

# FACT SHEET

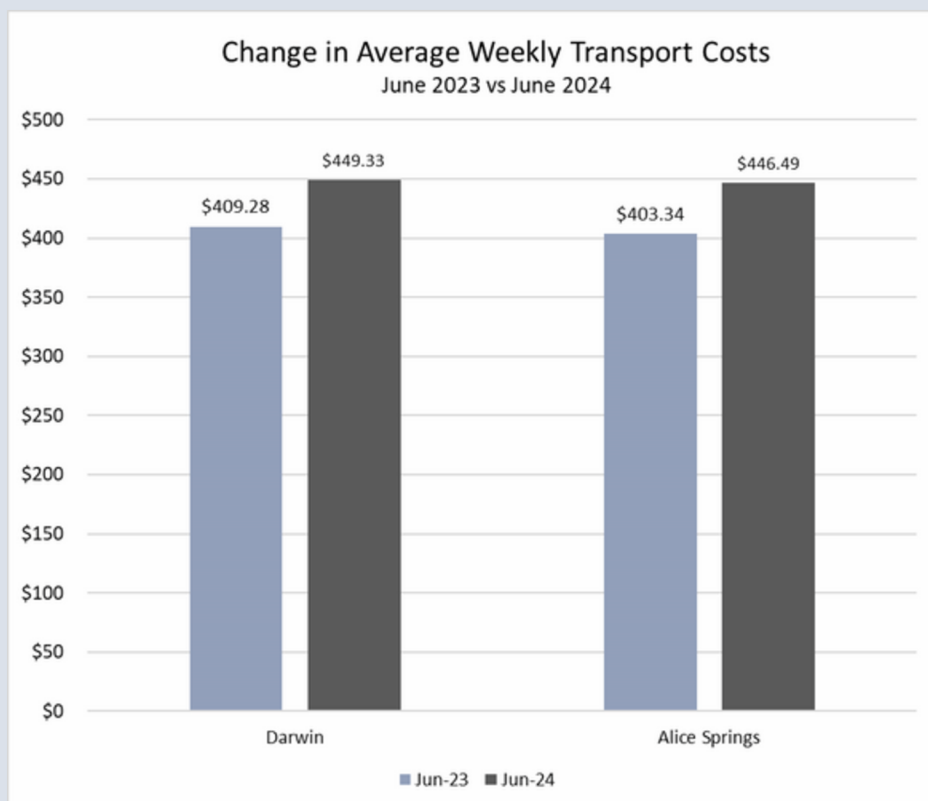
## Cost of Transport in the Northern Territory

Transport is a vital part of everyday life for all Territorians. As transport costs continue to increase and take up a larger proportion of a household's income, the ability of Territory households to cover other basic costs is impacted.



Transport costs are a significant part of household budgets. The Transport Affordability Index estimates that in June 2024, an average household in Darwin spends 17.8% of their weekly income on transport. For a household in Alice Springs this proportion is 18.8%. For both cities, the proportion of weekly income spent on transport has increased by just over 2%, compared to June 2023.

Note: These proportions are based on a hypothetical household with two adults working full time and a total weekly income of \$2524.32 (Darwin) and \$2374.95 (Alice Springs).



[Reference 1]

The Transport Affordability Index shows that as at June 2024, Alice Springs remains Australia's most expensive regional city, of those surveyed.

Between June 2023 and June 2024, average weekly transport costs have risen by 10.7% in Alice Springs, and 9.8% in Darwin.

The Index compiles a number of transport related costs, for both private and public transport usage. For both locations, the highest increases over this period were seen in car loan payments, car insurance, and roadside assistance.

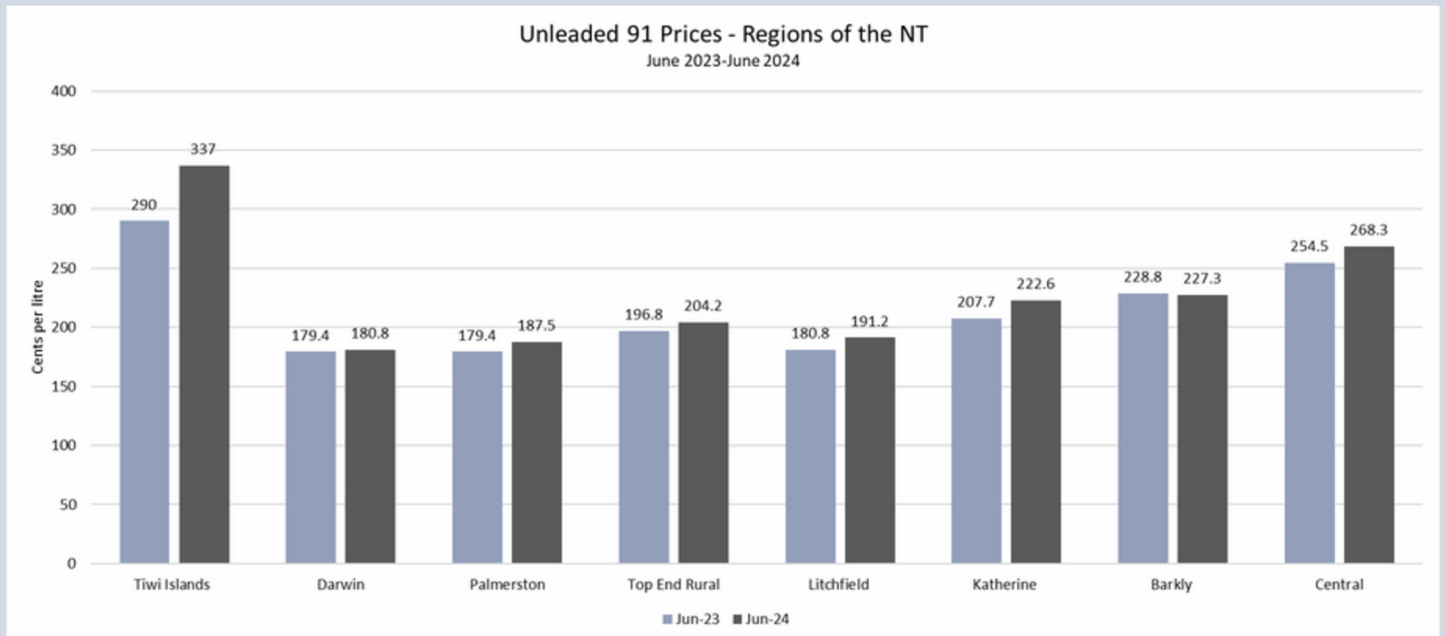
Inflation for transport costs in Darwin has been higher than the national average for a long time. Over a ten-year period to June 2024, the consumer price index (CPI) for transport was 30% in Darwin, compared to 27.6% nationally. Over the past two years, June 2022 - June 2024, the rate of growth has slowed and CPI for Darwin has been below the national rate at 4.1% compared to 6.3% nationally.

[Reference 2]

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## Cost of Transport in the Northern Territory

Those living outside of the major centres are disproportionately affected by high fuel costs.

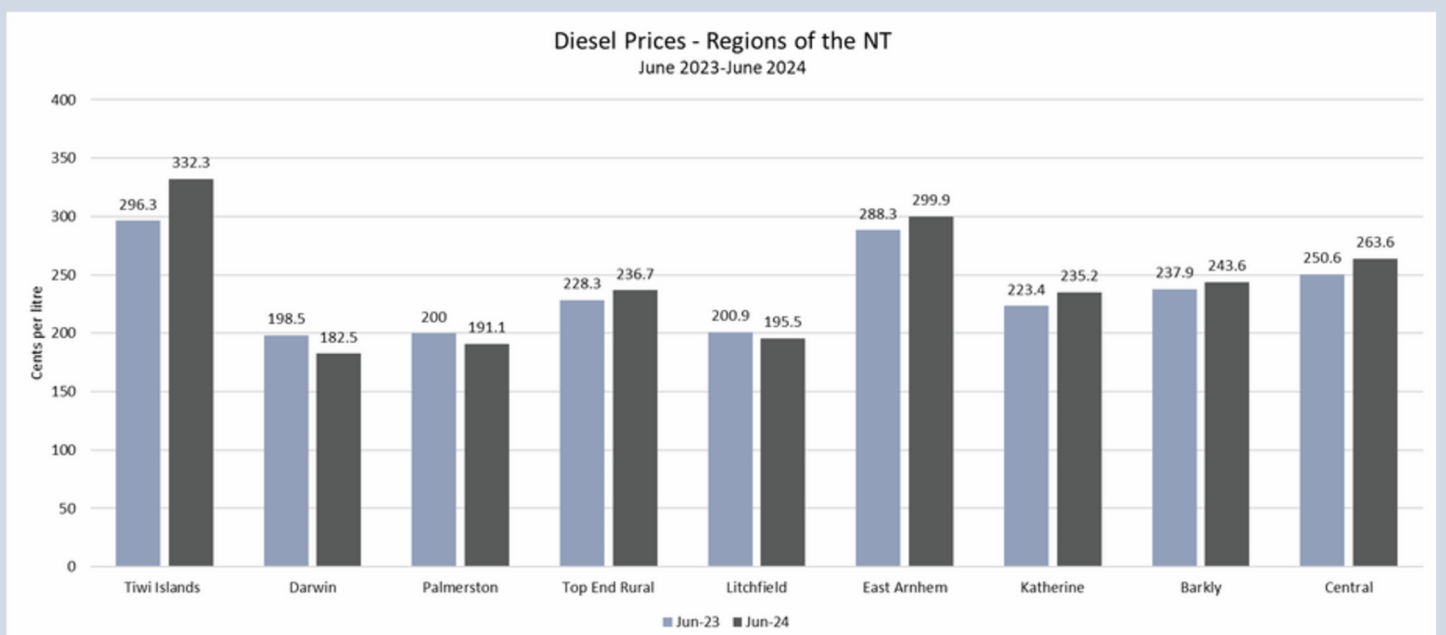


Note: Unleaded 91 prices are not available for East Arnhem due to the use of low aromatic fuel. Prices listed are as advertised at the pump and as reported by MyFuel NT. [Reference 3]



Prices on the Tiwi Islands for both unleaded petrol and diesel are almost double the prices in Darwin.

The Tiwi Islands have often been the most expensive region in the NT for fuel, however in the past year to June 2024 the prices have jumped significantly to well over \$3 per litre, a 12.1% increase for diesel and 16.2% for unleaded petrol, since June 2023.



[Reference 4]

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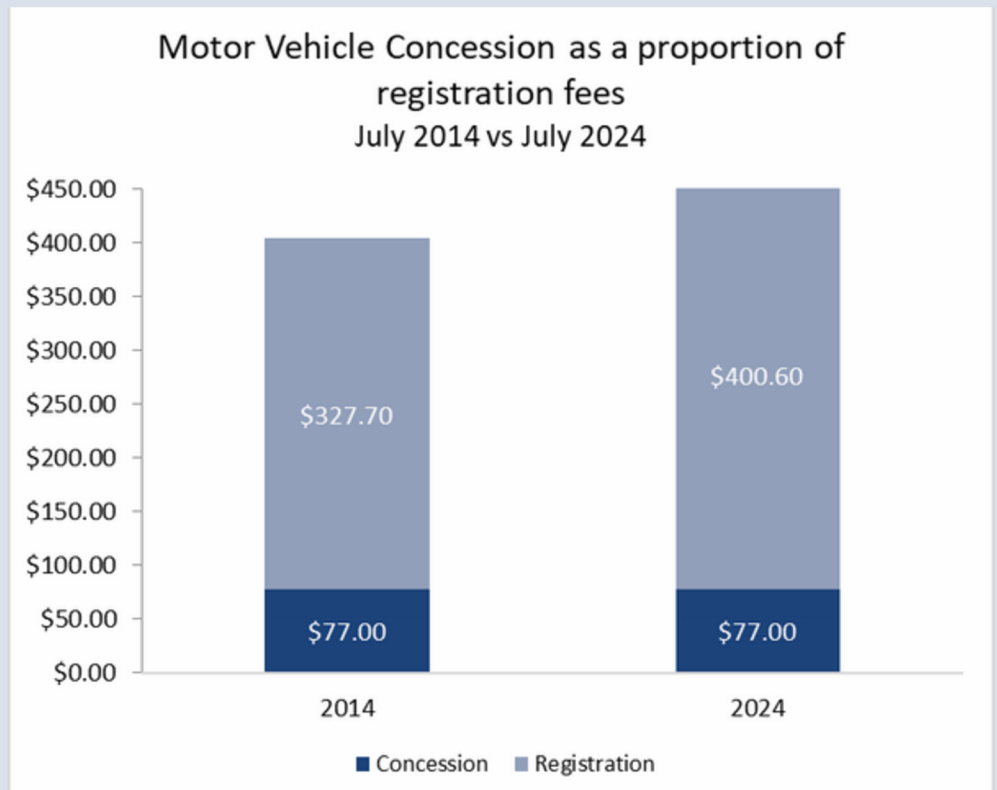
## Cost of Transport in the Northern Territory

Registration costs are a significant part of owning a car, especially for low-income households.

The Motor Vehicle Concession is available to people eligible for the NT Concession Scheme to assist in paying for registration costs. It has not increased since 2009 and is a set amount of up to \$154 per year (\$77 for six months).

In the past decade, the value of this concession has diminished significantly. In 2014, it represented 23.5% of the registration cost for a small vehicle, in 2024 it is only 19.2%.

Note: There is a commitment to freeze registration costs for 12-months by the new NT Government. There is no indication that it will impact concessions.



Note: these figures are based on 6-months registration for a small 4-cylinder vehicle with 1001-1500cc engine size. [Reference 5]

If you cannot pay upfront for 12 months of car registration, you end up paying more in the long run. In this case study, Person A and B both own a small car\* and work full time earning minimum wage of \$812.60 per week.

\*a small 4-cylinder vehicle with 1001-1500cc engine size.

**Person A**



Spends almost a full week's wages and pays their registration upfront for 12 months.

**Total cost over 12 months: \$786.25**

**Person B**



Pays their registration monthly to spread out the cost and help their weekly budgeting.

Monthly cost: \$79.25

**Total cost over 12 months: \$951**

Over a year, Person B has paid **\$164.75** more than Person A.

[Reference 5]

## Recommendations

### For the Federal Government:

- Raise the base rate of Job Seeker and other working age income support payments to at least \$82 a day, to support people to afford the basic costs of living.
- Increase the Remote Area Allowance for those on income support payments to appropriately account for the higher cost of living in remote areas and set appropriate ongoing indexing arrangements.

### For the NT Government:

- Increase the NT Motor Vehicle Concession to appropriately make up for deteriorated value and establish yearly indexation.
- Remove the excessive administration fees on short-term motor vehicle registration.
- Expand the NT Concession Scheme so all Centrelink Health Care Card holders can receive Motor Vehicle Registration concessions.
- Establish Health Care Card concession rates for users of remote bus services and ensure consistency of bus fare structures across different services.
- Conduct a review into regional and remote public transport networks.

## References

1. Australian Automobile Association (AAA) and SGS Economics and Planning (SFS) 2023, Transport Affordability Index, Report Quarter 2 2023, Released Aug 2023, Canberra ACT, p. 6-7, 10-18, 26; AAA and SFS 2024, Transport Affordability Index, Report Quarter 2 2024, Released Aug 2024, Canberra ACT, p. 6-18, 26.
2. Australian Bureau of Statistics (ABS) 2024, Consumer Price Index, Australia, June 2024, Table 11, CPI: Group, Sub-group and Expenditure Class, Percentage change from previous year by Capital City, Australian Bureau of Statistics, Canberra, ACT, Data Tables 4-6.
3. Northern Territory (NT) Government 2024, My Fuel NT Website; Northern Territory (NT) Government 2023, My Fuel NT Website.
4. As above.
5. Northern Territory Government 2014, Motor Vehicle Registry Light Vehicle Registration Fees 2014 (From 1 July), Department of Infrastructure, Planning and Logistics, Darwin, NT.; Northern Territory Government 2024, Motor Vehicle Registry Light Vehicle Registration Fees 2024 (From 1 July), Department of Infrastructure, Planning and Logistics, Darwin, NT.; Northern Territory Government, 2024 NT Concession Scheme and NT Seniors Recognition Scheme Website.
6. Northern Territory Government 2024, Motor Vehicle Registry Light Vehicle Registration Fees 2024 (From 1 July), Department of Infrastructure, Planning and Logistics, Darwin, NT.; Northern Territory Government, 2024.