

Petrol Prices and impacts on different household budgets

With recent Federal Budget debate in the media focusing on petrol prices and the impact of petrol excise duties, SACOSS went back to the definitive ABS data in the *Household Expenditure Survey* to identify who would be most impacted by petrol price rises.

Expenditure on motor vehicle fuel & lubricants by Income Quintile, Australia

Income Quintile	H/hold Expenditure June 2014 \$ per week	% of household consumption expenditure
Lowest	\$26.17	3.70
Second	\$43.91	4.26
Third	\$64.87	4.38
Fourth	\$79.96	4.27
Highest	\$107.90	3.95
All Households	\$65.54	4.13

Source: ABS HES 2009-10, Table 3A, indexed by SACOSS using CPI Automotive Fuel Index.

Clearly, those on higher incomes spend more on petrol in absolute terms than other households, but price increases will impact more on middle income households where fuel accounts for a greater proportion of their weekly budget.

The lowest income quintile spends on average less on fuel in both absolute and proportionate terms, but this is likely due to the over-representation of aged pensioners in this category as they spend markedly less on petrol. Household expenditure by other categories of income support recipients tells a different story.

Expenditure on motor vehicle fuel & lubricants by Allowance Type, Australia

Payment Type	H/hold Expenditure June 2014 \$ per week	% of household consumption expenditure
Age Pension	\$28.35	3.97
Disability and Carer Payment	\$38.73	4.21
Unemployment and Study Payment	\$42.12	4.67
Family Support Payments	\$45.70	4.33

Source: ABS HES 2009-10, Table 11A, indexed by SACOSS using CPI Automotive Fuel Index.

The most alarming figure here is that **households whose primary source of income is Newstart or youth/study allowances spend proportionately more on petrol than any other household type**. This is in part due to low overall incomes, and possibly also because most Australian public transport systems are designed primarily to get people to work in the city and are far less useful for other purposes.

South Australian households spend less than the national average on petrol (\$55.35pw), but as a proportion of the household budget it is slightly more: 4.18% of consumption.