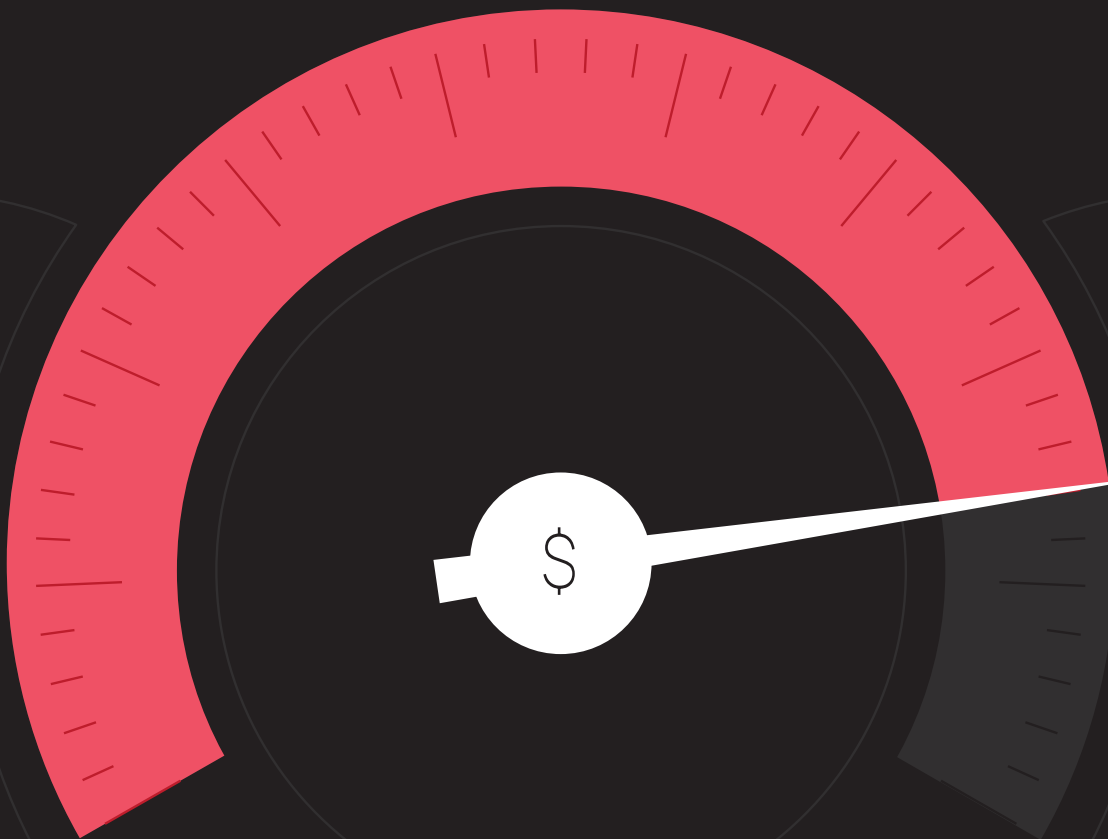


Transport Affordability Index

Q1
2021

QUARTER 1, 2021
Released May 2021





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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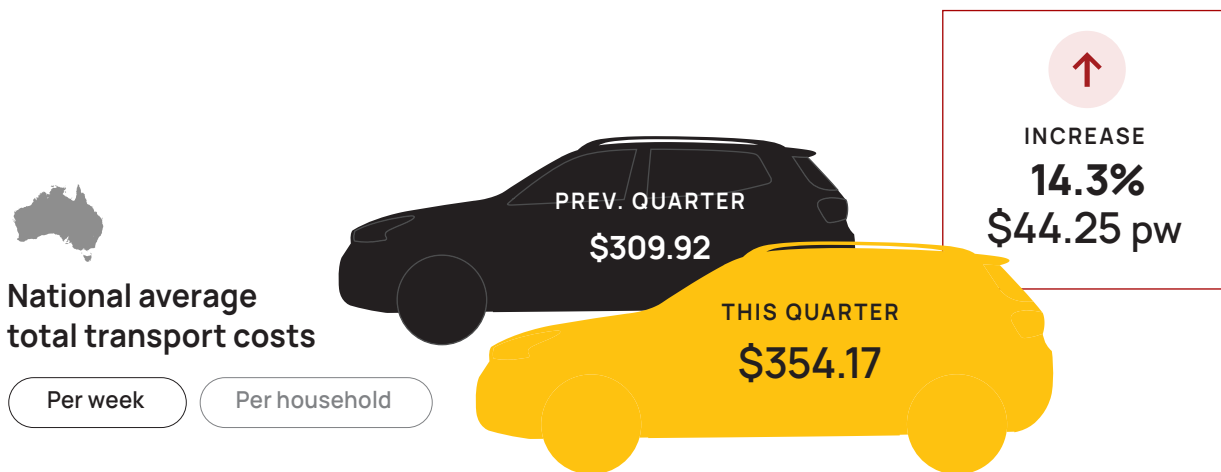
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Proportion of household spending on transport hits new high



This latest edition of the Transport Affordability Index shows the typical Australian household is now spending 14.6 per cent of their budget on transport costs. This is the highest percentage since the Index commenced five years ago.

With weekly household transport costs rising by \$44 on the previous quarter, governments collectively must keep a careful watch to avoid policies and decisions that could drive those household costs higher.

In the first quarter of 2021, Australian households had average weekly transport costs of \$354, representing an increase of 14.3 per cent on the previous quarter. For the typical metropolitan household, this equates to a yearly transport expenditure of \$20,172; and \$16,412 for the typical regional household.

As a percentage of household income, the average cost of transport rose from 12.5 per cent at the end of 2020 to 14.6 per cent in the first quarter of 2021. Households in our capital cities are now spending 15.3% of their income on transport.

The extra pressure on household budgets is driven by sharp increases in fuel prices, car loan repayments and, in some cases, registration costs.

From the start of 2021, the Australian Automobile Association has redesigned this printed report so that it now serves as a supporting document for the Index's new online home. A digital platform of interactive dashboards (links on subsequent pages) aims to make the data more accessible, understandable and comparable between jurisdictions.

The digital dashboards provide data dating back to the Index's origin in 2016 and describe the trends in Australian transport affordability over the past five years.



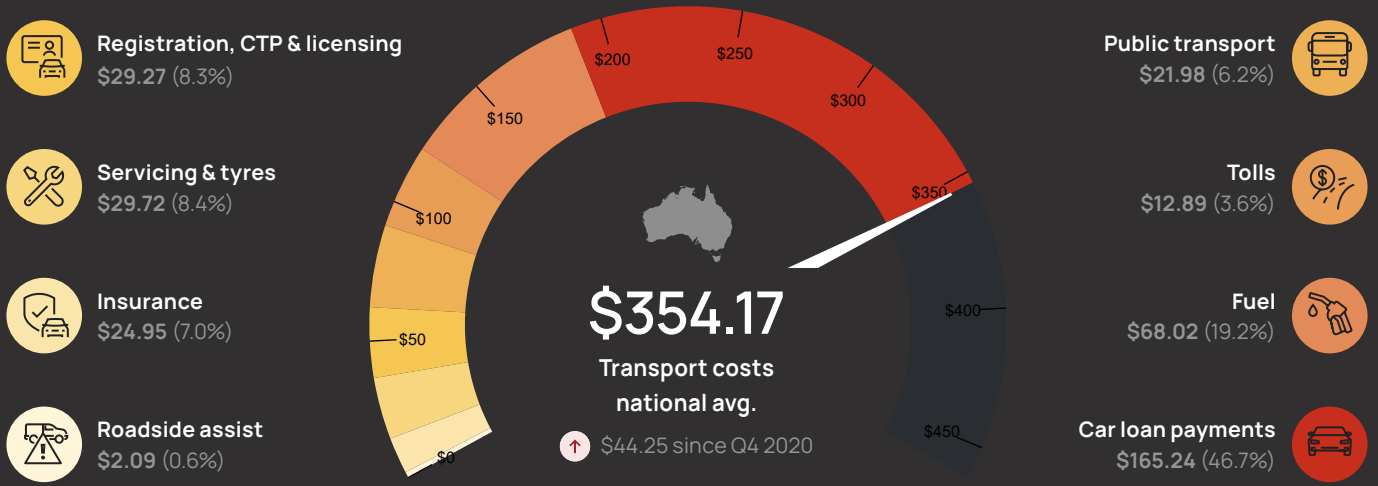
KEY FIGURES

Quarter 1 2021

Total transport costs

Per week

Per household



Capital cities

Regional

Total costs

| AVERAGE | HIGHEST | LOWEST |
|---|--------------------------------|--------------------------------|
| \$387.92 ↑ \$44.38 Since Q4 2020 | Sydney ↑ \$49.99 | Hobart ↑ \$40.80 |

Total costs

| AVERAGE | HIGHEST | LOWEST |
|---|---------------------------------|-------------------------------------|
| \$315.61 ↑ \$44.10 Since Q4 2020 | Bunbury ↑ \$48.21 | Wagga Wagga ↑ \$50.21 |

Affordability (% of income)

| | | |
|---|-----------------------------|-------------------------------|
| 15.3% ↑ 2.0% Since Q4 2020 | Hobart ↑ 2.2% | Canberra ↑ 2.0% |
|---|-----------------------------|-------------------------------|

Affordability (% of income)

| | | |
|---|---------------------------------|----------------------------------|
| 13.8% ↑ 2.1% Since Q4 2020 | Launceston ↑ 2.3% | Wagga Wagga ↑ 2.0% |
|---|---------------------------------|----------------------------------|

Total transport costs

Per year

Per household

VIEW COSTS PER WEEK (PAGE 6) →



Capital cities

Capital average











\$20,172

↑ \$2,308 since Q4 2020

In the March quarter, the typical Australian city household's average annualised cost of transport increased by \$2,308 to \$20,172. Transport taxes – in the form of fuel excise, registration, compulsory third party (CTP) insurance and licensing – cost the typical two-car family \$2,680.

The greatest increase in transport costs was recorded in Sydney – equivalent to \$2,600 per year. This was mainly due to higher car loan payments and fuel prices

| 1 | 2 | 3 | 4 |
|---|--|--|---|
|  <p>Sydney \$24,002</p> <p>↑ \$2,600 since Q4 2020</p> |  <p>Melbourne \$22,573</p> <p>↑ \$2,149 since Q4 2020</p> |  <p>Brisbane \$22,293</p> <p>↑ \$2,158 since Q4 2020</p> |  <p>Perth \$19,617</p> <p>↑ \$2,383 since Q4 2020</p> |
| 5 | 6 | 7 | 8 |
|  <p>Canberra \$19,152</p> <p>↑ \$2,497 since Q4 2020</p> |  <p>Adelaide \$18,476</p> <p>↑ \$2,413 since Q4 2020</p> |  <p>Darwin \$17,809</p> <p>↑ \$2,141 since Q4 2020</p> |  <p>Hobart \$17,451</p> <p>↑ \$2,122 since Q4 2020</p> |

Average taxes



Fuel excise

\$1,123

↑ \$11 since Q4 2020



Registration, CTP and licensing

\$1,557

↑ \$30 since Q4 2020



Household total

\$2,680

↑ \$40 since Q4 2020

Total transport costs

Per year

Per household

VIEW COSTS PER WEEK (PAGE 6) →



Regional

Regional average











\$16,412

↑ \$2,293 since Q4 2020

The average annual cost of transport for the typical regional household increased by \$2,293 to \$16,412. Of this, transport taxes cost regional families \$2,660.

The greatest increase was recorded in Wagga Wagga, where transport costs rose by \$2,611 when compared to the previous quarter, mainly due to car loan payments and fuel prices

| 1 | 2 | 3 | 4 |
|---|---|--|--|
|  <p>Bunbury \$17,304</p> <p>↑ \$2,507 since Q4 2020</p> |  <p>Geelong \$17,197</p> <p>↑ \$2,396 since Q4 2020</p> |  <p>Alice Springs \$17,106</p> <p>↑ \$2,112 since Q4 2020</p> |  <p>Mount Gambier \$16,341</p> <p>↑ \$2,149 since Q4 2020</p> |
| 5 | 6 | 7 |  <p>Explore the interactive data</p> <p>DATA.AAA.ASN.AU</p> |
|  <p>Launceston \$15,941</p> <p>↑ \$2,082 since Q4 2020</p> |  <p>Townsville \$15,539</p> <p>↑ \$2,194 since Q4 2020</p> |  <p>Wagga Wagga \$15,453</p> <p>↑ \$2,611 since Q4 2020</p> | |

Average taxes



Fuel Excise

\$1,178

↑ \$11 since Q4 2020

+



Registration, CTP and Licensing

\$1,482

↑ \$32 since Q4 2020

=

Household total

\$2,660

↑ \$43 since Q4 2020

Total transport costs

Per week

Per household



Capital cities









Capital average



\$387.92

↑ \$44.38 since Q4 2020

The March quarter of 2021 saw no change in rankings, with Sydney remaining the most expensive capital city for transport while Hobart remained the cheapest.

| 1 | 2 | 3 | 4 |
|--|---|---|--|
|  Sydney \$461.57 ↑ \$49.99 since Q4 2020 |  Melbourne \$434.10 ↑ \$41.32 since Q4 2020 |  Brisbane \$428.71 ↑ \$41.51 since Q4 2020 |  Perth \$377.25 ↑ \$45.83 since Q4 2020 |
| 5 | 6 | 7 | 8 |
|  Canberra \$368.31 ↑ \$48.03 Q4 2020 |  Adelaide \$355.30 ↑ \$46.40 since Q4 2020 |  Darwin \$342.48 ↑ \$41.17 since Q4 2020 |  Hobart \$335.60 ↑ \$40.80 since Q4 2020 |

Total transport costs

Per week

Per household



Regional









Regional average



\$315.61

↑ \$44.10 since Q4 2020

Transport in the regional centres was, on average, \$72 a week cheaper than in the capitals. Bunbury replaced Alice Springs as the regional centre with the highest total weekly transport costs (previously third-highest), while all other rankings remained unchanged.

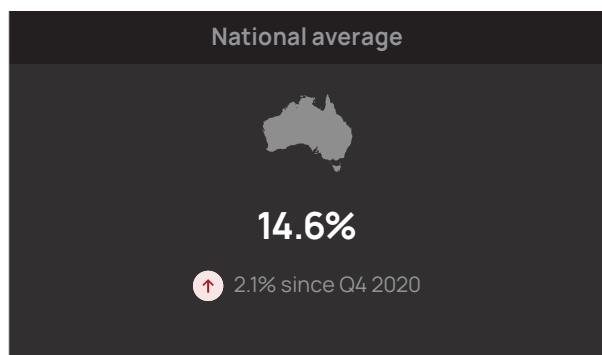
| 1 | 2 | 3 | 4 |
|--|--|---|---|
|  Bunbury \$332.76 ↑ \$48.21 since Q4 2020 |  Geelong \$330.70 ↑ \$46.07 since Q4 2020 |  Alice Springs \$328.96 ↑ \$40.62 since Q4 2020 |  Mount Gambier \$314.26 ↑ \$41.33 since Q4 2020 |
| 5 | 6 | 7 | |
|  Launceston \$306.55 ↑ \$40.04 since Q4 2020 |  Townsville \$298.83 ↑ \$42.19 since Q4 2020 |  Wagga Wagga \$297.18 ↑ \$50.21 since Q4 2020 |  Explore the interactive data DATA.AAA.ASN.AU |

Transport affordability

Costs as a percentage of income

Per week

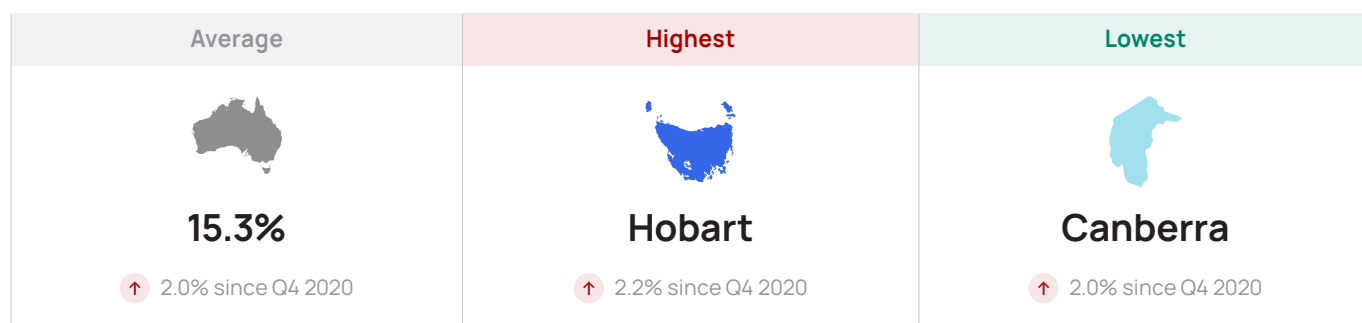
Per household



The relationship between a region's income and costs determines local purchasing power – or affordability. For example, in dollar terms Hobart has the lowest total transport costs, while Sydney has the highest. But when this cost is measured as a percentage of typical household income, Hobart – not Sydney – ranks as the Australian city with the least affordable transport costs.



Capital cities



Rank

| | | Q2 | Q3 | Q4 | Q1 |
|---|--------------|-------|-------|-------|-------|
| 1 | Hobart | 15.7% | 15.4% | 15.5% | 17.6% |
| 2 | Brisbane | 15.0% | 15.2% | 15.3% | 17.2% |
| 3 | Melbourne | 14.3% | 13.8% | 14.0% | 15.6% |
| 4 | Sydney | 13.6% | 13.4% | 13.4% | 15.4% |
| 5 | Perth | 13.0% | 12.4% | 12.5% | 14.7% |
| 6 | Adelaide | 12.9% | 12.6% | 12.7% | 14.7% |
| 7 | Darwin | 12.6% | 12.3% | 12.3% | 14.6% |
| 8 | Canberra | 11.8% | 11.3% | 11.1% | 13.1% |
| | Capital avg. | 13.5% | 13.2% | 13.3% | 15.3% |

Transport affordability

Costs as a percentage of income

Per week

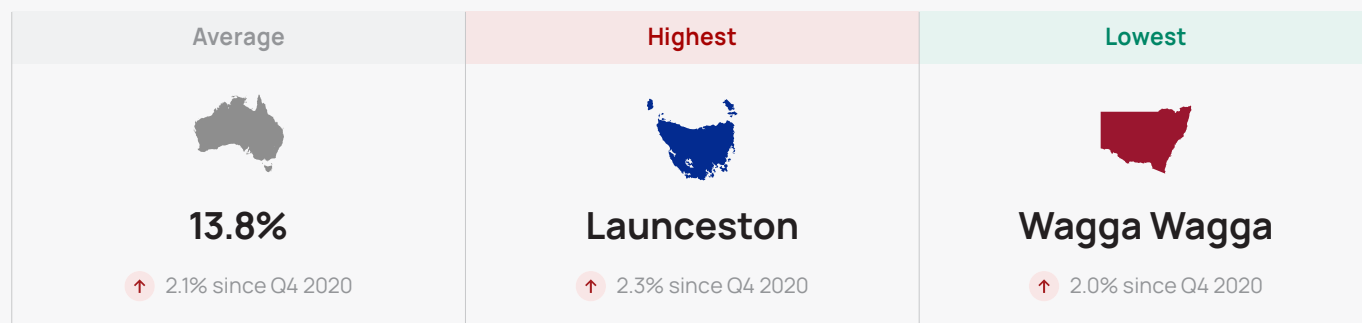
Per household

Across Australia, regional households earned \$214 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: \$263 and \$256 per week less on average, respectively.

Nationally, the average cost of transport cost took up 14.6 per cent of the typical household's income – 15.3 per cent in the capital cities and 13.8 per cent in regional centres.



Regional



Rank

| | | Q2 | Q3 | Q4 | Q1 |
|---|----------------------|-------|-------|-------|-------|
| 1 | Launceston | 15.6% | 15.4% | 15.4% | 17.8% |
| 2 | Alice Springs | 12.8% | 12.5% | 12.5% | 14.9% |
| 3 | Mount Gambier | 12.7% | 12.4% | 12.5% | 14.5% |
| 4 | Bunbury | 12.3% | 11.6% | 11.6% | 14.0% |
| 5 | ↑ Townsville | 10.5% | 10.5% | 10.6% | 12.5% |
| 6 | ↓ Geelong | 10.9% | 10.6% | 10.5% | 12.3% |
| 7 | Wagga Wagga | 9.1% | 8.9% | 8.8% | 10.8% |
| 8 | Regional avg. | 12.0% | 11.7% | 11.7% | 13.8% |



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 six cost categories:









- **Car loan payments** – the average upfront cost for purchasing new cars increased in all jurisdictions.
- **Registration, CTP and licensing** – registration costs increased in New South Wales, Western Australia and the Australian Capital Territory.

- **Comprehensive insurance** – premiums increased most notably in Sydney, Canberra and Wagga Wagga.
- **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 quarterly indexation from 1 January 2021.

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



Capital cities

| 1 | 2 | 3 | 4 |
|--|--|---|---|
|  <p>Car loan payments \$165.23</p> <p>↑ \$35.67 since Q4 2020</p> |  <p>Fuel \$67.38</p> <p>↑ \$5.56 since Q4 2020</p> |  <p>Tolls \$64.47</p> <p>↑ \$0.55 since Q4 2020</p> |  <p>Public transport \$41.22</p> <p>– Steady</p> |
| 5 | 6 | 7 | 8 |
|  <p>Servicing & tyres \$30.50</p> <p>↑ \$0.53 since Q4 2020</p> |  <p>Registration, CTP & licensing \$29.94</p> <p>↑ \$0.57 since Q4 2020</p> |  <p>Insurance \$27.37</p> <p>↑ \$1.84 since Q4 2020</p> |  <p>Roadside assist \$2.09</p> <p>– Steady</p> |

Transport costs by category

Per week







Per household

The ranking of average expenses for the typical city and regional families remained largely the same over the quarter. For the typical city household, fuel costs became a greater expense than toll road costs. Car loan payments 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 |
|---|---|--|
|  Car loan payments \$165.26 ↑ \$35.68 since Q4 2020 |  Fuel \$68.76 ↑ \$5.38 since Q4 2020 |  Servicing & Tyres \$28.82 ↑ \$0.51 since Q4 2020 |
| 4 | 5 | 6 |
|  Registration, CTP & licensing \$28.50 ↑ \$0.61 since Q4 2020 |  Insurance \$22.19 ↑ \$1.92 since Q4 2020 |  Roadside assist \$2.08 ↑ \$0.01 since Q4 2020 |

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 \$8,276 – in the March quarter. This was because larger more expensive vehicles were among the highest selling new cars. As a result, the cost of weekly car loan payments increased in all locations by around \$35.67 per week, or \$1,855 a year.

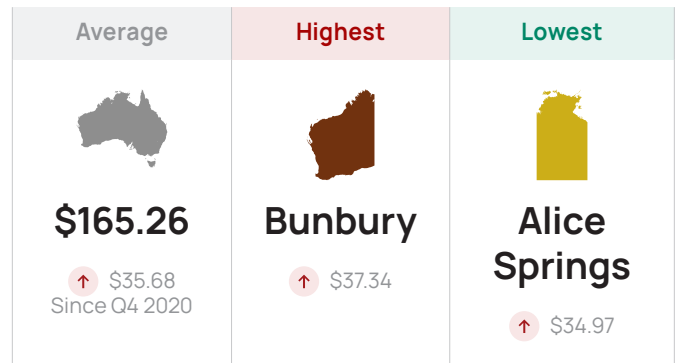
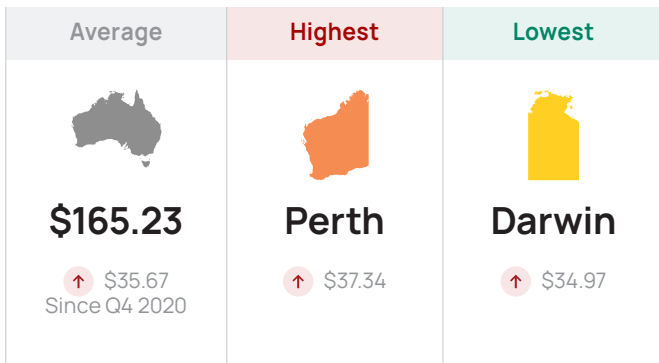
Perth became the most expensive capital city to take out a loan for a new car while Darwin became the cheapest. Regional households incurred the same costs in this category as their capital city counterparts because it is assumed that interest rates and new car purchase costs are the same in regional and capital city locations











Capital cities



Regional



Rank

| | | | | | |
|---|---|---|---------------------|----------|------------------|
| 1 | ↑ |  | Perth | \$166.88 | + \$37.34 |
| 2 | ↓ |  | Sydney | \$166.00 | + \$35.50 |
| 3 | ↑ |  | Melbourne | \$165.29 | + \$35.83 |
| 4 | ↑ |  | Canberra | \$165.07 | + \$35.64 |
| 5 | ↓ |  | Adelaide | \$165.02 | + \$35.40 |
| 6 | ↓ |  | Hobart | \$164.94 | + \$35.35 |
| 7 | ↑ |  | Brisbane | \$164.48 | + \$35.36 |
| 8 | ↓ |  | Darwin | \$164.17 | + \$34.97 |
| | |  | Capital avg. | \$165.23 | + \$35.67 |

Rank

| | | | | | |
|---|---|---|----------------------|----------|------------------|
| 1 | ↑ |  | Bunbury | \$166.88 | + \$37.34 |
| 2 | ↓ |  | Wagga Wagga | \$166.00 | + \$35.50 |
| 3 | ↑ |  | Geelong | \$165.29 | + \$35.83 |
| 4 | ↓ |  | Mount Gambier | \$165.02 | + \$35.40 |
| 5 | ↓ |  | Launceston | \$164.94 | + \$35.35 |
| 6 | ↑ |  | Townsville | \$164.48 | + \$35.36 |
| 7 | ↓ |  | Alice Springs | \$164.17 | + \$34.97 |
| | |  | Regional avg. | \$165.26 | + \$35.68 |

Transport costs by category

Per week

Per household



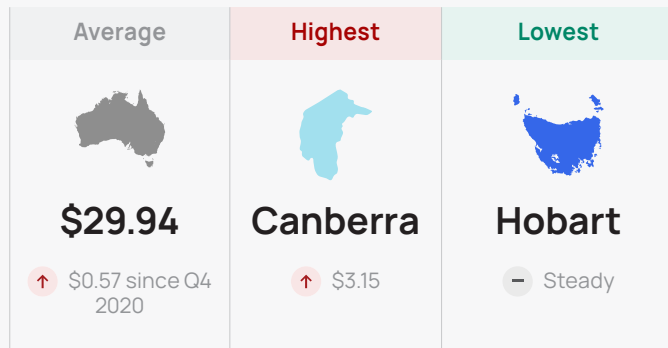
Vehicle registration, CTP and driver's licence

Weekly registration, CTP and licensing costs increased slightly in New South Wales, Western Australia and the Australian Capital Territory. This was a result of higher registration fees due to larger heavier vehicles being among the highest selling new cars. Canberra remained the most expensive capital city for registration, CTP and licensing, while Hobart remained the least expensive, with the typical Canberra household spending \$891 more per year than Hobart.

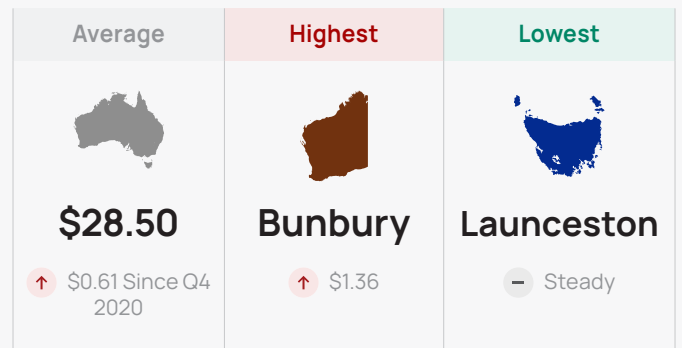
Bunbury remained the most expensive regional centre in this cost category, while Launceston remained the cheapest. The annualised difference between Bunbury and Launceston was \$557.



Capital cities



Regional



Rank

| | | | | |
|---|---|-----------------|---------|-----------------|
| 1 |  | Canberra | \$39.40 | + \$3.15 |
| 2 |  | Melbourne | \$33.17 | - |
| 3 |  | Perth | \$32.98 | + \$1.36 |
| 4 |  | Darwin | \$30.14 | - |
| 5 |  | Brisbane | \$30.05 | - |
| 6 |  | Adelaide | \$26.88 | - |
| 7 |  | Sydney | \$24.64 | + \$0.07 |
| 8 |  | Hobart | \$22.27 | - |
| |  | Capital avg. | \$29.94 | + \$0.57 |

Rank

| | | | | |
|---|---|--------------------|---------|-----------------|
| 1 |  | Bunbury | \$32.98 | + \$1.36 |
| 2 |  | Geelong | \$31.05 | - |
| 3 |  | Wagga Wagga | \$30.73 | + \$2.89 |
| 4 |  | Alice Springs | \$30.14 | - |
| 5 |  | Townsville | \$30.05 | - |
| 6 |  | Mount Gambier | \$22.28 | - |
| 7 |  | Launceston | \$22.27 | - |
| |  | Regional avg. | \$28.50 | + \$0.61 |



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household



Comprehensive car insurance

In the March quarter, the weekly cost of comprehensive insurance for both the benchmark new and used vehicles increased slightly for the typical Australian city household. Melbourne remained the most expensive city while Perth remained the cheapest, with a typical Melbourne household spending \$1,001 per year more than Perth.

Sydney and Canberra recorded the largest increases in insurance premiums among the city households, rising by \$372 and \$205 per year respectively. Among the regional centres Wagga Wagga saw an annualised price rise of \$422.

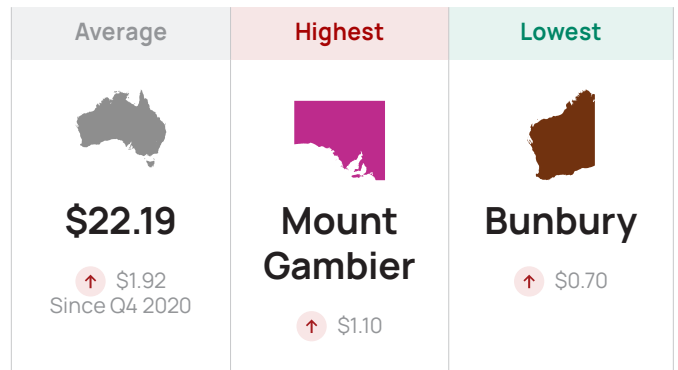
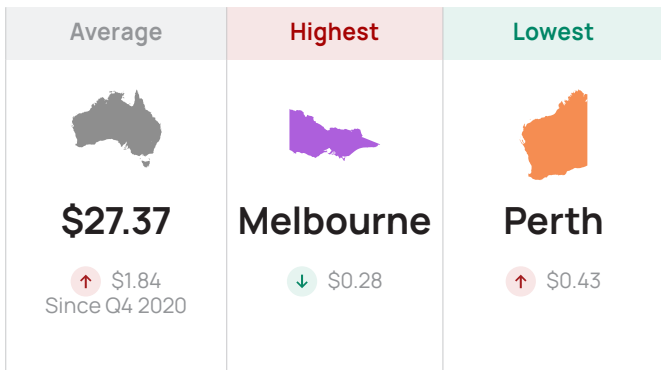
The largest difference between a capital city and its regional counterpart was in Victoria, where a typical Geelong household spends \$665 a year less on comprehensive insurance than Melbourne.



Capital cities



Regional



| Rank | City | Cost | Change |
|------|--------------|---------|---------|
| 1 | Melbourne | \$34.50 | -\$0.28 |
| 2 | Darwin | \$31.33 | +\$1.05 |
| 3 | Adelaide | \$31.04 | +\$1.13 |
| 4 ↑ | Sydney | \$30.97 | +\$7.15 |
| 5 ↓ | Brisbane | \$29.33 | +\$0.71 |
| 6 | Canberra | \$25.51 | +\$3.94 |
| 7 | Hobart | \$21.05 | +\$0.59 |
| 8 | Perth | \$15.25 | +\$0.43 |
| | Capital avg. | \$27.37 | +\$1.84 |

| Rank | City | Cost | Change |
|------|---------------|---------|---------|
| 1 | Mount Gambier | \$29.19 | +\$1.10 |
| 2 | Alice Springs | \$25.69 | +\$0.91 |
| 3 ↑ | Wagga Wagga | \$24.28 | +\$8.12 |
| 4 ↓ | Townsville | \$23.94 | +\$0.58 |
| 5 ↓ | Geelong | \$21.72 | +\$1.27 |
| 6 ↓ | Launceston | \$17.81 | +\$0.75 |
| 7 | Bunbury | \$12.70 | +\$0.70 |
| | Regional avg. | \$22.19 | +\$1.92 |

Transport costs by category

Per week

Per household



Servicing and tyres

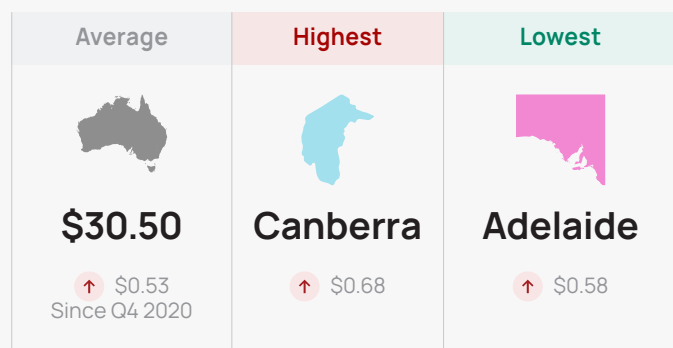
The cost of servicing and tyres increased slightly over the March quarter for both the typical capital city and regional households.

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 \$787 more per year than Adelaide.

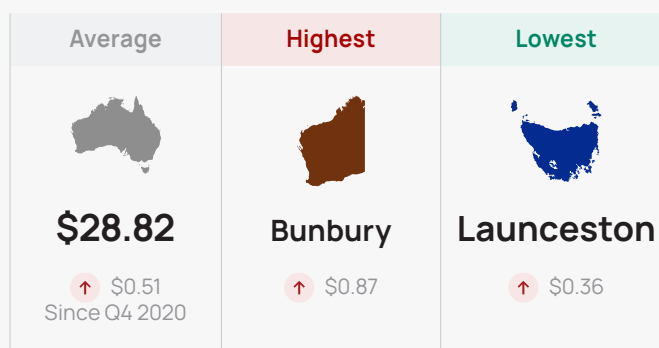
Among the regional locations, the cost of maintaining a car became most expensive in Bunbury and remained cheapest in Launceston, with families in Bunbury paying \$586 more on an annual basis



Capital cities



Regional



Rank

| | | | | | |
|---|---|-----------------|---------------------|----------------|----------------|
| 1 | | Canberra | \$39.91 | +\$0.68 | |
| 2 | ↑ | | Perth | \$31.99 | +\$0.82 |
| 3 | ↓ | | Melbourne | \$31.76 | +\$0.34 |
| 4 | | | Darwin | \$31.19 | +\$0.34 |
| 5 | | | Sydney | \$30.69 | +\$0.83 |
| 6 | | | Hobart | \$28.78 | +\$0.37 |
| 7 | | | Brisbane | \$24.92 | +\$0.27 |
| 8 | | | Adelaide | \$24.78 | +\$0.58 |
| | | | Capital avg. | \$30.50 | +\$0.53 |

Rank

| | | | | | |
|---|---|--|----------------------|---------|----------------|
| 1 | ↑ | | Bunbury | \$34.54 | +\$0.87 |
| 2 | ↓ | | Alice Springs | \$34.46 | +\$0.34 |
| 3 | | | Geelong | \$30.42 | +\$0.34 |
| 4 | | | Wagga Wagga | \$28.78 | +\$0.79 |
| 5 | | | Townsville | \$25.40 | +\$0.27 |
| 6 | | | Mount Gambier | \$24.87 | +\$0.58 |
| 7 | | | Launceston | \$23.27 | +\$0.36 |
| | | | Regional avg. | \$28.82 | +\$0.51 |



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 11.2 cents to 133.5 cents per litre, costing the typical city household \$289 more per year. Sydney remained the capital city with the highest fuel expenditure; its average petrol price was up 10.9 cents to 139.8 cents per litre in the March quarter. Darwin became the city with the lowest fuel prices and expenditure, paying 126.2 cents per litre, up 9.8 cents from the December quarter.




Averaged across the regions, the cost of petrol increased by 10.4 cents to 129.7 cents per litre. Alice Springs remained the centre with the highest prices at 138.3 cents per litre while Mount Gambier became the cheapest at 12.3 cents per litre. The typical household in Bunbury continued to have the highest fuel expenditure among the regional centres, at \$4,345 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 \$2,351 per year because its residents typically drive less.






Capital cities



Regional

| Average | Highest | Lowest |
|--|--|--|
|  \$67.38 ↑ \$5.56 Since Q4 2020 |  Sydney ↑ \$5.40 |  Darwin ↑ \$4.82 |

| Average | Highest | Lowest |
|--|---|---|
|  \$68.76 ↑ \$5.38 Since Q4 2020 |  Bunbury ↑ \$7.94 |  Wagga Wagga ↑ \$2.91 |

| Rank | City | Price | Change |
|------|--------------|---------|---------|
| 1 | Sydney | \$70.10 | +\$5.40 |
| 2 | Brisbane | \$68.71 | +\$5.17 |
| 3 | Melbourne | \$68.58 | +\$4.83 |
| 4 | Hobart | \$68.29 | +\$4.49 |
| 5 | Adelaide | \$67.17 | +\$9.24 |
| 6 | Canberra | \$66.51 | +\$4.62 |
| 7 | Perth | \$65.96 | +\$5.88 |
| 8 | Darwin | \$63.74 | +\$4.82 |
| | Capital avg. | \$67.38 | +\$5.56 |

| Rank | Region | Price | Change |
|------|---------------|---------|---------|
| 1 | Bunbury | \$83.57 | +\$7.94 |
| 2 | Geelong | \$80.03 | +\$8.63 |
| 3 | Launceston | \$75.99 | +\$3.58 |
| 4 | Alice Springs | \$72.60 | +\$4.41 |
| 5 | Mount Gambier | \$70.87 | +\$4.22 |
| 6 | Townsville | \$53.05 | +\$5.97 |
| 7 | Wagga Wagga | \$45.21 | +\$2.91 |
| | Regional avg. | \$68.76 | +\$5.38 |

Transport costs by category

Per week

Per household



Public transport

The cost of public transport remained unchanged across all cities in the March quarter. With the lowest expenditure, the typical Darwin household spends \$42.10 per week (\$2,189 per year) less on public transport costs than its equivalent household in Perth, which has the highest cost.



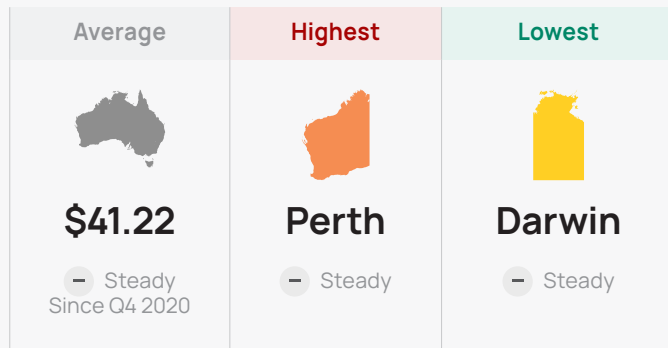
Toll roads

Only three Australian cities – Sydney, Melbourne and Brisbane – use toll roads. Costs increased by \$54 per year in Sydney and increased \$31 in Melbourne due to scheduled quarterly price adjustments.

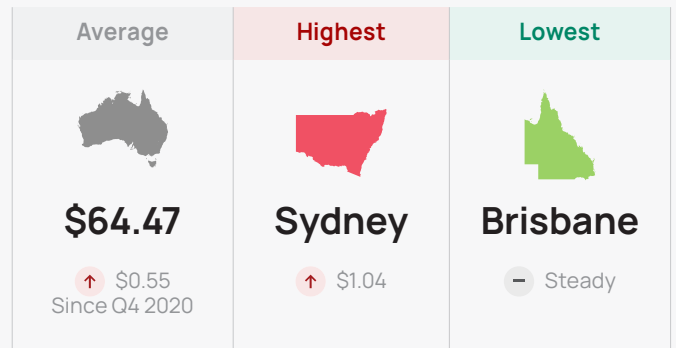
The typical Sydney household continues to incur the greatest costs for toll roads, while Brisbane remained as the one with the lowest toll costs. The typical Brisbane household spends \$34.20 per week (or \$1,778 per year) less on tolls than the one in Sydney.



Capital cities






Capital cities



Rank

| | | | | |
|---|---|---------------------|---------|---|
| 1 |  | Perth | \$62.10 | - |
| 2 |  | Brisbane | \$56.52 | - |
| 3 |  | Sydney | \$50.00 | - |
| 4 |  | Melbourne | \$45.00 | - |
| 5 |  | Adelaide | \$38.40 | - |
| 6 |  | Canberra | \$29.72 | - |
| 7 |  | Hobart | \$28.00 | - |
| 8 |  | Darwin | \$20.00 | - |
| |  | Capital avg. | \$41.22 | - |

Rank

| | | | | |
|---|---|------------------|---------|----------|
| 1 |  | Sydney | \$87.00 | + \$1.04 |
| 2 |  | Melbourne | \$53.60 | + \$0.60 |
| 3 |  | Brisbane | \$52.80 | - |
| | | Avg. | \$64.47 | + \$0.55 |



Explore the interactive data

DATA.AAA.ASN.AU →

Transport costs by category

Per week

Per household

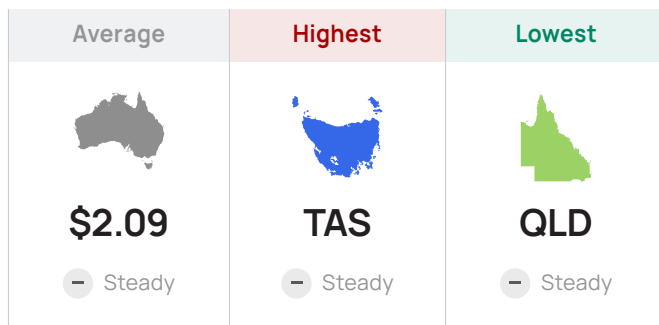


Roadside assistance










The differences between states for roadside assistance costs are not large. Tasmania had the highest ongoing roadside assistance costs at \$118 per year, while Queensland and 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.

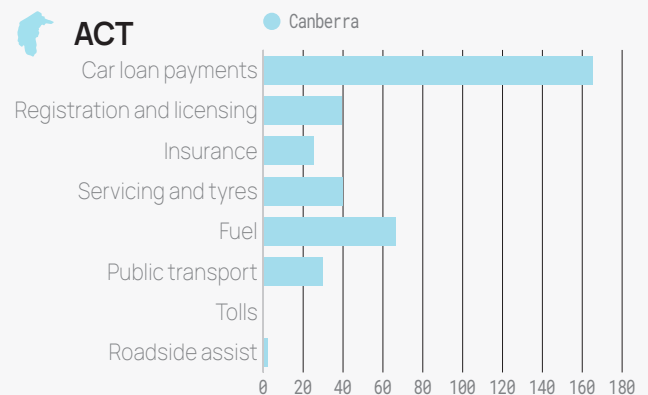
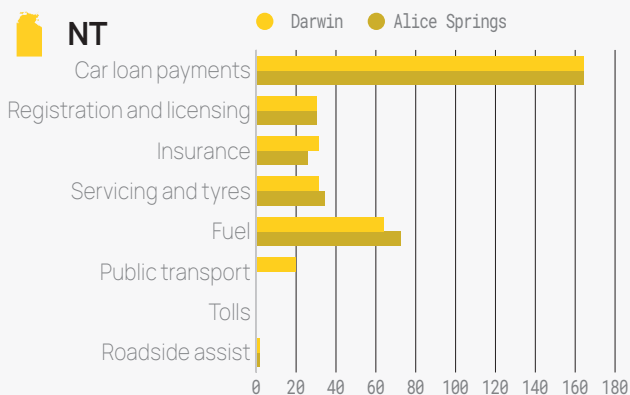
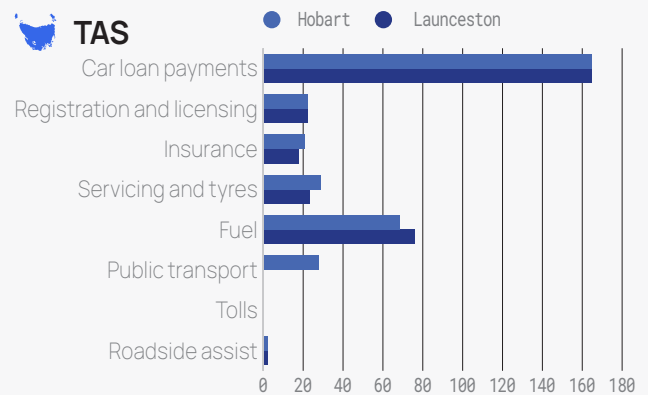
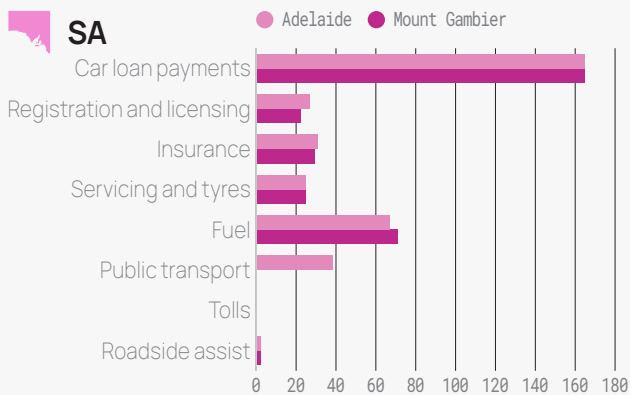
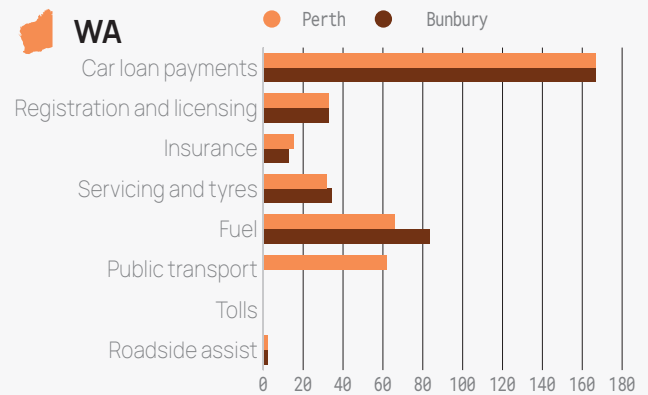
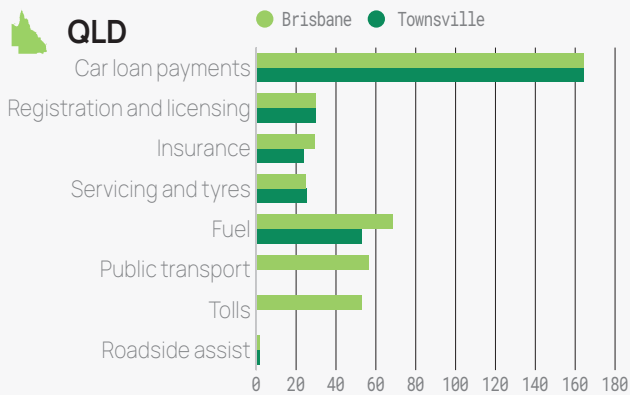
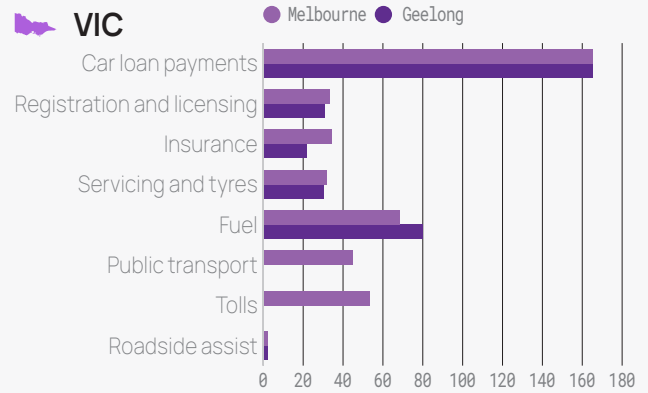
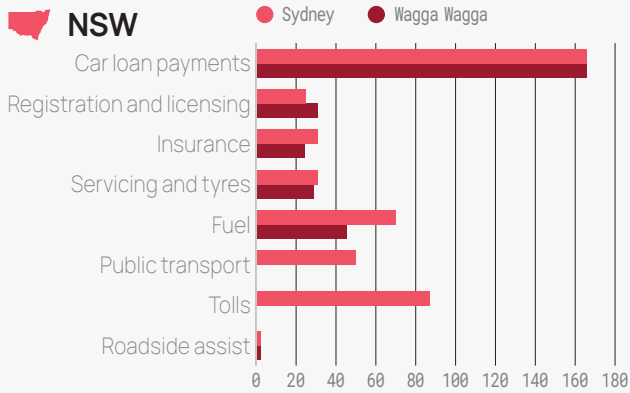


Rank

| | | | |
|---|---|--------|----------------|
| 1 |  TAS | \$2.27 | - |
| 2 |  VIC | \$2.19 | - |
| 3 |  ACT | \$2.17 | - |
| 3 |  NSW | \$2.17 | - |
| 5 |  WA | \$2.10 | - |
| 6 |  SA | \$1.98 | +\$0.04 |
| 7 |  NT | \$1.90 | - |
| 7 |  QLD | \$1.90 | - |
| |  Avg. | \$2.09 | - |

State by state overview

Capital city vs regional centre comparison





NSW weekly transport costs

Per week

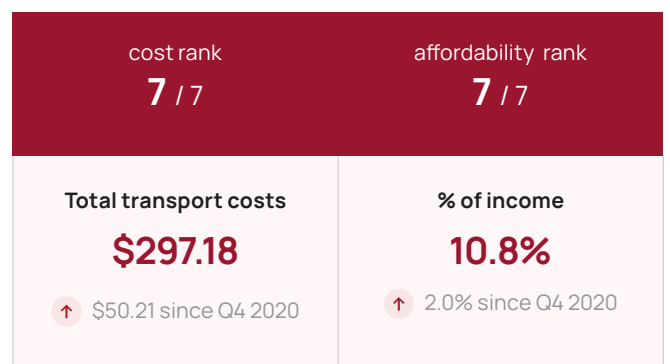
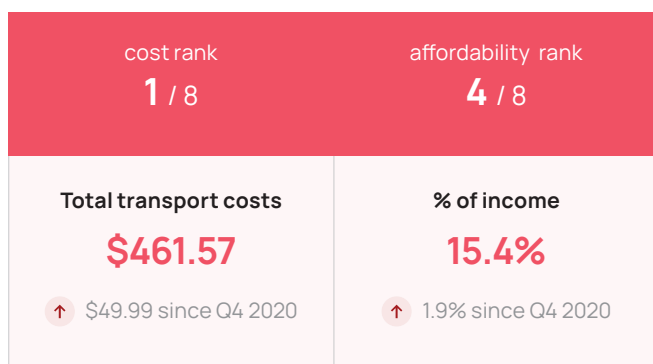
Per household

Sydney

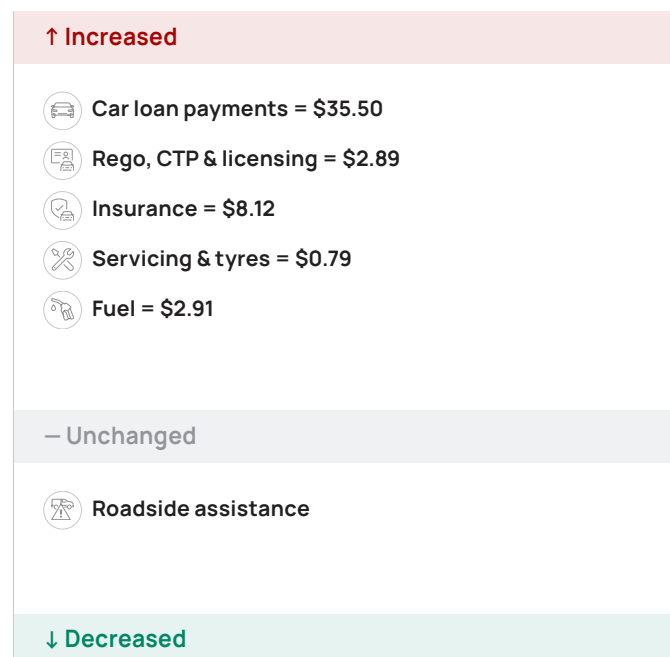
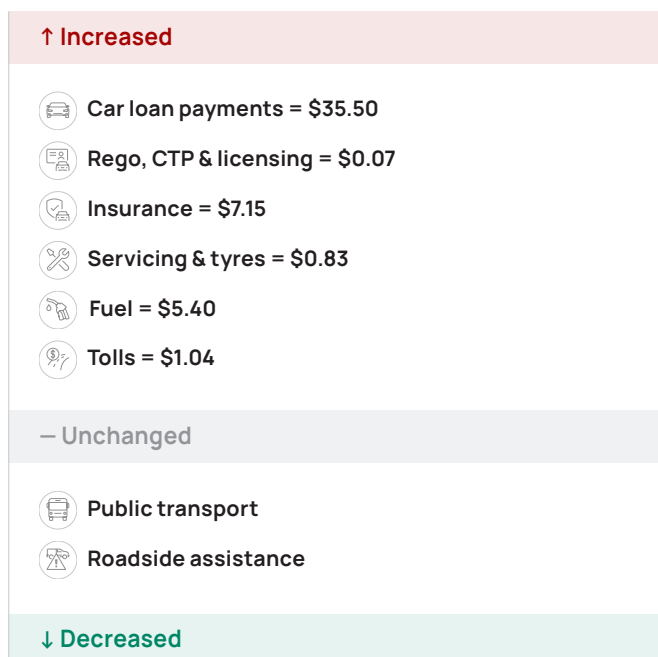
In the March quarter, Sydney transport costs increased by \$2,600 per year and it remained Australia's most expensive city for transport. This was mainly due to higher car loan payments, insurance premiums and fuel expenditure which rose by \$1,846, \$372 and \$281 per year respectively, assuming costs remained constant.

Wagga Wagga

Wagga Wagga remained the benchmark regional centre with the lowest transport costs – both in total cost (at \$15,453 a year) and in terms of the local income-to-cost ratio. Its costs increased by \$2,611 per annum, driven largely by higher car loan payments and insurance premiums which rose by \$1,846 and \$422 per year, respectively.



Changes in transport category costs





Melbourne

Melbourne remained Australia's second most expensive city for transport. The typical household spent the equivalent of \$22,573 a year – an increase of \$2,149 per annum from the previous quarter. This was mostly due to car loan payments and fuel expenditure which rose by \$1,863 and \$251 per annum, respectively.

Geelong

Geelong had yearly transport costs of \$17,197 and remained the regional centre with the second highest costs. It remained the second most affordable regional centre. Geelong's transport costs increased by \$2,396 a year, mostly because of higher car loan payments and fuel expenditure which rose by \$1,863 and \$449 per annum, respectively.

| | |
|--|--|
| cost Rank 2 / 8 | affordability rank 3 / 8 |
| Total transport costs \$434.10 ↑ \$41.32 since Q4 2020 | % of income 15.6% ↑ 1.6% since Q4 2020 |

| | |
|--|--|
| cost rank 2 / 7 | affordability rank 6 / 7 |
| Total transport costs \$330.70 ↑ \$46.07 since Q4 2020 | % of income 12.3% ↑ 1.8% since Q4 2020 |

Changes in transport category costs

↑ Increased

- Car loan payments = \$35.83
- Servicing & tyres = \$0.34
- Fuel = \$4.83
- Tolls = \$0.60

– Unchanged

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

↓ Decreased

- Insurance = \$0.28

↑ Increased

- Car loan payments = \$35.83
- Insurance = \$1.27
- Servicing & tyres = \$0.34
- Fuel = \$8.63

– Unchanged

- Rego, CTP & licensing
- Roadside assistance

↓ Decreased



QLD weekly transport costs

Per week

Per household

Brisbane

Brisbane's typical household had transport costs of \$22,293 a year made it Australia's third highest city for transport costs and second-least affordable capital. Transport costs increased by \$2,158 a year, largely due to higher car loan payments and fuel expenditure, which were up \$1,839 and \$269 a year, respectively.

Townsville

The Townsville typical household's transports costs increased by \$2,194 to \$15,539 a year in the March quarter, considerably less than its Brisbane counterpart. This increase was largely due to higher car loan payments and fuel prices, increasing by \$1,839 and \$311 per year, respectively. Townsville remained the second least expensive and third most affordable regional centre.

| | | | |
|--|--|------------------------------------|--|
| cost rank 3 / 8 | | affordability rank 2 / 8 | |
| Total transport costs \$428.71 | | % of income 17.2% | |
| ↑ \$41.51 since Q4 2020 | | ↑ 1.9% since Q4 2020 | |

| | | | |
|--|--|------------------------------------|--|
| cost rank 6 / 7 | | affordability rank 5 / 7 | |
| Total transport costs \$298.83 | | % of income 12.5% | |
| ↑ \$42.19 since Q4 2020 | | ↑ 1.9% since Q4 2020 | |

Changes in transport category costs

↑ Increased

- Car loan payments = \$35.36
- Insurance = \$0.71
- Servicing & tyres = \$0.27
- Fuel = \$5.17

– Unchanged

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

↓ Decreased

↑ Increased

- Car loan payments = \$35.36
- Insurance = \$0.58
- Servicing & tyres = \$0.27
- Fuel = \$5.97

– Unchanged

- Rego, CTP & licensing
- Roadside assistance

↓ Decreased



SA weekly transport costs

Per week

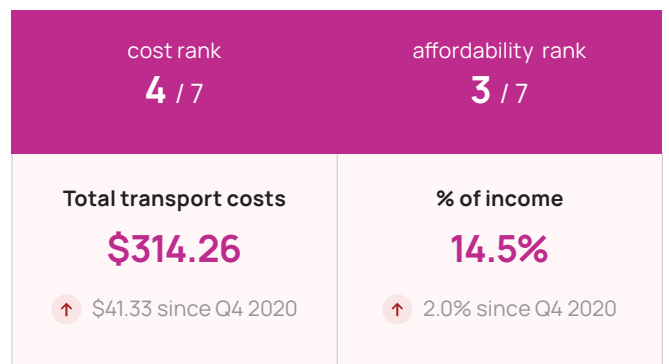
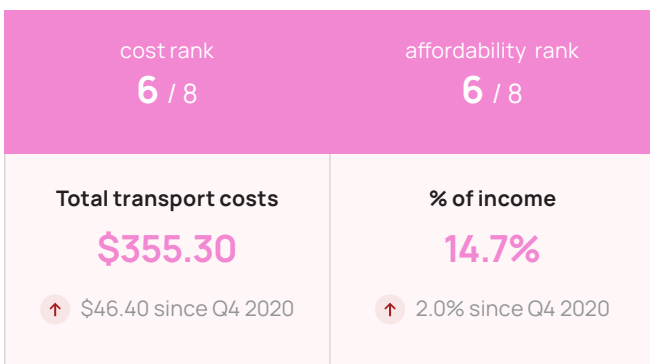
Per household

Adelaide

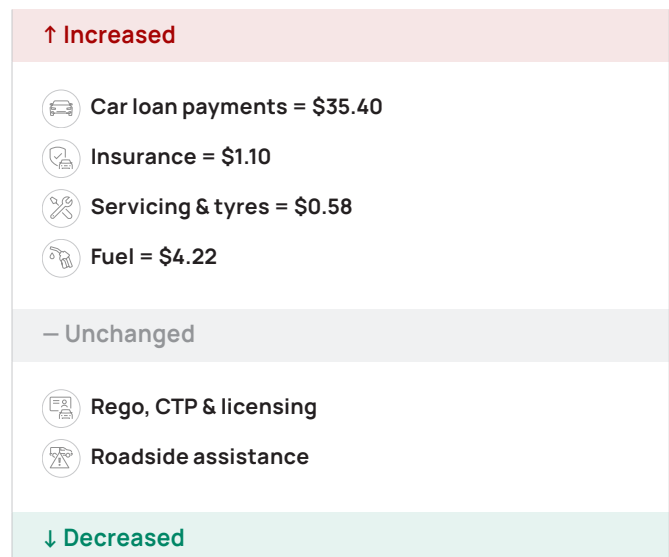
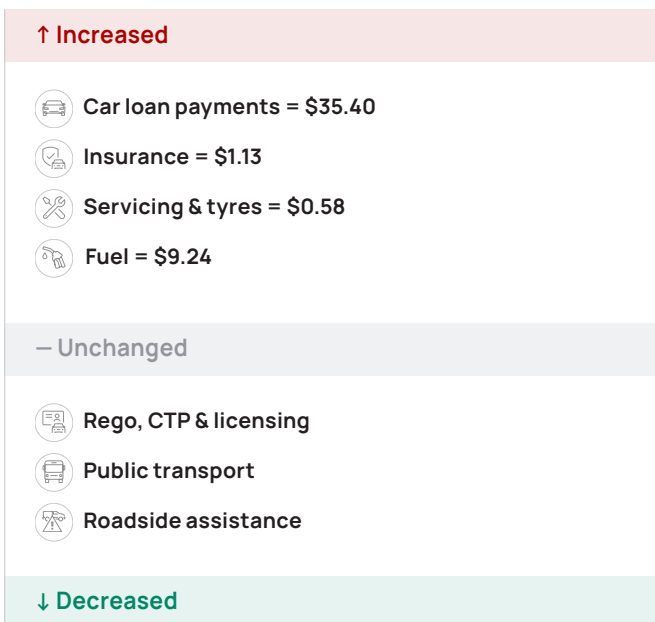
Adelaide's household transport costs rose by \$2,413 to \$18,476 per annum. This increase was mainly due to higher car loan payments (up by \$1,841 per year) and fuel expenditure (up by \$481 per year).

Mount Gambier

Mount Gambier's typical household spent \$16,341 per year on transport – an increase of \$2,149 from the previous quarter. This increase was mainly due to higher car loan payments (up by \$1,841 per year) and fuel expenditure (up by \$219 per year).



Changes in transport category costs





WA weekly transport costs

Per week

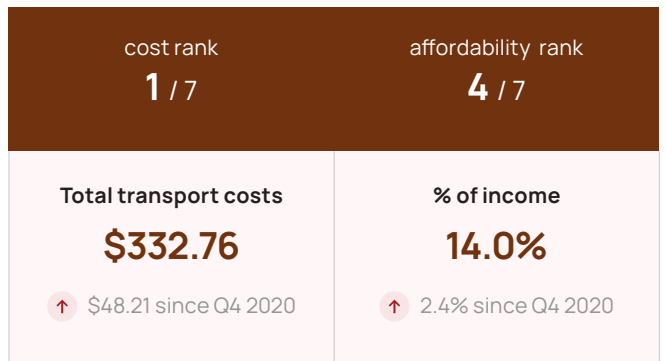
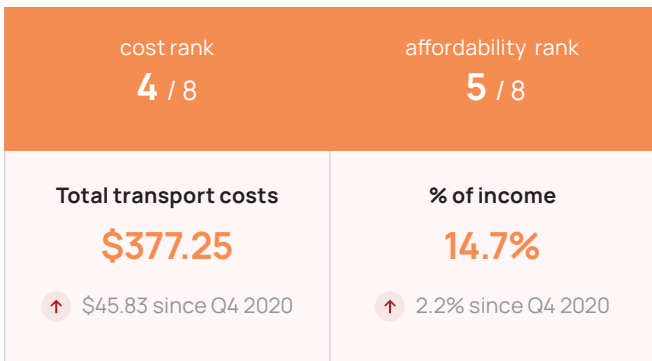
Per household

Perth

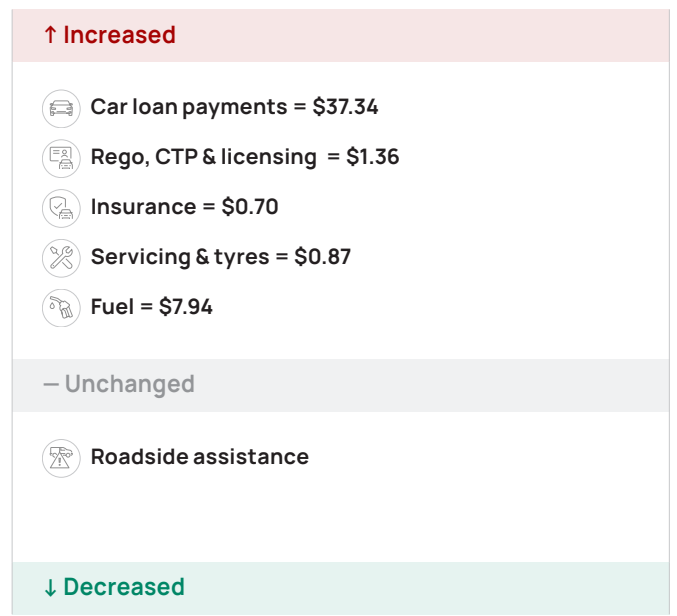
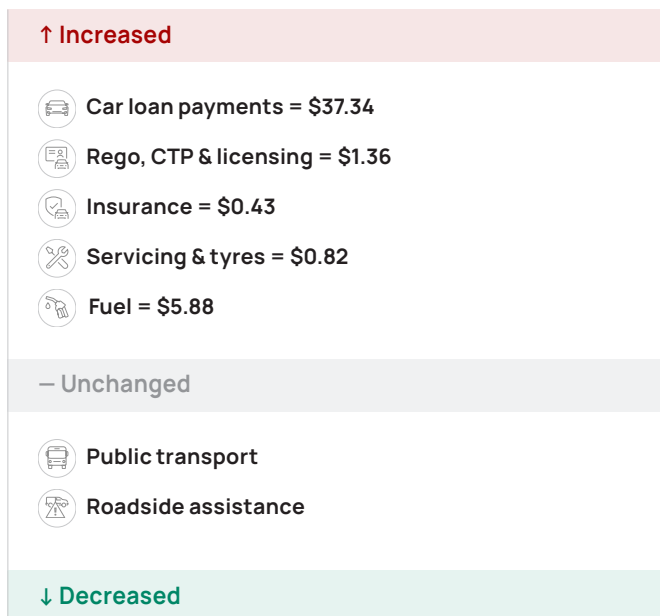
In the March quarter, Perth's typical household saw an increase in transport costs of \$2,383 to \$19,617 per annum. This increase was mainly due to car loan payments and fuel expenditure, which were up by \$1,942 and \$306 per year, respectively.

Bunbury

Bunbury's typical household transport costs rose by \$2,507 to \$17,304 per annum. The overall increase was driven by rises in car loan payments and fuel prices, where expenditure rose by \$1,942 and \$413 per annum, respectively. Bunbury replaced Alice Springs as the regional centre with the highest transport costs.



Changes in transport category costs





TAS weekly transport costs

Per week

Per household

Hobart

Hobart's typical household spent \$17,451 per year on transport – an increase of \$2,122 from the previous quarter. This was mainly due to higher car loan payments (up by \$1,838 per annum) and fuel expenditure (up by \$234 per annum). 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 \$15,941 a year – an increase of \$2,082 per annum. This was mainly due to higher car loan payments (up by \$1,838 per annum) and fuel expenditure (up by \$186 per annum). Launceston remained the least affordable regional centre for transport. Launceston became less affordable than Hobart – one of only two regional centres where transport costs were less affordable than its city counterpart.

| | | | |
|--|--|------------------------------------|--|
| cost rank 8 / 8 | | affordability rank 1 / 8 | |
| Total transport costs \$335.60 | | % of income 17.6% | |
| ↑ \$40.80 since Q4 2020 | | ↑ 2.2% since Q4 2020 | |

| | | | |
|--|--|------------------------------------|--|
| cost rank 5 / 7 | | affordability rank 1 / 7 | |
| Total transport costs \$306.55 | | % of income 17.8% | |
| ↑ \$40.04 since Q4 2020 | | ↑ 2.3% since Q4 2020 | |

Changes in transport category costs

↑ Increased

- Car loan payments = \$35.35
- Insurance = \$0.59
- Servicing & tyres = \$0.37
- Fuel = \$4.49

– Unchanged

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

↓ Decreased

↑ Increased

- Car loan payments = \$35.35
- Insurance = \$0.75
- Servicing & tyres = \$0.36
- Fuel = \$3.58

– Unchanged

- Rego, CTP & licensing
- Roadside assistance

↓ Decreased



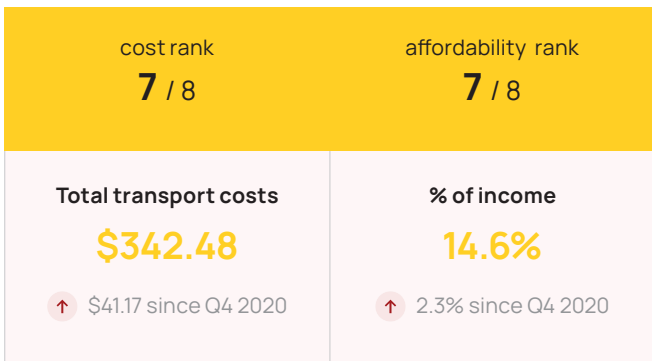
NT weekly transport costs

Per week

Per household

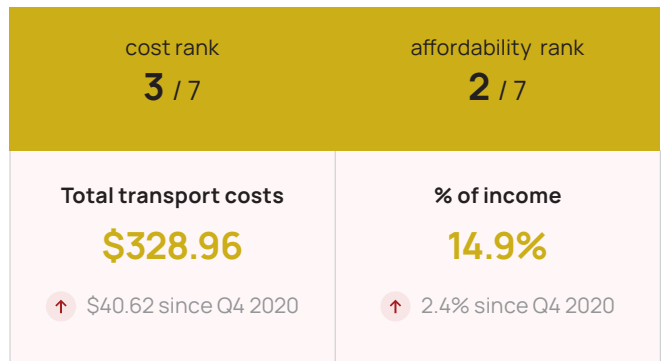
Darwin

Darwin's typical household spent \$17,809 a year on transport, an increase of \$2,141 from the previous quarter. This was due largely to higher car loan payments, which were up by \$1,818 per annum and higher fuel expenditure which was up by \$250 per annum. Darwin remained the second most affordable capital city as well as the one with the second lowest transport costs.

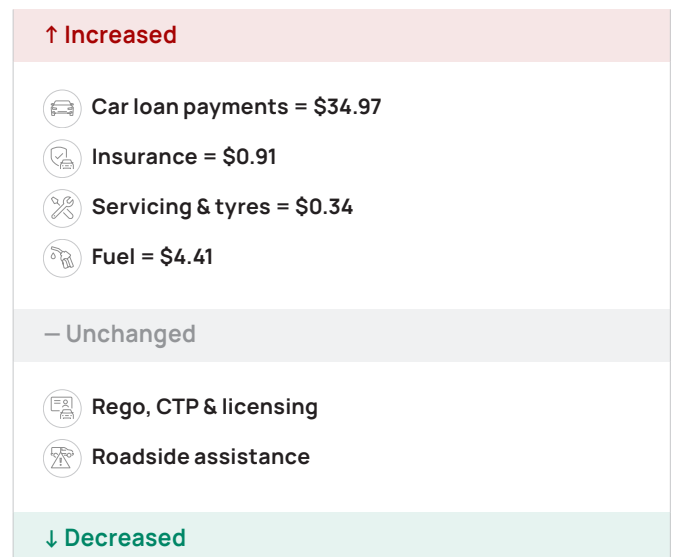
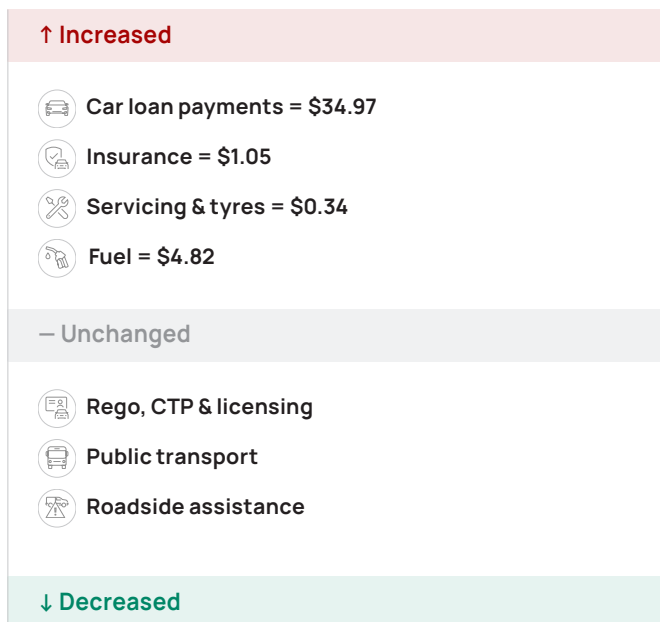


Alice Springs

Alice Springs was the regional centre with the highest transport costs – which equate to \$17,106 a year, \$2,112 higher than the previous quarter – and one of only two regional centres where transport costs were less affordable than its city counterpart. This quarterly increase was largely due to higher car loan payments (up by \$1,818 per annum) and fuel expenditure (up by \$229 per annum).



Changes in transport category costs





ACT weekly transport costs

Per week

Per household

Canberra

Canberra's typical household spent \$19,152 per annum on transport, which was \$2,496 more than recorded in the previous quarter. This increase was largely driven by higher car loan payments which rose by \$1,854 per year. Canberra's high median income made it the most affordable city in the March quarter.

| | |
|--|--|
| cost rank 5 / 8 | affordability rank 8 / 8 |
| Total transport costs \$368.31 ↑ \$48.03 since Q4 2020 | % of income 13.1% ↑ 2.0% since Q4 2020 |

Changes in transport category costs

| |
|--------------------------------|
| ↑ Increased |
| Car loan payments = \$35.64 |
| Rego, CTP & licensing = \$3.15 |
| Insurance = \$3.94 |
| Servicing & tyres = \$0.68 |
| Fuel = \$4.62 |
| – Unchanged |
| Public transport |
| Roadside assistance |
| ↓ Decreased |

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>

