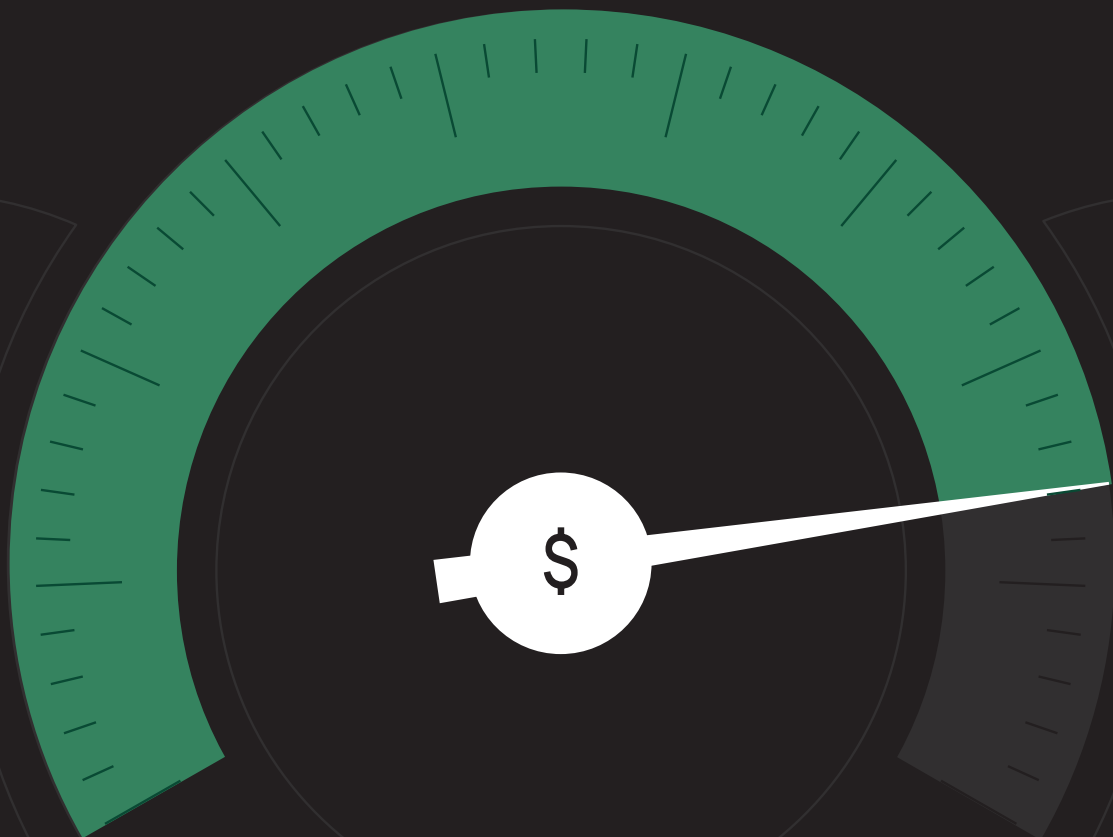


Transport Affordability Index

Q2
2022

QUARTER 2, 2022
Released August 2022





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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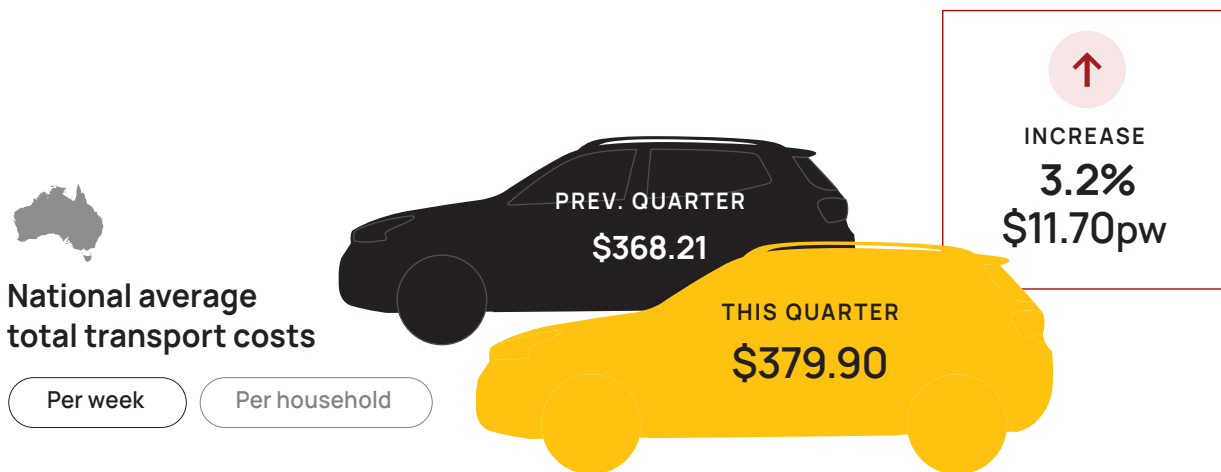
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Excise cuts fail to ease Transport cost of living pressures



The latest edition of the AAA Transport Affordability Index shows average weekly fuel costs rose more than \$5 to \$100.39 a week across the country in the past three months.

The AAA data shows the typical weekly household transport cost in capital city households is now \$412.21 and \$342.98 in regional households.

On an annual basis, a typical Australian metropolitan household now pays \$21,435 in transport costs per year, while in regional cities it is \$17,835 per year.

The latest results include the temporary halving of the fuel excise rate, inflation at 6.1% and the impact of global price shocks flowing from the war in Ukraine.

Despite the temporary excise cut, fuel prices are rising and continue to be a significant contributor to cost of living pressures across both regional and metropolitan Australia.

This is the first time the national weekly average spent on fuel has passed \$100 since the index's inception in 2016.

In capital cities, fuel costs are now an average of \$98.37 per week with Hobart (\$102.63 pw), Darwin (\$99.84 pw), Sydney (\$99.13 pw), Canberra (\$98.92 pw), Brisbane (\$98.15 pw) and Melbourne (\$97.29 pw) the most expensive cities.

Regionally, costs are more expensive at \$102.71 per week with Bunbury (\$122.70 pw), Geelong (\$118.31 pw) and Launceston (\$114.67 pw) the highest.

After declining in the previous quarter, car loan repayments have risen again due to higher vehicle prices and interest rates on new cars.

Sydney is still Australia's most expensive capital city for transport costs averaging \$486.18 per week, followed by Melbourne (\$461.01 pw) and Brisbane (\$454.52 pw).

Alice Springs is Australia's most expensive regional city at \$370.59 per week followed by Bunbury (\$362.85 pw) and Geelong (\$361.53 pw).

Nationally transport costs are 15.2% of household income.

The Tasmanian cities of Launceston (18.6%) and Hobart (18.2%), followed by Brisbane (17.4%) had the highest transport costs as a proportion of household income.



Michael Bradley
Managing Director
Australian Automobile Association

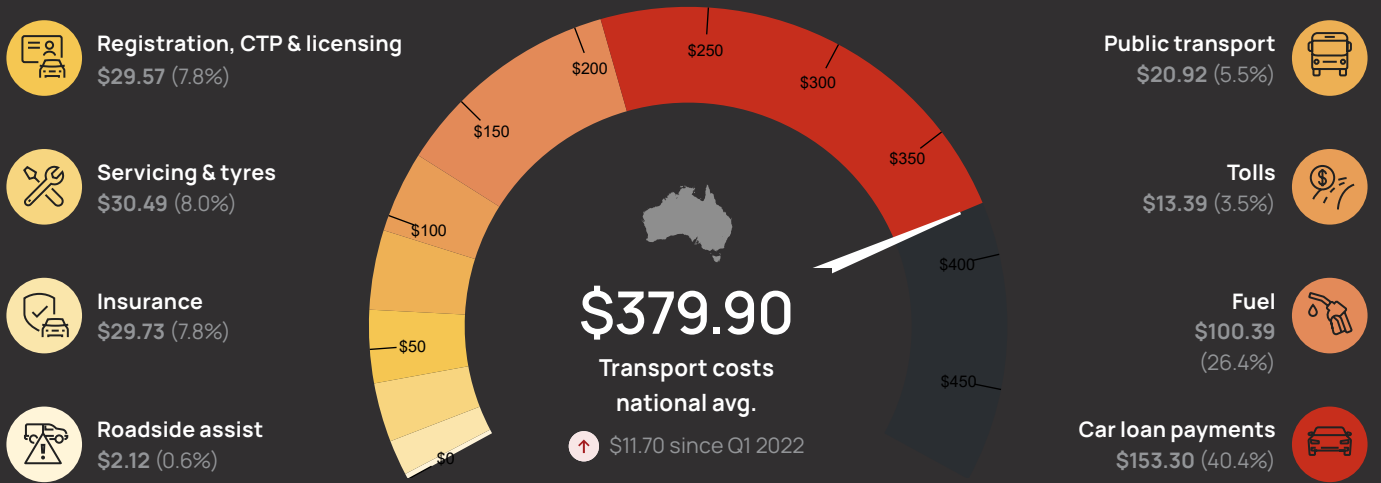
KEY FIGURES

Quarter 2 2022

Total transport costs

Per week

Per household



Capital cities

Regional

Total costs

AVERAGE	HIGHEST	LOWEST
<p>\$412.21</p> <p>↑ +\$11.16 Since Q1 2022</p>	<p>Sydney</p> <p>↑ +\$11.75</p>	<p>Hobart</p> <p>↑ +\$6.67</p>

Total costs

AVERAGE	HIGHEST	LOWEST
<p>\$342.98</p> <p>↑ +\$12.31 Since Q1 2022</p>	<p>Alice Springs</p> <p>↑ +\$20.14</p>	<p>Wagga Wagga</p> <p>↑ +\$10.08</p>

Affordability (% of income)

<p>15.6%</p> <p>↑ +0.4% Since Q1 2022</p>	<p>Hobart</p> <p>↑ +0.3%</p>	<p>Canberra</p> <p>↑ +0.4%</p>
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Affordability (% of income)

<p>14.6%</p> <p>↑ +0.5% Since Q1 2022</p>	<p>Launceston</p> <p>↑ +0.5%</p>	<p>Wagga Wagga</p> <p>↑ +0.4%</p>
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Total transport costs

Per year

Per household

VIEW COSTS PER WEEK (PAGE 6) →



Capital cities

Capital average











\$21,435

↑ +\$581 since Q1 2022

In the June quarter, the typical Australian city household's average annualised cost of transport increased by \$581 to \$21,435. Transport taxes – in the form of fuel excise, registration, compulsory third party (CTP) insurance and licensing – cost the typical two-car family \$2,154 annually, reflecting

the \$581 decrease in fuel excise costs arising from the temporary cut.

The greatest increase in transport costs was recorded in Darwin – equivalent to \$890 per year. This was mainly due to higher insurance premiums which rose by \$391 in annual costs.

1	2	3	4
 <p>Sydney \$25,281</p> <p>↑ +\$611 since Q1 2022</p>	 <p>Melbourne \$23,973</p> <p>↑ +\$685 since Q1 2022</p>	 <p>Brisbane \$23,635</p> <p>↑ +\$459 since Q1 2022</p>	 <p>Canberra \$20,467</p> <p>↑ +\$625 since Q1 2022</p>
5	6	7	8
 <p>Adelaide \$19,917</p> <p>↑ +\$617 since Q1 2022</p>	 <p>Perth \$19,782</p> <p>↑ +\$411 since Q1 2022</p>	 <p>Darwin \$19,647</p> <p>↑ +\$890 since Q1 2022</p>	 <p>Hobart \$18,779</p> <p>↑ +\$347 since Q1 2022</p>

Average taxes



Fuel excise

\$581

↓ -\$581

since Q1 2022

+



Registration, CTP and licensing

\$1,573

↑ +\$1 since Q1 2022

=

Household total

\$2,154

↓ -\$580 since Q1 2022

Total transport costs

Per year

Per household

VIEW COSTS PER WEEK (PAGE 7) →



Regional

Regional average











\$17,835

↑ +\$640 since Q1 2022

The average annual cost of transport for the typical regional household increased by \$640 to \$17,835. Of this, transport taxes cost regional families \$2,106, reflecting the \$610 decrease in fuel excise costs arising from the temporary cut.

The greatest increase was recorded in Alice Springs, where annual transport costs rose by \$1,047 when compared to the previous quarter.

1	2	3	4
 <p>Alice Springs \$19,271</p> <p>↑ +\$1,047 since Q1 2022</p>	 <p>Bunbury \$18,868</p> <p>↑ +\$561 since Q1 2022</p>	 <p>Geelong \$18,800</p> <p>↑ +\$719 since Q1 2022</p>	 <p>Mount Gambier \$17,930</p> <p>↑ +\$709 since Q1 2022</p>
5	6	7	
 <p>Launceston \$17,439</p> <p>↑ +\$492 since Q1 2022</p>	 <p>Townsville \$16,546</p> <p>↑ +\$428 since Q1 2022</p>	 <p>Wagga Wagga \$15,993</p> <p>↑ +\$524 since Q1 2022</p>	 <p>Explore the interactive data</p> <p>DATA.AAA.ASN.AU</p>

Average taxes



Fuel Excise

\$610

↓ -\$610 since Q1 2022

+



Registration, CTP and Licensing

\$1,497

↑ +\$1 since Q1 2022

=

Household total

\$2,106

↓ -\$608 since Q1 2022

Total transport costs

Per week

Per household



Capital cities









Capital average



\$412.21

↑ +\$11.16 since Q1 2022

The June quarter of 2022 saw Perth become cheaper than Adelaide for total transport costs. Sydney remained the most expensive and Hobart remained the cheapest.

1	2	3	4
 Sydney \$486.18 ↑ +\$11.75 since Q1 2022	 Melbourne \$461.01 ↑ +\$13.18 since Q1 2022	 Brisbane \$454.52 ↑ +\$8.83 since Q1 2022	 Canberra \$393.60 ↑ +\$12.01 since Q1 2022
5	6	7	8
 Adelaide \$383.02 ↑ +\$11.86 since Q1 2022	 Perth \$380.42 ↑ +\$7.89 since Q1 2022	 Darwin \$377.83 ↑ +\$17.12 since Q1 2022	 Hobart \$361.13 ↑ +\$6.67 since Q1 2022

Total transport costs

Per week

Per household



Regional









Regional average



\$342.98

↑ +\$12.31 since Q1 2022

Transport in the regional centres was, on average, \$69.23 a week cheaper than in the capitals. Alice Springs replaced Bunbury as the regional centre with the highest total weekly transport costs (previously second-highest). All other rankings remained unchanged.

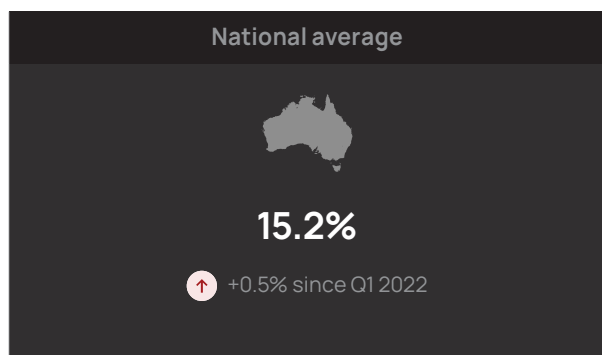
1	2	3	4
 Alice Springs \$370.59 ↑ +\$20.14 since Q1 2022	 Bunbury \$362.85 ↑ +\$10.79 since Q1 2022	 Geelong \$361.53 ↑ +\$13.84 since Q1 2022	 Mount Gambier \$344.80 ↑ +\$13.64 since Q1 2022
5	6	7	
 Launceston \$335.36 ↑ +\$9.46 since Q1 2022	 Townsville \$318.18 ↑ +\$8.22 since Q1 2022	 Wagga Wagga \$307.55 ↑ +\$10.08 since Q1 2022	 Explore the interactive data DATA.AAA.ASN.AU

Transport affordability

Costs as a percentage of income

Per week

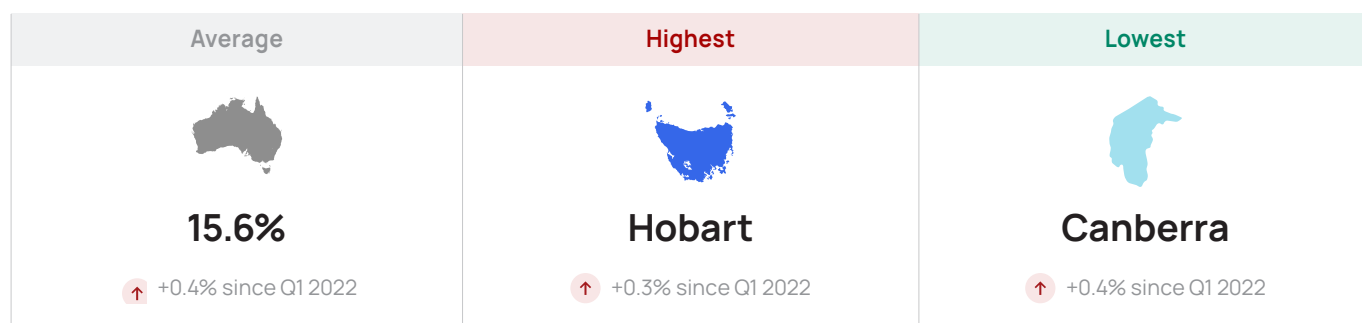
Per household



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. But when this cost is measured as a percentage of typical household income, Hobart – not Sydney – ranked as the Australian city with the least affordable transport costs.



Capital cities



Rank

		Q3	Q4	Q1	Q2
1	Hobart	17.5%	18.2%	17.9%	18.2%
2	Brisbane	17.3%	17.7%	17.1%	17.4%
3	Melbourne	16.4%	16.7%	16.0%	16.4%
4	Darwin	15.2%	15.8%	15.3%	16.1%
5	Sydney	15.5%	15.7%	15.1%	15.5%
6	Adelaide	14.3%	15.1%	14.6%	15.0%
7	Perth	14.4%	14.9%	13.8%	14.1%
8	Canberra	13.7%	14.1%	12.9%	13.3%
	Capital avg.	15.5%	15.9%	15.2%	15.6%

Transport affordability

Costs as a percentage of income

Per week

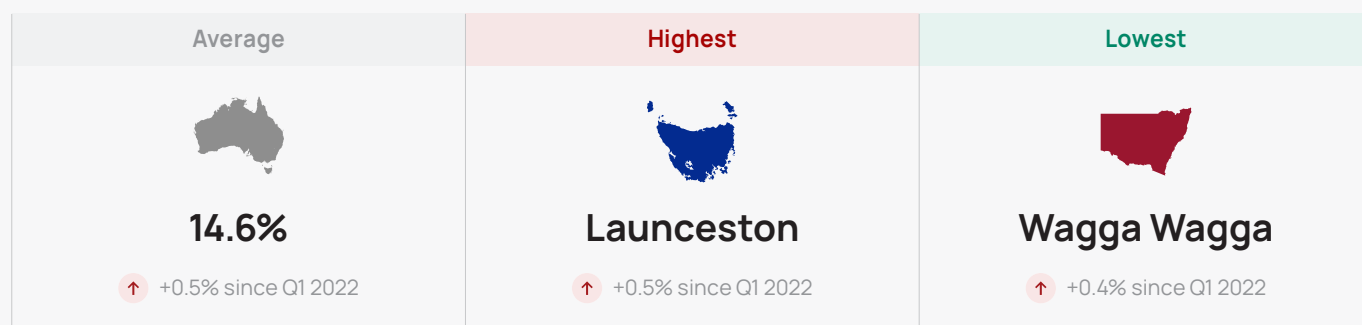
Per household

Across Australia, regional households earned \$228 per week less than their city counterparts (based on ABS data). But the difference was more pronounced in New South Wales and South Australia. Households in Wagga Wagga and Mount Gambier earned considerably less per week than their city counterparts: \$275 and \$270 per week less on average, respectively.

Nationally, the average cost of transport cost took up 15.2 per cent of the typical household's income – 15.6 per cent in the capital cities and 14.6 per cent in regional centres.



Regional



Rank

		Q3	Q4	Q1	Q2
1	Launceston	17.8%	18.5%	18.1%	18.6%
2	Alice Springs	15.5%	16.3%	15.9%	16.8%
3	Mount Gambier	14.4%	15.0%	14.5%	15.1%
4	Bunbury	13.9%	14.4%	14.1%	14.5%
5	Geelong	13.0%	13.6%	12.9%	13.4%
6	Townsville	12.6%	13.1%	12.4%	12.7%
7	Wagga Wagga	11.0%	11.2%	10.4%	10.7%
8	Regional avg.	14.0%	14.6%	14.0%	14.6%



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** -the average upfront cost for purchasing new cars and interest rates of new car loans increased in all locations.
- **Registration, CTP and licensing** -costs increased slightly in New South Wales and South Australia.
- **Comprehensive insurance** - premiums increased in all locations except Western Australian and Tasmanian locations.

→ **Car maintenance** - costs increased slightly in all locations.









→ **Fuel** -prices increased considerably in all locations.

→ **Toll roads** - toll road costs increased for Sydney and Melbourne due to scheduled indexation from 1 April 2022.

Public transport costs remained unchanged over the quarter.



Capital cities

1	2	3	4
 <p>Car loan payments \$153.27</p> <p>↑ +\$3.83 since Q1 2022</p>	 <p>Fuel \$98.37</p> <p>↑ +\$4.50 since Q1 2022</p>	 <p>Tolls \$66.94</p> <p>↑ +\$0.56 since Q1 2022</p>	 <p>Public transport \$39.23</p> <p>— Steady since Q1 2022</p>
5	6	7	8
 <p>Insurance \$32.58</p> <p>↑ +\$2.20 since Q1 2022</p>	 <p>Servicing & Tyres \$31.28</p> <p>↑ +\$0.44 since Q1 2022</p>	 <p>Registration, CTP & licensing \$30.25</p> <p>↑ +\$0.03 since Q1 2022</p>	 <p>Roadside assist \$2.12</p> <p>↓ -\$0.03 since Q1 2022</p>

Transport costs by category

Per week







Per household

The ranking of average expenses for the typical city and regional families remained the same over the quarter, with the exception of insurance switching ranks with servicing and tyres for the city household. Car loan payments and fuel expenditure remained the largest expense in the representative families' transport budgets, while roadside assistance and insurance were 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. Because city and regional households drive similar cars, the same assumptions about fuel efficiency and fuel mix are applied.



Regional

1	2	3
 <p>Car loan payments \$153.32 ↑ +\$3.82 since Q1 2022</p>	 <p>Fuel \$102.71 ↑ +\$6.06 since Q1 2022</p>	 <p>Servicing & Tyres \$29.59 ↑ +\$0.46 since Q1 2022</p>
4	5	6
 <p>Registration, CTP & licensing \$28.78 ↑ +\$0.02 since Q1 2022</p>	 <p>Insurance \$26.46 ↑ +\$1.96 since Q1 2022</p>	 <p>Roadside assist \$2.12 ↓ -\$0.02 since Q1 2022</p>

Transport costs by category

Per week

Per household



Car loan payments

The upfront costs of purchasing a new car increased in all jurisdictions – on average by \$279 – in the June quarter, whilst interest rates on new car loans increased by 0.71%. As a result, the cost of weekly car loan payments increased in all locations by \$3.83 per week, or \$199 a year on average.

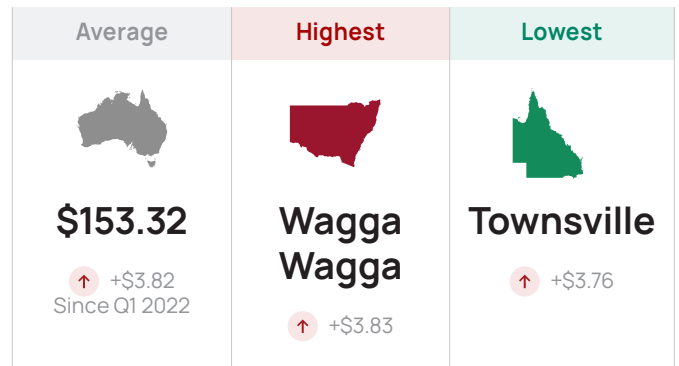
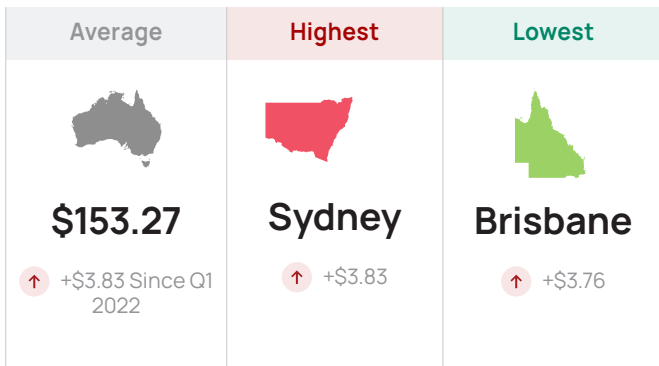
Regional households incurred the same costs in this category as their capital city counterparts because it is assumed that interest rates and new car purchase costs are the same in regional and capital city locations.



Capital cities



Regional



Rank

1		Sydney	\$154.32	+ \$3.83
2		Perth	\$154.20	+ \$3.88
3		Melbourne	\$153.31	+ \$3.82
4		Adelaide	\$153.30	+ \$3.83
5		Hobart	\$153.07	+ \$3.84
6		Canberra	\$152.90	+ \$3.85
7		Darwin	\$152.69	+ \$3.79
8		Brisbane	\$152.38	+ \$3.76
		Capital avg.	\$153.27	+ \$3.83

Rank

1		Wagga Wagga	\$154.32	+ \$3.83
2		Bunbury	\$154.20	+ \$3.88
3		Geelong	\$153.31	+ \$3.82
4		Mount Gambier	\$153.30	+ \$3.83
5		Launceston	\$153.07	+ \$3.84
6		Alice Springs	\$152.69	+ \$3.79
7		Townsville	\$152.38	+ \$3.76
		Regional avg.	\$153.32	+ \$3.82

Transport costs by category

Per week

Per household



Vehicle registration, CTP and driver's licence

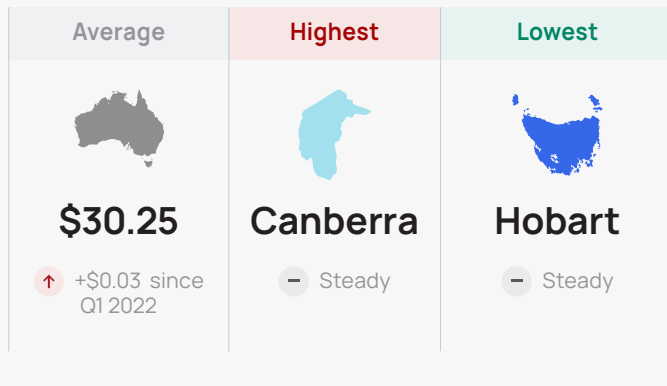
Weekly registration, CTP and licensing costs increased slightly in Sydney, Adelaide and Mount Gambier.

Canberra remained the most expensive capital city for registration, CTP and licensing, while Hobart remained the least expensive, with the typical Canberra household spending \$889 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 \$576.



Capital cities

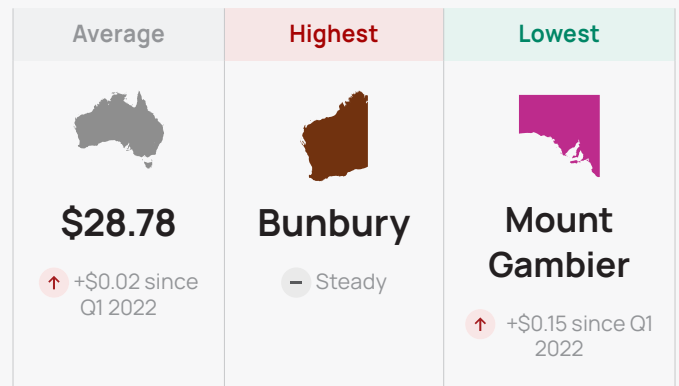


Rank

1		Canberra	\$39.71	-
2		Melbourne	\$33.61	-
3		Perth	\$33.57	-
4		Darwin	\$30.74	-
5		Brisbane	\$30.34	-
6		Adelaide	\$27.20	+\$0.15
7		Sydney	\$24.21	+ 0.05
8		Hobart	\$22.62	-
		Capital avg.	\$30.25	+\$0.03



Regional



Rank

1		Bunbury	\$33.57	-
2		Geelong	\$31.50	-
3		Alice Springs	\$30.74	-
4		Townsville	\$30.34	-
5		Wagga Wagga	\$30.25	-
6		Launceston	\$22.62	-
7		Mount Gambier	\$22.48	+\$0.15
		Regional avg.	\$28.78	+\$0.02



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household



Comprehensive car insurance

In the June 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 Darwin with costs increasing by \$391 per year. Perth insurance costs decreased marginally. Darwin replaced Adelaide as the most expensive city (previously fourth-highest) while Perth remained the cheapest, with the typical Darwin household spending \$1,200 per year more than Perth.

The largest increase among the regional households was in Alice Springs where costs increased by \$399 per annum. Bunbury insurance costs decreased marginally.

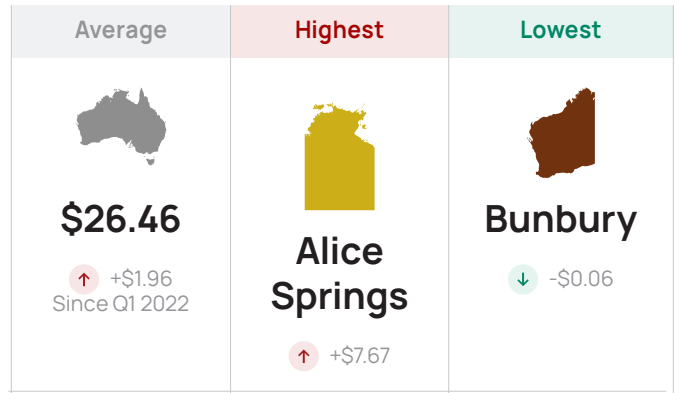
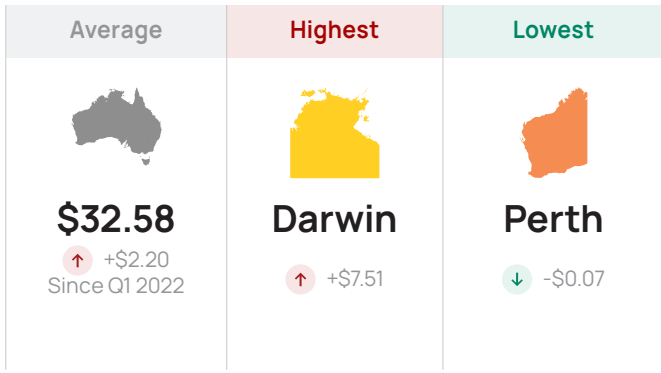
The largest difference between a capital city and its regional counterpart was in Victoria, where a typical Geelong household spends \$756 a year less on comprehensive insurance than Melbourne.



Capital cities



Regional



Rank	City	Cost	Change
1	Darwin	\$40.99	+\$7.51
2	Adelaide	\$40.29	+\$2.65
3	Melbourne	\$39.33	+\$3.04
4	Brisbane	\$35.85	+\$0.37
5	Sydney	\$33.91	+\$2.04
6	Canberra	\$29.70	+\$2.04
7	Hobart	\$22.69	-
8	Perth	\$17.91	-\$0.07
	Capital avg.	\$32.58	+\$2.20

Rank	Region	Cost	Change
1	Alice Springs	\$40.92	+\$7.67
2	Mount Gambier	\$33.23	+\$2.29
3	Townsville	\$29.35	+\$0.31
4	Geelong	\$24.79	+\$1.92
5	Wagga Wagga	\$23.39	+\$1.59
6	Launceston	\$18.79	-
7	Bunbury	\$14.75	-\$0.06
	Regional avg.	\$26.46	+\$1.96

Transport costs by category

Per week

Per household



Servicing and tyres

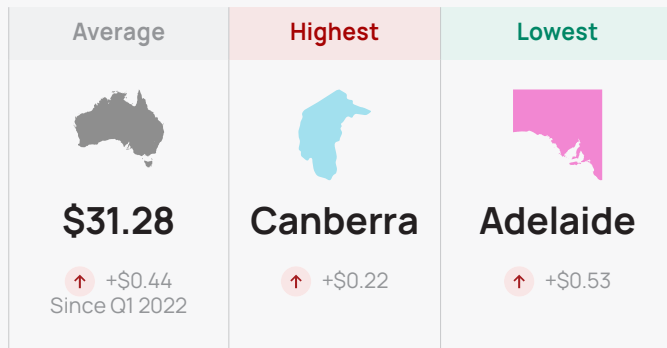
The cost of servicing and tyres increased slightly over the June quarter for both the typical capital city and regional households.

Among the regional locations Bunbury remained the household with the highest costs. Launceston remained the cheapest, with families in Bunbury paying \$604 more on an annual basis.

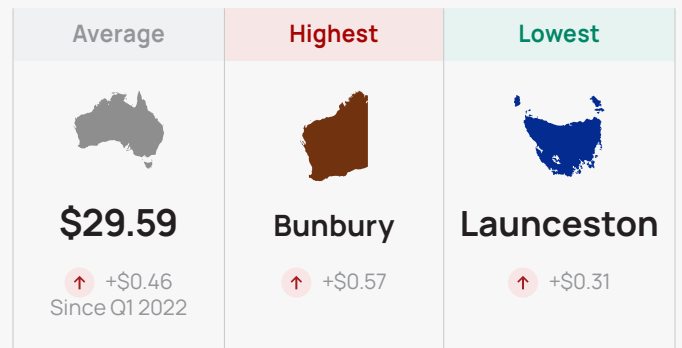
Overall, the cost of maintaining a representative new and used car remained highest in Canberra and lowest in Adelaide, with a typical Canberra household paying \$785 more per year than Adelaide.




Capital cities



Regional



Rank

1		Canberra	\$40.47	+ \$0.22
2	↑ 	Perth	\$32.80	+ \$0.53
3	↓ 	Melbourne	\$32.80	+ \$0.50
4	↑ 	Sydney	\$31.72	+ \$0.54
5	↓ 	Darwin	\$31.67	+ \$0.33
6		Hobart	\$29.78	+ \$0.38
7		Brisbane	\$25.63	+ \$0.47
8		Adelaide	\$25.38	+ \$0.53
		Capital avg.	\$31.28	+ \$0.44

Rank

1		Bunbury	\$35.49	+ \$0.57
2		Alice Springs	\$35.07	+ \$0.36
3		Geelong	\$31.37	+ \$0.48
4		Wagga Wagga	\$29.69	+ \$0.51
5		Townsville	\$26.14	+ \$0.48
6		Mount Gambier	\$25.49	+ \$0.53
7		Launceston	\$23.88	+ \$0.31
		Regional avg.	\$29.59	+ \$0.46



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 rose by 6.7 cents to 192.0 cents per litre, costing the typical city household \$234 more per year. Hobart remained the capital city with the highest fuel expenditure; its average petrol price was up 2.2 cents to 200.1 cents per litre in the June quarter. Adelaide remained the city with the lowest fuel prices and expenditure, paying 185.6 cents per litre, up 7.1 cents from the March quarter. Averaged across the regions, the cost of petrol increased by 9.4 cents to 191.0 cents per litre. Alice Springs replaced Launceston as the centre with the highest prices (previously second-highest) at 205.5 cents per litre while Geelong remained the cheapest at 183.1 cents per litre.

The typical household in Bunbury continued to have the highest fuel expenditure among the regional centres, at \$6,381 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 \$3,522 per year because its residents typically drive less.

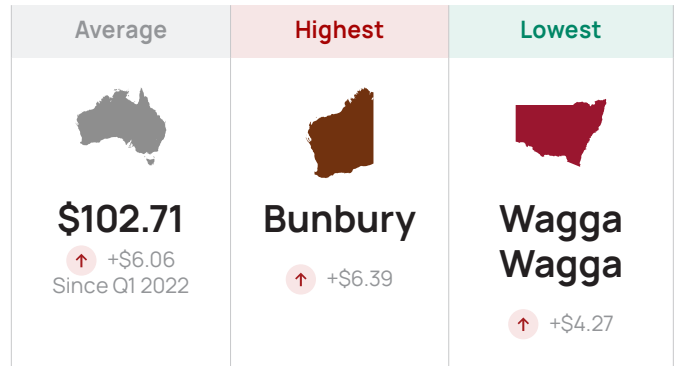
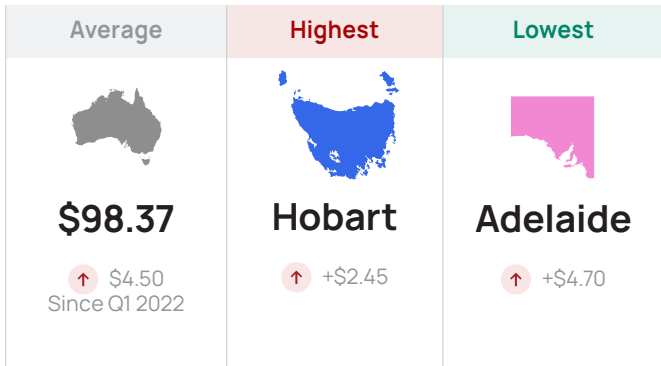
The rise in fuel prices occurred despite the 24.3 cents per litre price reduction (inclusive of GST) caused by the temporary fuel excise cut. This reduction saw the typical city household pay \$11.18 a week (\$581 a year) less in fuel excise costs. The reduction also saw the typical regional household pay \$11.72 a week (\$610 a year) less in fuel excise costs.



Capital cities



Regional



Rank

1	●	Hobart	\$102.63	+\$2.45
2	↑	Darwin	\$99.84	+\$5.48
3	↓	Sydney	\$99.13	+\$4.33
4	↑	Canberra	\$98.92	+\$6.03
5	↓	Brisbane	\$98.15	+\$4.22
6	↑	Melbourne	\$97.29	+\$5.22
7	↓	Perth	\$95.71	+\$3.55
8		Adelaide	\$95.28	+\$4.70
	●	Capital avg.	\$98.37	+\$4.50

Rank

1	●	Bunbury	\$122.70	+\$6.39
2	●	Geelong	\$118.31	+\$7.62
3	●	Launceston	\$114.67	+\$5.30
4	↑	Alice Springs	\$109.27	+\$8.32
5	↓	Mount Gambier	\$108.24	+\$6.84
6	●	Townsville	\$78.04	+\$3.67
7	●	Wagga Wagga	\$67.73	+\$4.27
	●	Regional avg.	\$102.71	+\$6.06

Transport costs by category

Per week

Per household



Public transport

The cost of public transport remained unchanged in the June quarter. With the lowest expenditure, the typical Darwin household spent \$36.52 per week (\$1,899 per year) less on public transport costs than its equivalent household in Brisbane, the most expensive city.



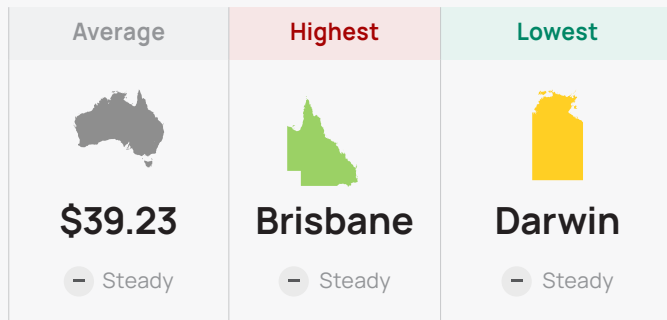
Toll roads

Only three Australian cities – Sydney, Melbourne and Brisbane – use toll roads. Costs increased by \$56 per year in Sydney and increased by \$31 per annum in Melbourne due to a scheduled price adjustment.

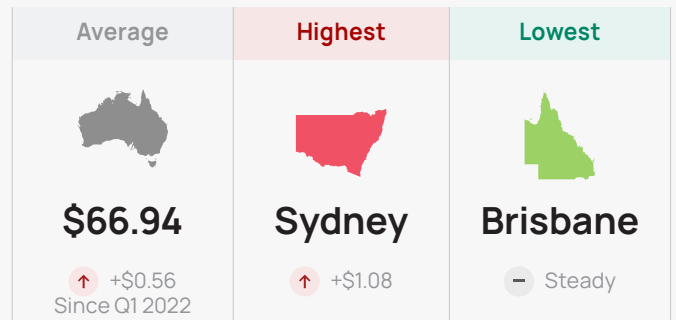
The typical Sydney household continued to incur the greatest costs for toll roads, while Brisbane remained the one with the lowest toll costs. The typical Brisbane household spent \$37.02 per week (or \$1,925 per year) less on tolls than the one in Sydney.



Capital cities







Capital cities



Rank

1		Brisbane	\$56.52	-
2		Sydney	\$50.00	-
3		Melbourne	\$46.00	-
4		Perth	\$44.10	-
5		Adelaide	\$39.50	-
6		Canberra	\$29.72	-
7		Hobart	\$28.00	-
8		Darwin	\$20.00	-
		Capital avg.	\$39.23	-

Rank

1		Sydney	\$90.72	+ \$1.08
2		Melbourne	\$56.40	+ \$0.60
3		Brisbane	\$53.70	-
		Avg.	\$66.94	+ \$0.56



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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 \$121 per year, while the Northern Territory had the lowest at \$99 per year. Roadside assistance costs are based on state and Northern Territory motoring clubs' basic or standard packages, but services included in these packages vary from club to club. The Index assumes that the regional households face the same costs as their capital city counterparts because roadside assistance providers offer standard state-wide pricing.

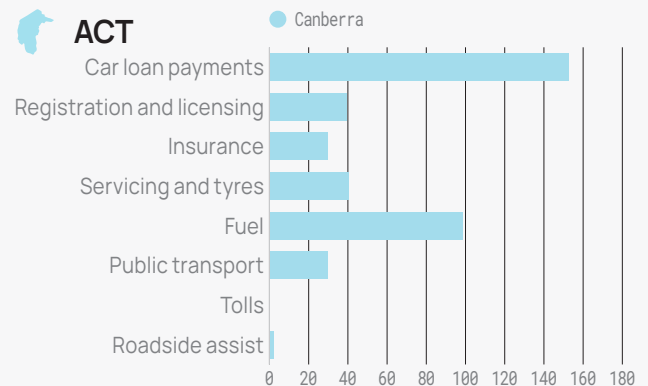
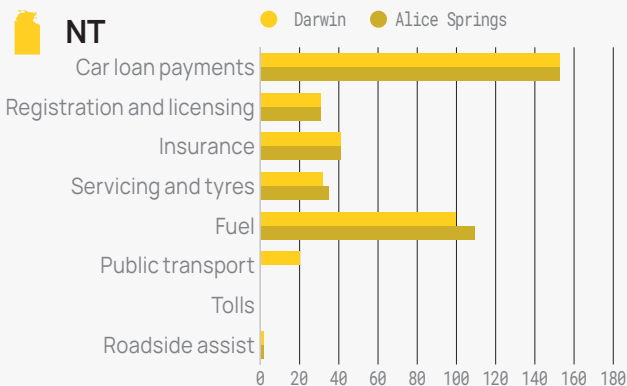
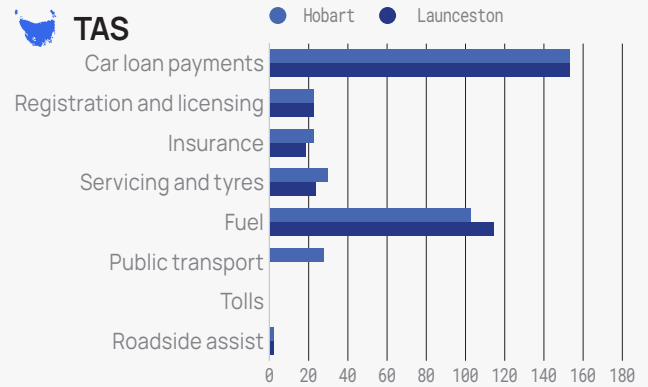
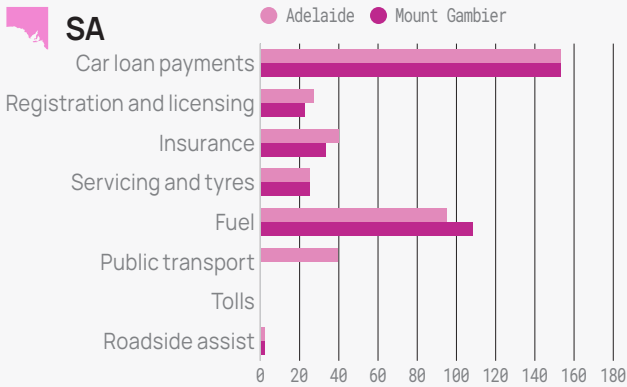
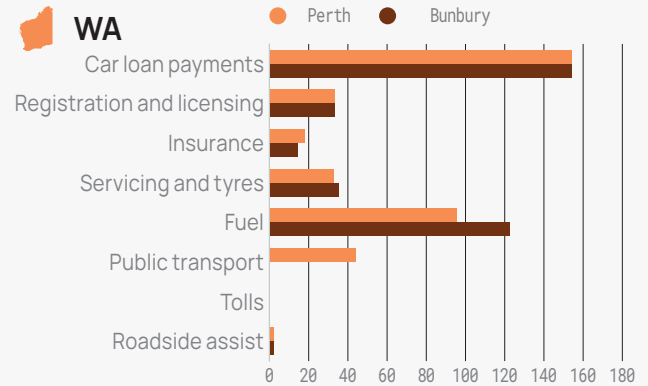
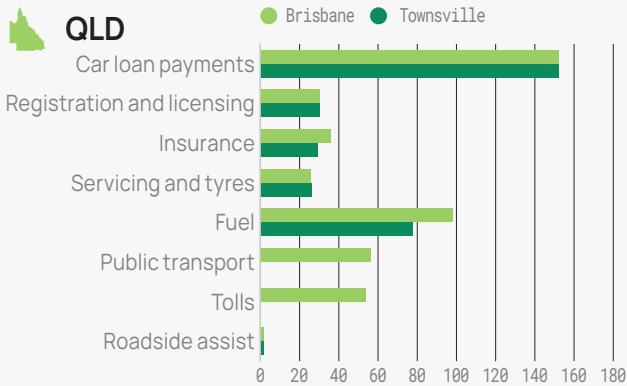
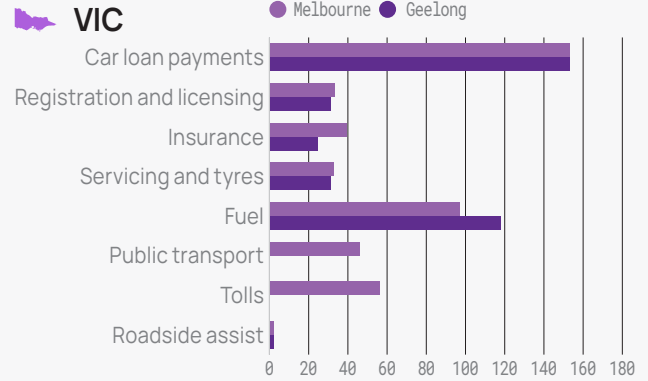
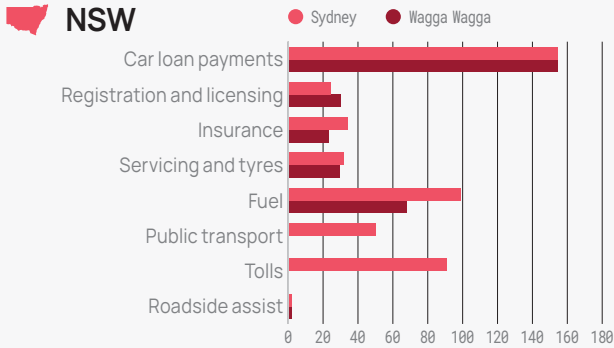
Average	Highest	Lowest
 <p>\$2.12</p> <p>↓ -\$0.03 Since Q1 2022</p>	 <p>TAS</p> <p>— Steady</p>	 <p>NT</p> <p>— Steady</p>

Rank

1	 TAS	\$2.33	-
2	 VIC	\$2.27	-
3	 ACT	\$2.17	- \$0.13
3	 NSW	\$2.17	- \$0.13
5	 WA	\$2.13	-
6	 SA	\$2.06	-
7	 QLD	\$1.94	-
8	 NT	\$1.90	-
	 Avg.	\$2.12	- \$0.03

State by state overview

Capital city vs regional centre comparison





NSW weekly transport costs

Per week

Per household

Sydney

In the June quarter, Sydney transport costs increased by \$611 per year and it remained Australia's most expensive city for transport. This was mainly due to higher fuel expenditure and car loan payments which rose by \$225 and \$199 per annum, respectively.

Wagga Wagga

Wagga Wagga remained the benchmark regional centre with the lowest transport costs – both in total cost (at \$15,993 a year) and in terms of the local income-to-cost ratio. Its costs increased by \$524 per annum, driven by fuel expenditure which rose by \$222 per year as well as car loan payments which increased in-line with Sydney.

cost rank 1 / 8		affordability rank 5 / 8	
Total transport costs \$486.18		% of income 15.5%	
↑ +\$11.75 since Q1 2022		↑ +0.4% since Q1 2022	

cost rank 7 / 7		affordability rank 7 / 7	
Total transport costs \$307.55		% of income 10.7%	
↑ +\$10.08 since Q1 2022		↑ +0.4% since Q1 2022	

Changes in transport category costs

↑ Increased

- Car loan payments = +\$3.83
- Rego, CTP & licensing = +\$0.05
- Insurance = +\$2.04
- Servicing & tyres = +\$0.54
- Fuel = +\$4.33
- Tolls = +\$1.08

– Unchanged

- Public transport

↓ Decreased

- Roadside assistance = -\$0.13

↑ Increased

- Car loan payments = +\$3.83
- Insurance = +\$1.59
- Servicing & tyres = +\$0.51
- Fuel = +\$4.27

– Unchanged

- Rego, CTP & licensing

↓ Decreased

- Roadside assistance = -\$0.13

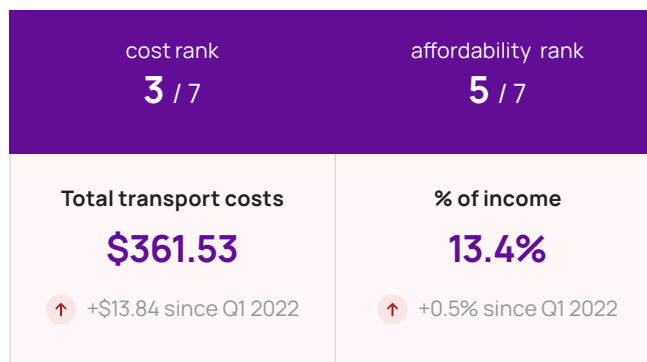
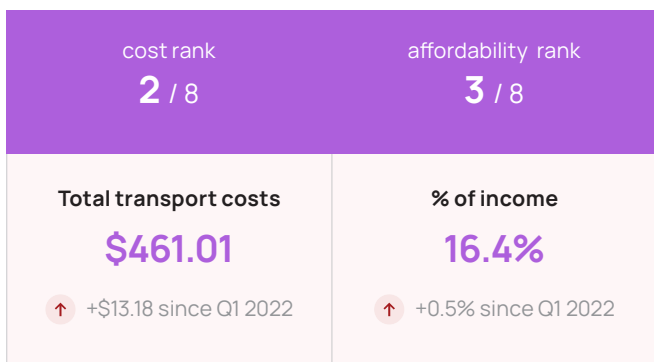


Melbourne

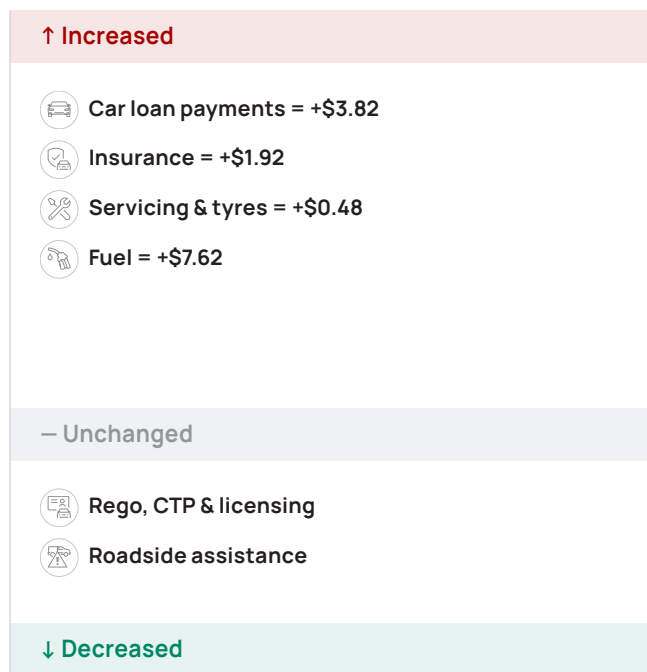
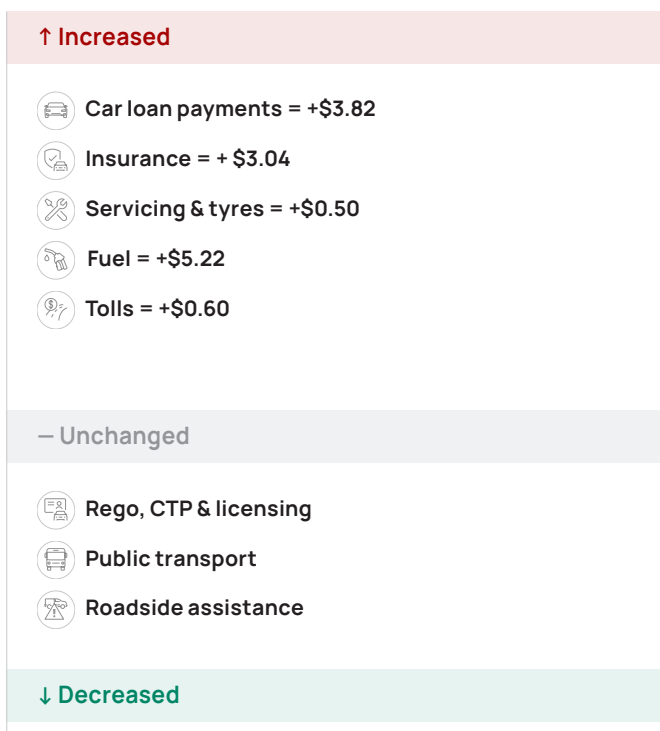
Melbourne remained Australia's second-most expensive city for transport. The typical household spent the equivalent of \$23,973 a year – an increase of \$685 per annum from the previous quarter. This was due to higher fuel expenditure and car loan payments which rose by \$271 and \$198 per annum, respectively.

Geelong

Geelong had yearly transport costs of \$18,800 and remained the regional centre with the third-highest costs. Geelong's transport costs increased by \$719 a year, because of fuel expenditure which rose by \$396 per annum and car loan payments which increased in-line with Melbourne.



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 \$23,635 a year made it Australia's third highest city for transport costs and second-least affordable capital. Transport costs increased by \$459 a year, due to higher fuel expenditure and car loan payments which rose by \$220 and \$196 per annum, respectively.

Townsville

The Townsville typical household's transports costs increased by \$428 to \$16,546 a year in the June quarter. This increase was due to higher fuel expenditure which rose by \$191 per annum and car loan payments which increased in-line with Brisbane. Townsville remained the second least expensive and the second most affordable regional centre.

cost rank 3 / 8		affordability rank 2 / 8	
Total transport costs \$454.52		% of income 17.4%	
↑ +\$8.83 since Q1 2022		↑ +0.3% since Q1 2022	

cost rank 6 / 7		affordability rank 6 / 7	
Total transport costs \$318.18		% of income 12.7%	
↑ +\$8.22 since Q1 2022		↑ +0.3% since Q1 2022	

Changes in transport category costs

↑ Increased	
Car loan payments = +\$3.76	
Insurance = +\$0.37	
Servicing & tyres = +\$0.47	
Fuel = +\$4.22	
– Unchanged	
Rego, CTP & licensing	
Public transport	
Tolls	
Roadside assistance	
↓ Decreased	

↑ Increased	
Car loan payments = +\$3.76	
Insurance = +\$0.31	
Servicing & tyres = +\$0.48	
Fuel = +\$3.67	
– Unchanged	
Rego, CTP & licensing	
Roadside assistance	
↓ Decreased	



SA weekly transport costs

Per week

Per household

Adelaide

Adelaide's household transport costs increased by \$617 to \$19,917 per annum. This increase was mainly due to higher fuel expenditure and car loan payments which rose by \$244 and \$199 per annum, respectively.

Mount Gambier

Mount Gambier's typical household spent \$17,930 per year on transport – an increase of \$709 from the previous quarter. This increase was mainly due to fuel expenditure rising by \$356 per annum and car loan payments (up in-line with Adelaide). Mount Gambier became less affordable than Adelaide, becoming one of four regional centres where transport costs were less affordable than its city counterpart.

cost rank 5 / 8		affordability rank 6 / 8	
Total transport costs \$383.02		% of income 15.0%	
↑ +\$11.86 since Q1 2022		↑ +0.5% since Q1 2022	

cost rank 4 / 7		affordability rank 3 / 7	
Total transport costs \$344.80		% of income 15.1%	
↑ +\$13.64 since Q1 2022		↑ +0.6% since Q1 2022	

Changes in transport category costs

↑ Increased

- Car loan payments = +\$3.83
- Rego, CTP & licensing = +\$0.15
- Insurance = +\$2.65
- Servicing & tyres = +\$0.53
- Fuel = \$4.70

– Unchanged

- Public transport
- Roadside assistance

↓ Decreased

↑ Increased

- Car loan payments = +\$3.83
- Rego, CTP & licensing = +\$0.15
- Insurance = +\$2.29
- Servicing & tyres = +\$0.53
- Fuel = +\$6.84

– Unchanged

- Roadside assistance

↓ Decreased



Perth

In the June quarter, Perth's typical household saw an increase in transport costs of \$411 to \$19,782 per annum. This increase was mainly due to higher fuel expenditure and car loan payments which rose by \$185 and \$202 per annum, respectively. Perth replaced Adelaide as the capital city with the third-lowest transport costs (previously fourth-lowest).

Bunbury

Bunbury's typical household transport costs increased by \$561 to \$18,868 per annum. The overall increase was driven by fuel expenditure increasing by \$332 per annum and car loan payments which increased in-line with Perth. Bunbury replaced Alice Springs as the regional centre with the second-highest transport costs (previously highest). Bunbury was one of four regional centres where transport costs were less affordable than its city counterpart.

cost rank 6 / 8		affordability rank 7 / 8	
Total transport costs \$380.42		% of income 14.1%	
↑ +\$7.89 since Q1 2022		↑ +0.3% since Q1 2022	

cost rank 2 / 7		affordability rank 4 / 7	
Total transport costs \$362.85		% of income 14.5%	
↑ +\$10.79 since Q1 2022		↑ +0.4% since Q1 2022	

Changes in transport category costs

↑ Increased	
Car loan payments = +\$3.88	
Servicing & tyres = +\$0.53	
Fuel = +\$3.55	
– Unchanged	
Rego, CTP & licensing	
Public transport	
Roadside assistance	
↓ Decreased	
Insurance = -\$0.07	

↑ Increased	
Car loan payments = +\$3.88	
Servicing & tyres = +\$0.57	
Fuel = +\$6.39	
– Unchanged	
Rego, CTP & licensing	
Roadside assistance	
↓ Decreased	
Insurance = -\$0.06	



Hobart

Hobart's typical household spent \$18,779 per year on transport – an increase of \$347 from the previous quarter. This was due to higher fuel expenditure and car loan payments which rose by \$127 and \$200 per annum, respectively. Hobart remained Australia's capital city with the lowest transport costs but was also the least affordable in terms of purchasing power.

cost rank 8 / 8	affordability rank 1 / 8
Total transport costs \$361.13 ↑ +\$6.67 since Q1 2022	% of income 18.2% ↑ +0.3% since Q1 2022

Launceston

Launceston's household transport costs were equivalent to \$17,439 a year – an increase of \$492 per annum. This was due to higher fuel expenditure increasing by \$276 per annum and car loan payments which rose in-line with Hobart. 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 four regional centres where transport costs were less affordable than its city counterpart.

cost rank 5 / 7	affordability rank 1 / 7
Total transport costs \$335.36 ↑ +\$9.46 since Q1 2022	% of income 18.6% ↑ +0.5% since Q1 2022

Changes in transport category costs

↑ Increased

- Car loan payments = +\$3.84
- Servicing & tyres = +\$0.38
- Fuel = +\$2.45

– Unchanged

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

↓ Decreased

↑ Increased

- Car loan payments = +\$3.84
- Servicing & tyres = +\$0.31
- Fuel = +\$5.30

– Unchanged

- Rego, CTP & licensing
- Insurance
- Roadside assistance

↓ Decreased



NT weekly transport costs

Per week

Per household

Darwin

Darwin's typical household spent \$19,647 a year on transport, an increase of \$890 from the previous quarter. This was mainly a result of insurance premiums increasing in annual costs by \$391. Large increases also occurred for fuel expenditure and car loan payments which rose by \$285 and \$197 per annum, respectively. Darwin remained the city with the second lowest transport costs.

Alice Springs

Alice Springs replaced Bunbury as the regional centre with the highest transport costs – which equated to \$19,271 a year, \$1,047 higher than the previous quarter – and one of four regional centres where transport costs were less affordable than its city counterpart. This was mainly due to higher fuel expenditure and insurance premiums, increasing by \$432 and \$399 per annum, respectively. Car loan payment rises were also a factor, which rose in-line with Darwin.

cost rank 7 / 8		affordability rank 4 / 8	
Total transport costs \$377.83		% of income 16.1%	
↑ +\$17.12 since Q1 2022		↑ +0.7% since Q1 2022	

cost rank 1 / 7		affordability rank 2 / 7	
Total transport costs \$370.59		% of income 16.8%	
↑ +\$20.14 since Q1 2022		↑ +0.9% since Q4 2021	

Changes in transport category costs

↑ Increased

- Car loan payments = +\$3.79
- Insurance = +\$7.51
- Servicing & tyres = +\$0.33
- Fuel = +\$5.48

– Unchanged

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

↓ Decreased

↑ Increased

- Car loan payments = +\$3.79
- Insurance = +\$7.67
- Servicing & tyres = +\$0.36
- Fuel = +\$8.32

– Unchanged

- Rego, CTP & licensing
- Roadside assistance

↓ Decreased



ACT weekly transport costs

Per week

Per household

Canberra

Canberra's typical household spent \$20,467 per annum on transport, which was \$625 more than recorded in the previous quarter. This increase was driven by fuel expenditure and car loan payments which rose by \$314 and \$200 per annum, respectively. Canberra's high median income made it the most affordable city in the June quarter.

cost rank 4 / 8	affordability rank 8 / 8
Total transport costs \$393.60 ↑ +\$12.01 since Q1 2022	% of income 13.3% ↑ +0.4% since Q1 2022

Changes in transport category costs

↑ Increased
<ul style="list-style-type: none"> Car loan payments = +\$3.85 Insurance = +\$2.04 Servicing & tyres = +\$0.22 Fuel = \$6.03
– Unchanged
<ul style="list-style-type: none"> Rego, CTP & licensing Public transport
↓ Decreased
<ul style="list-style-type: none"> Roadside assistance = -\$0.13

[Explore the interactive data](#) DATA.AAA.ASN.AU →

Background and methodology

Overview

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

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

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

The Index considers a full range of costs families face when they own a car, as well as public transport costs. These fall into two broad categories: upfront costs and ongoing costs. Upfront costs include purchase costs for a new vehicle such as interest payments, registration, stamp duty, compulsory third party (CTP) insurance, driver's licences, comprehensive car insurance and roadside assistance. Ongoing costs (fuel costs, tolls and car maintenance) increase the more the vehicle is driven. Public transport costs for a city household's typical commute to work are also measured, as these form a growing share of weekly expenses.

While the AAA recognises that vehicle depreciation represents a significant, often hidden cost to families, this cost has not been included in the Index. The Index seeks to account for the actual weekly transport cash outflow for an average Australian household, covering costs that must be factored into the weekly family budget; depreciation is not usually accounted for in this way. Similarly, parking costs have not been included in the Index because consistent data is not available.

The Index seeks to compare the affordability of household transport costs across Australia by comparing them with an estimate of the hypothetical household's median weekly income. Total household transport costs in each city are compared with the average income of a typical family in that city to illustrate the proportion of income spent on transport-related costs.

As the Index is updated over time, a clearer picture will emerge 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. At the time of publication, these costs were \$239 cheaper in regional South Australia and \$110 cheaper in Victoria due to lower 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 91.25 per cent of that of the average Sydney income for a couple family with children. The Index has therefore calculated the income for Wagga Wagga as 91.25 per cent of the city household's income. Using this method, all regional households reported lower weekly earnings than their city counterparts.

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>

