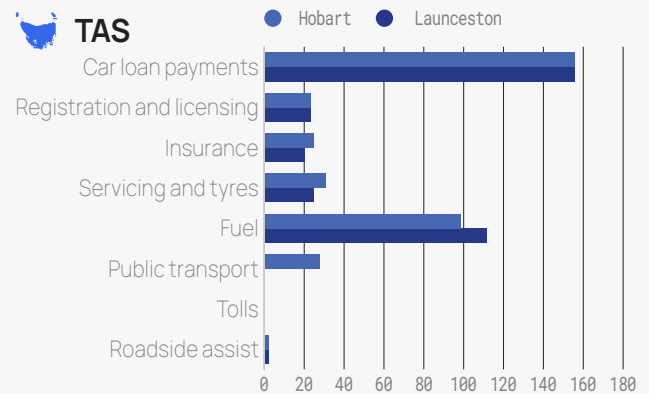
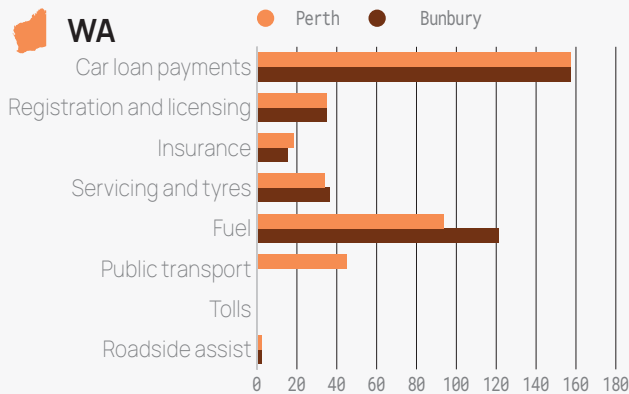
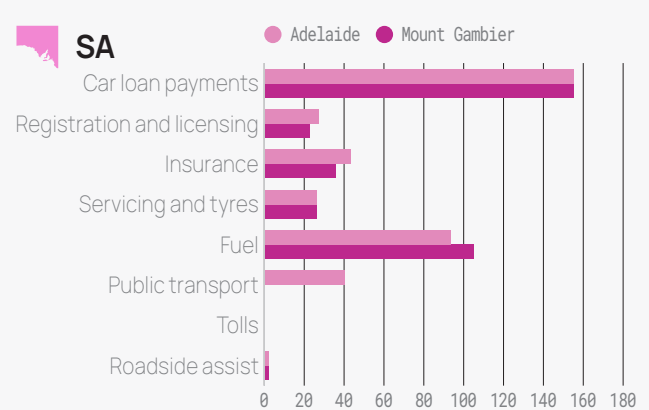
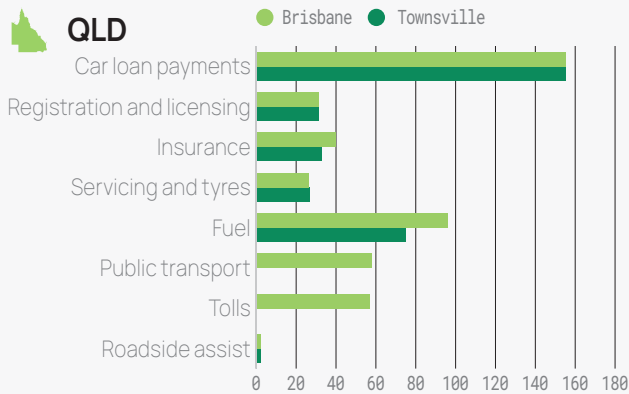
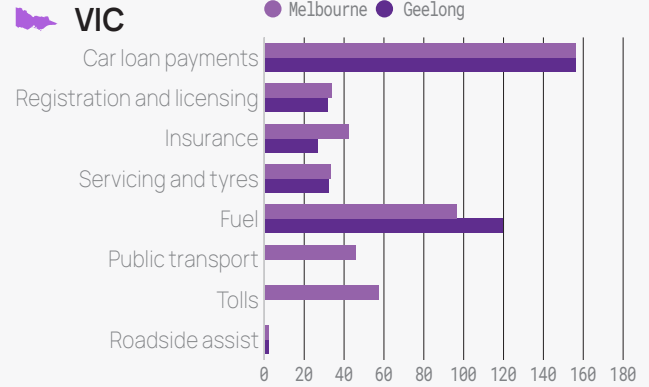
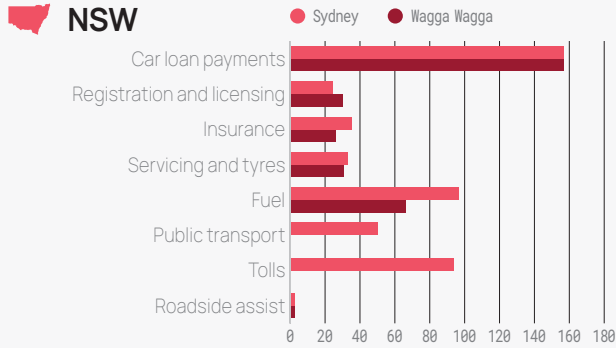
1	 TAS	\$2.42	-
2	 VIC	\$2.37	-
3	 ACT	\$2.33	-
3	 NSW	\$2.33	-
5	 WA	\$2.23	-
6	 SA	\$2.17	-
7	 QLD	\$2.04	-
8	 NT	\$1.96	-
	 Avg.	\$2.23	-

State by state overview

Capital city vs regional centre comparison

Per week

Per household





Sydney

In the December quarter, Sydney transport costs increased by \$356 per year and it remained Australia's most expensive city for transport. Sydney became the fourth-least affordable capital city (previously fourth-most affordable) replacing Darwin. This was mainly due to higher fuel expenditure which increased by \$138 per annum. Large increases were also observed in toll road costs and comprehensive insurance premiums with annual costs increasing by \$77 and \$75, respectively.

cost rank 1 / 8		affordability rank 4 / 8	
Total transport costs \$492.52 ↑ +\$6.84 since Q3 2022	% of income 15.7% ↑ +0.2% since Q3 2022		

Wagga Wagga

Wagga Wagga remained the benchmark regional centre with the lowest transport costs – both in total cost (at \$16,260 a year) and in terms of the local income-to-cost ratio. Its costs increased by \$153 per annum, driven largely by higher fuel expenditure which rose by \$89 per annum.

cost rank 7 / 7		affordability rank 7 / 7	
Total transport costs \$312.70 ↑ +\$2.94 since Q3 2022	% of income 10.9% ↑ +0.1% since Q3 2022		

Changes in transport category costs

↑ Increased

- Car loan payments = +\$0.63
- Insurance = +\$1.44
- Servicing & tyres = +\$0.73
- Fuel = +\$2.65
- Tolls = +\$1.48

– Unchanged

- Public transport
- Roadside assistance

↓ Decreased

- Rego, CTP & licensing = -\$0.09

↑ Increased

- Car loan payments = +\$0.63
- Servicing & tyres = +\$0.70
- Fuel = +\$1.72

– Unchanged

- Roadside assistance

↓ Decreased

- Rego, CTP & licensing = -\$0.03
- Insurance = -\$0.07



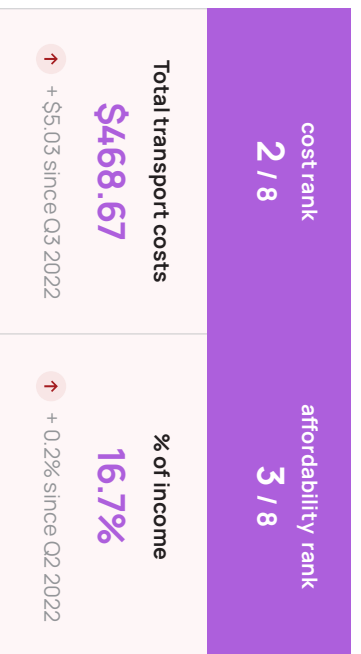
VIC weekly transport costs

Per week

Per household

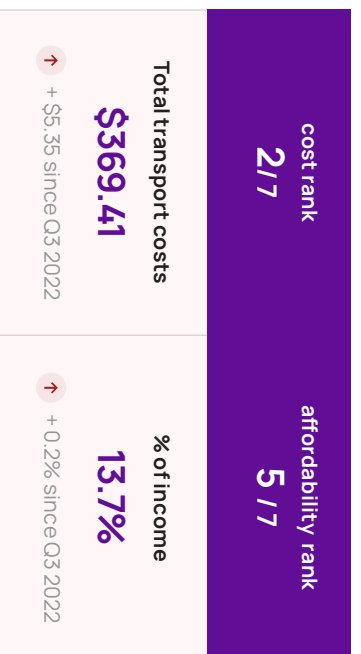
Melbourne

Melbourne remained Australia's second-most expensive city for transport. The typical household spent the equivalent of \$24,371 a year – an increase of \$262 per annum from the previous quarter. This was mainly due to higher comprehensive insurance premiums with annual costs rising by \$120.

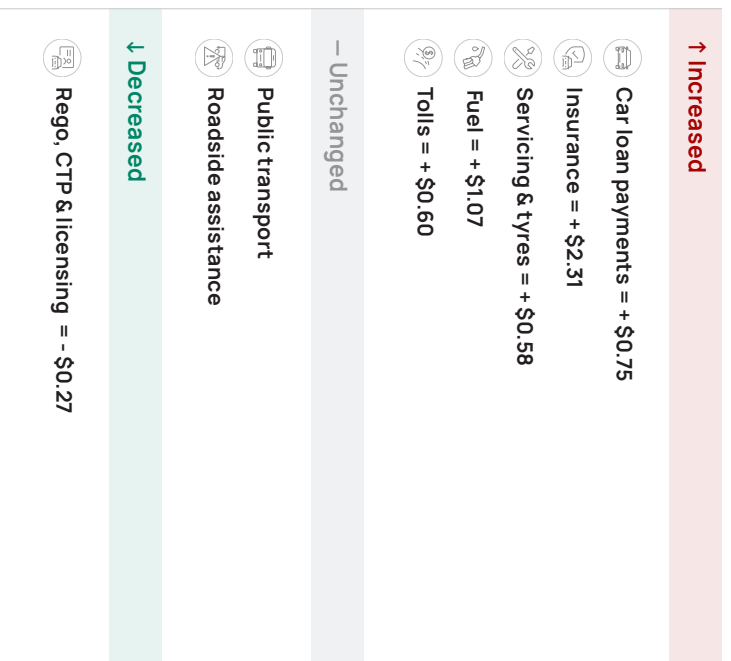


Geelong

Geelong had yearly transport costs of \$19,209 and remained the regional centre with the second-highest costs. Geelong's transport costs increased by \$278 a year, largely due to higher fuel expenditure which rose by \$148 per year. Large increases in comprehensive insurance premiums were also observed with annual costs rising by \$77.



Changes in transport category costs



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QLD weekly transport costs

Per week

Per household

Brisbane

Brisbane's typical household had transport costs of \$24,239 a year, which made it Australia's third highest city for transport costs and second-least affordable capital. Transport costs increased by \$403 a year, mainly due to higher comprehensive insurance premiums and fuel expenditure with annual costs rising by \$185 and \$159, respectively.

Townsville

The Townsville typical household's transports costs increased by \$305 to \$16,794 a year in the December quarter. This increase was due largely to higher comprehensive insurance premiums and fuel expenditure with annual costs increasing by \$153 and \$92, respectively. Townsville remained the second least expensive and the second most affordable regional centre.

cost rank 3 / 8		affordability rank 2 / 8	
Total transport costs \$466.13		% of income 17.3%	
↑ + \$7.76 since Q3 2022		↑ + 0.3% since Q3 2022	

cost rank 6 / 7		affordability rank 6 / 7	
Total transport costs \$322.96		% of income 12.5%	
↑ + \$5.86 since Q3 2022		↑ + 0.2% since Q3 2022	

Changes in transport category costs

↑ Increased	
Car loan payments = +\$0.72	
Insurance = +\$3.55	
Servicing & tyres = +\$0.44	
Fuel = +\$3.05	
– Unchanged	
Rego, CTP & licensing	
Public transport	
Tolls	
Roadside assistance	
↓ Decreased	
-	

↑ Increased	
Car loan payments = +\$0.72	
Insurance = +\$2.94	
Servicing & tyres = +\$0.44	
Fuel = +\$1.76	
– Unchanged	
Rego, CTP & licensing	
Roadside assistance	
↓ Decreased	
-	



SA weekly transport costs

Per week

Per household

Adelaide

Adelaide's household transport costs increased by \$312 to \$20,203 per annum. This increase was largely due to higher fuel expenditure and comprehensive insurance premiums which rose by \$198 and \$72 per annum, respectively.

Mount Gambier

Mount Gambier's typical household spent \$18,084 per year on transport – an increase of \$442 from the previous quarter. This increase was mainly due to fuel expenditure and comprehensive insurance rising by \$225 and \$175 per year, respectively.

cost rank 5 / 8		affordability rank 6 / 8	
Total transport costs \$388.53		% of income 14.7%	
↑ + \$5.99 since Q3 2022		↑ + 0.2% since Q3 2022	

cost rank 4 / 7		affordability rank 3 / 7	
Total transport costs \$347.77		% of income 14.7%	
↑ + \$8.49 since Q3 2022		↑ + 0.4% since Q3 2022	

Changes in transport category costs

↑ Increased

- Car loan payments = +\$0.48
- Insurance = +\$1.38
- Servicing & tyres = +\$0.33
- Fuel = +\$3.81

– Unchanged

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

↓ Decreased

-

↑ Increased

- Car loan payments = +\$0.48
- Insurance = +\$3.37
- Servicing & tyres = +\$0.33
- Fuel = +\$4.33

– Unchanged

- Rego, CTP & licensing
- Roadside assistance

↓ Decreased

-



WA weekly transport costs

Per week

Per household

Perth

In the December quarter, Perth's typical household saw an increase in transport costs of \$196 to \$20,010 per annum. This increase was predominantly due to higher fuel expenditure with annual costs increasing by \$162. Perth replaced Canberra as the second-most affordable capital city (previously most affordable).

cost rank 6 / 8		affordability rank 7 / 8	
Total transport costs \$384.80		% of income 13.7%	
↑ + \$3.76 since Q3 2022		↑ + 0.1% since Q3 2022	

Bunbury

Bunbury's typical household transport costs increased by \$184 to \$19,085 per annum. The overall increase was driven by fuel expenditure which increased by \$145 per year. Bunbury was one of three regional centres where transport costs were less affordable than its city counterpart.

cost rank 3 / 7		affordability rank 4 / 7	
Total transport costs \$367.02		% of income 14.1%	
↑ + \$3.54 since Q3 2022		↑ + 0.1% since Q3 2022	

Changes in transport category costs

↑ Increased	
Car loan payments = +\$0.84	Servicing & tyres = +\$0.43
Fuel = +\$3.12	
— Unchanged	
Rego, CTP & licensing	Public transport
Roadside assistance	
↓ Decreased	
Insurance = -\$0.63	

↑ Increased	
Car loan payments = +\$0.84	Servicing & tyres = +\$0.44
Fuel = +\$2.79	
— Unchanged	
Rego, CTP & licensing	Roadside assistance
↓ Decreased	
Insurance = -\$0.53	



Hobart

Hobart's typical household spent \$18,890 per year on transport – an increase of \$71 from the previous quarter. Increases were seen in car loan payments, servicing and tyre costs and fuel expenditure at \$34, \$24 and \$13 per year, respectively. Hobart remained Australia's capital city with the lowest transport costs but was also the least affordable in terms of purchasing power.

Launceston

Launceston's household transport costs were equivalent to \$17,562 a year – an increase of \$89 per annum. Increases were seen in car loan payments (in line with Hobart), fuel expenditure (\$33 per annum) and servicing and tyre costs (\$22 per annum). Launceston had the lowest average earnings among all the cities and centres and remained the least affordable regional centre for transport. Launceston was one of three regional centres where transport costs were less affordable than its city counterpart.

cost rank 8 / 8		affordability rank 1 / 8	
Total transport costs \$363.28 ↑ + \$1.36 since Q3 2022		% of income 17.7% ↑ + 0.1% since Q3 2022	

cost rank 5 / 7		affordability rank 1 / 7	
Total transport costs \$337.73 ↑ + \$1.71 since Q3 2022		% of income 18.1% ↑ + 0.1% since Q3 2022	

Changes in transport category costs

↑ Increased	
Car loan payments = +\$0.66	
Servicing & tyres = +\$0.45	
Fuel = +\$0.25	
– Unchanged	
Rego, CTP & licensing	
Insurance	
Public transport	
Roadside assistance	
↓ Decreased	
-	

↑ Increased	
Car loan payments = +\$0.66	
Servicing & tyres = +\$0.42	
Fuel = +\$0.64	
– Unchanged	
Rego, CTP & licensing	
Insurance	
Roadside assistance	
↓ Decreased	
-	



Explore the interactive data



NT weekly transport costs

Per week

Per household

Darwin

Darwin's typical household spend decreased marginally to \$19,719 a year on transport. This was a result of lower fuel expenditure decreasing in annual costs by \$94. Darwin was the only capital city (and one of only two locations measured) where overall transport costs decreased. Darwin was one of only two capital cities (and one of only three locations measured) where fuel expenditure decreased over the quarter. Darwin become the fourth-most affordable capital city (previously fourth-least affordable) replacing Perth. Darwin remained the city with the second-lowest transport costs.

cost rank 7 / 8	affordability rank 5 / 8
Total transport costs \$379.22 ↓ - \$0.16 since Q3 2022	% of income 15.6% — Steady since Q3 2022

Alice Springs

Alice Springs remained the regional centre with the highest transport costs – which equated to \$19,563 a year, \$85 lower than the previous quarter. This was due to lower fuel expenditure decreasing by \$194 per annum. Alice Springs was the only regional centre (and one of only two locations measured) where overall transport costs decreased. Alice Springs was the only regional centre (and one of only three locations measured) where fuel expenditure decreased over the quarter. Alice Springs was one of three regional centres where transport costs were less affordable than its city counterpart.

cost rank 1 / 7	affordability rank 2 / 7
Total transport costs \$376.21 ↓ - \$1.64 since Q3 2022	% of income 16.5% ↓ - 0.1% since Q3 2022

Changes in transport category costs

↑ Increased
Car loan payments = +\$0.68
Insurance = +\$0.20
Servicing & tyres = +\$0.76
– Unchanged
Rego, CTP & licensing
Public transport
Roadside assistance
↓ Decreased
Fuel = -\$1.81

↑ Increased
Car loan payments = +\$0.68
Insurance = +\$0.59
Servicing & tyres = +\$0.82
– Unchanged
Rego, CTP & licensing
Roadside assistance
↓ Decreased
Fuel = -\$3.73



ACT weekly transport costs

Per week

Per household

Canberra

Canberra's typical household spent \$20,590 per annum on transport, which was \$13 more than recorded in the previous quarter. Increases were observed in comprehensive insurance premiums (\$62 per year), car loan payments (\$24 per year), servicing and tyre costs (\$18 per year) and marginally in registration, CTP and licensing costs. Fuel expenditure decreased by \$94 per annum. Canberra was one of only two capital cities (and one of only three locations measured) where fuel expenditure decreased over the quarter. Canberra became the most affordable city (previously second-most affordable) replacing Perth.

cost rank 4 / 8	affordability rank 8 / 8
Total transport costs \$395.96 ↑ + \$0.26 since Q3 2022	% of income 13.7% - Steady since Q3 2022

Changes in transport category costs

↑ Increased	
Car loan payments = +\$0.47	
Rego, CTP & licensing = +0.05	
Insurance = +\$1.19	
Servicing & tyres = +\$0.35	
— Unchanged	
Public transport	
Roadside assistance	
↓ Decreased	
Fuel = -\$1.82	



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Background and methodology

Overview

The Australian Automobile Association (AAA) commissioned SGS Economics and Planning (SGS) to design and develop the Transport Affordability Index. Initially the Index analysed only the capital cities across Australia, but since the June 2017 quarter the Index includes a regional household in every state and the Northern Territory.

The Index provides a snapshot of the costs of transport for typical households in Australia and is regularly updated to show how transport costs change relative to incomes. The baseline is the first quarter (January to March) of 2016 for the city households and the second quarter (April to June) of 2017 for the regional households.

The characteristics of the household reflect the most common or average characteristics of the population. In some cases, household characteristics have been chosen to ensure some typical transport costs are well illustrated, while still being representative. The hypothetical households in different regions are largely identical to allow for ready comparison.

The Index considers a full range of costs families face when they own a car, as well as public transport costs. These fall into two broad categories: upfront costs and ongoing costs. Upfront costs include purchase costs for a new vehicle such as 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

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