

# Podcast 26 – Owning a Car in Australia

Learn English while learning about daily life in Australia, with Rob McCormack

## *Podcast Number 26 – Owning a Car in Australia*

Hi,

Getting around in Australia is important. It's a big place after all. In previous podcasts I have talked about using Melbourne's trains and trams. But most people in Australia use private vehicles, such as cars or motorcycles. The fact is, Governments over the years have spent more money on roads than they have on public transport like trains or trams. That's because Australians like to have the freedom of driving their own vehicle.

In 2011, 50% of Australian households had 2 or more cars. That shows you how much we love our cars. In 2011, nearly 66% of all working Australians went to work in a car. Only about 10% took public transport such as a train, a tram, a bus or a ferry to get to work. So you can see, we really do love our cars here in Australia.

So how much does it cost to own a car in Australia? Well, it costs quite a bit. Let's talk about, say, a small four cylinder car such as a Ford Focus. Let's assume that you bought it new.



The RACV, our local motoring organization here in Victoria, has estimated how much it would cost to buy and run the Ford Focus over a 5 year period. The cost breakdown goes like this:

1. The cost of the vehicle is around \$22,000.
2. The on-road costs are around \$3,000. These costs are paid in addition to the price when you buy the car.

The on-road costs have four parts. The first is the dealer delivery fee. The dealer who sells you the car charges you a fee to prepare the car for sale. This covers things like cleaning the car and ensuring everything is working correctly. The dealer delivery fee can be as high as \$1,500. Usually, people buying a new car try to negotiate with the dealer for a smaller delivery fee.

The second part of the on-road cost is the government stamp duty. This is a duty or tax paid to the State Government. In Victoria, the stamp duty is 3% of the car's price for cars costing up to \$60,300 and 5% for

cars costing more than \$60,300. For example, the stamp duty on the new Ford Focus would be around \$750.

The third part of the on-road cost is the cost of the number plates, which is \$32.80.

The registration is the final part of the on-road cost and that would be \$712 for a Ford Focus.

So that's all up about \$3,000 for the on-road costs. So actually, the price of our new car is not \$22,000, it's around \$25,000.

3. Loan payment interest is about \$1,000 every year. That's because most people get a bank loan to pay for the car and you must pay interest at around 10% per annum.
4. Costs for registration, third party insurance and your driver's licence are around \$2,000. This is an ongoing cost and must be paid every year.
5. Running costs are around \$2,500 every year. This includes the cost of fuel, new tyres every 3 or 4 years and the cost of servicing the car regularly to make sure it keeps running well. Most Australians travel around 15,000 km per year so keeping the car in good condition is important, otherwise it will soon break down and cost you even more money.



All of this adds up to quite a bit as you can see. The RACV estimates that these costs, together with the costs of depreciation, equal about 55c for every kilometre that you drive, or around \$160 every week. That's a lot of train fares and bus fares. But I guess people just love the freedom of having their own car. You can leave when you want, go just about anywhere and you will be warm, dry and safe. In addition, you can use your car on weekends and on holidays to visit places and do things that you love to do. I must admit that I have owned cars since I was 18 years old and I think I'll always have a car.

(For more information about the costs of running a car, see [http://www.racv.com.au/wps/wcm/connect/racv/Internet/Primary/my+car/advice+\\_+information/vehicle+operating+costs](http://www.racv.com.au/wps/wcm/connect/racv/Internet/Primary/my+car/advice+_+information/vehicle+operating+costs)).

Of course, many people don't buy new cars. They buy second hand cars.



This can cut the cost down quite a bit. For example, you can buy a good quality Ford Focus 2008 model, with say 70,000 km on the odometer, for around \$10,000, a saving of about \$12,000. That cuts the cost of the interest you must pay, reduces the stamp duty and removes the dealer delivery fee. But all the other costs stay the same.

I also own a motorbike. One of the things I like about it is the small amount of petrol it uses. It does have a large motor of 1.3 litres, but it still travels around 17 kilometres on every litre of fuel. My car goes about half as far on a litre of fuel. So my motorcycle saves me a lot on my fuel costs. That's one reason why I ride my motorcycle everywhere I can. The other reason, and the main reason, is that I just enjoy riding it so much, even if it can get a little wet in the rain. But I admit, not even the rain stops me riding my motorcycle. Maybe that's a topic for another podcast.



If you have a question or a comment to make, please leave it by clicking the comments link at the top of this story. You can leave your comment in English or in any language and I will translate it. Or, you can send me an email at [rob@slowenglish.info](mailto:rob@slowenglish.info). I would love to hear from you. Tell me where you live, a little bit about yourself and what you think of my Slow English podcast. Perhaps you could suggest a topic for a future podcast. If you would like to take a short quiz to see if you have understood this podcast, you will also find it on my website. Goodbye until next time.

Rob

## PODCAST 26 QUIZ

Start

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True or False? - Most Australians go to work in a car.

True

False

Prev

Next

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True or False? - It is quite cheap to own a car in Australia.

True

False

Prev

Next

3 / 10

True or False? - The government stamp duty for a new car is not part of the on-road costs.

True

False

Prev

Next

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True or False? - The number plates are the cheapest part of the on-road costs.

True

False

Prev

Next

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True or False? - If you get a bank loan to buy a new car, you must pay interest of about \$3,000.

True

False

Prev

Next

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True or False? - Running costs include the cost of registration.

True

False

Prev

Next

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True or False? - When you add depreciation to all the other costs, it costs around \$160 per week to run a Ford Focus over 5 years.

True

False

Prev

Next

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True or False? - It is cheaper to catch a train or a bus, but Australians like the freedom which their car gives them.

True

False

Prev

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True or False? - Rob has owned motorcycles since he was 18 years old.

True

False

Prev

Next

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True or False? - The main reason Rob likes his motorcycle, is because it saves him a lot on fuel costs.

True

False

Prev

See Result

Your score is

The average score is 60%

## Vocabulary

admit = to agree

break down = when you split something into its parts

cylinder = a round tube. The engine of a car has cylinders to make it run

dealer = a company which sells cars

delivery = when something you have bought is given to you

depreciation = a measure of how much a car or other asset is losing its value over time, as it wears out

duty = a fee you pay to the government

ensuring = to make sure it happens

estimated = to guess

ferry = a boat which carries people from one place to another for a fee. Usually over a short distance

freedom = when you can do what you want to

fuel = used to make an engine go. Also called petrol (in Australia/UK) or gas (in US)

good condition = when something is not broken and does not need to be fixed

household = a family living in one house

in addition = as well as

interest = the fee that you pay in order to have a loan from a bank

licence = a licence shows that you are allowed to drive a car

loan = when a bank gives you some money so that you can buy something. You must pay it back, together with a fee

motorbike = motorcycle

motoring organization = a company formed by motorists, in order to improve things for motorists

negotiate = to talk about what price you will pay, so that you can get a lower price

number plates = small strips of metal which shows the registration number of your car. They are put on the front and back of your car

odometer = the part of the car which tells you how far you have travelled

per annum = per year

petrol = the liquid used to make an engine work. Also called gas (in the US). Also called fuel

previous = the one before

private = when something belongs to you. It is yours

public transport = a train, bus or tram. Anyone can use it to get from one place to another, for a fee

quality = how good or bad something is

quite a bit = a large amount

RACV = Royal Automobile Club of Victoria

reduces = makes smaller

second hand = when something has been owned and used by another person before. Also called 'Used'

servicing = to replace those things on your car which are worn out, like oil and other parts

tax = a fee you pay to the government

third party insurance = if you cause an accident, this insurance will pay for the damage you cause

tyres = used on the wheels of your car to grip the road

vehicles = something which can carry you from one place to another. For example, a car, bus or truck