

MONDAY, 11 SEPTEMBER 2023

RACV NAMES VICTORIA'S CHEAPEST CARS FOR 2023

RACV's Annual Car Running Costs Survey has revealed Victoria's cheapest car to own and operate is the MG3 Core light Hatch – taking out the top spot for a third year in a row – with monthly costs of \$746.01.

The MG3 Core was closely followed by Kia Picanto S at \$765.87 per month and Kia Rio S at \$868.21.

RACV has been running the survey for more than 50 years, providing an in-depth look at Australia's newest and best-selling models, capturing the overall cost of ownership that factors in costs such as purchase price, loan repayments, insurance, fuel or electric vehicle charging costs, tyres, servicing and repairs and auto club membership – all averaged out over five years.

RACV General Manager - Motoring Products Jeff Ames said the survey came at a perfect time for Victorians who would be evaluating expenses given cost of living pressures, with price drops in seven car categories.

"People should be pleased to know that the cost of owning and operating a car has dropped across seven categories in 2023 including small and medium cars, medium and large SUVs, people movers and light commercial vehicles," Mr Ames said.

"The biggest difference is in the medium SUV car category with the Honda CRV Vi 2.0 CVT FWD Wagon taking out the top spot with an average monthly running cost of \$1161.36 – which is \$83.72 or almost seven per cent less per month in comparison to the car that took out the top spot in the [same category in 2022](#) which cost an average of \$1,245.08 per month.

"The beauty of this survey is that it captures the total cost of owning and operating your car – not just the purchase price – so you can get a real sense of how the total cost of car ownership will fit into your household budget."

Calculations from the survey are based on private vehicle ownership and the average distance travelled by Victorian motorists, which is 15,000 kilometres per year.

Private vehicle average running costs in Victoria for 2023

Segment	Cheapest vehicle	Monthly running cost
Light cars	MG3 Core light 1.5spd Auto Hatch	\$746.01

Small cars	Mazda 3 Pure 2.0 6spd Auto Hatch	\$915.30
SUV small	Hyundai Venue (Base) 1.6 6sdp Auto FWD Wagon	\$926.56
SUV medium	Honda CRV Vi 2.0 CVT FWD Wagon	\$1,161.36
Electric	MG ZS Excite Standard Range RWD Wagon	\$1,172.76
Medium cars	Toyota Camry Ascent Hybrid 2.5 Hybrid CVT Sedan	\$1,120.98
Light commercial 4x2	Isuzu D-Max SX Dual Cab 1.9T Diesel 6spd Auto Utility	\$1,364.67
SUV large	Subaru Outback 2.5 Petrol CVT AWD Wagon	\$1,387.37
Light commercial 4x4	GWM Cannon L Dual Cab 2.0T Diesel 8spd Auto Utility	\$1,372.93
People movers	Hyundai Staria (Base) 3.5 V6 8spd Auto Van	\$1553.31
All terrain	Mitsubishi Pajero Sport GLX 2.4T Diesel 4WD 8spd Auto Wagon	\$1568.43

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Survey methodology: Private vehicle expenses 2023

This is a guide to the average cost of owning and operating vehicles for private purposes. It is based on typical vehicles in various sizes available in Australia and provides an indication of the likely areas of regular out-of-pocket expense. The tables provide costings for 94 vehicles. Models are generally chosen from the top-selling vehicles in each class.

All costs used in these calculations were current at the time of compilation. A number of diesel and hybrid models, and a selection of electric vehicles (plug-in hybrid and full battery EV) have also been included.

The costings are indicative only for comparison purposes, and not necessarily an indicator of actual costs. Any deviation from the assumptions or values used in the calculations will change the actual cost of owning and operating the vehicle.

Please note that individual cost elements are shown in the tables as average dollars per month. The totals are shown as total dollars per month, total dollars annually, and total dollars over five years. The residual value is also shown at the end of the costing period and also represents the owner's acquired equity in the vehicle given the full purchase price was borrowed and repaid.

Calculation periods and distances - Private Motoring: Calculations have been made for an annual distance of 15,000km in line with Australian Bureau of Statistics surveys of Australian vehicle use. They are based on buying a new vehicle and operating it for five years.

Residual values: The residual values shown are sourced for each model from reputable pricing and vehicle data guides. The difference between this and the initial purchase price is the amount lost to depreciation during the costing period. List prices or manufacturer's National ongoing drive-away price offers, where applicable, were current at the time of compilation. The estimated on-road price includes average dealer delivery fees as surveyed by us for each brand, plus registration and other statutory fees and charges.

Victorian Government ZLEV Rebate: The Victorian Government ended the zero-emission vehicle rebate of \$3,000 at the beginning of the 2023-24 financial year, so this rebate is not applied to the electric vehicles in the survey.

Loan repayment: We have assumed 100 per cent of the total cost (including statutory and other on-road costs) of the new vehicles has been financed. The loan through RACV Finance is secured, has a five-year term with monthly repayments and an assumed market-competitive comparison interest rate of 7.49 per cent (as at 2 June 2023) which takes account of fees and charges to establish and maintain the loan. The loan is fully repaid at the end of the period. RACV Finance details shown are indicative only; actual rates, terms, conditions and fees may vary.

Registration, Insurance, Club Membership: Registration costs (based on rates for metro region), other statutory fees, and Compulsory Third Party Insurance costs were current at time of calculation. Calculations include CTP cover. Discounts for EV and PHEV vehicles as offered by VicRoads have been applied where applicable. Costs were current as at 1 July 2023 and account for the \$100 registration discount applied to zero emission models.

RACV comprehensive insurance rates are based on the assumption that the driver is 30 years of age, carries a basic excess, a rating 1 for life and 10-year driver excellence discount, no under 25 drivers, the car will be garaged at an average risk postcode, the vehicle is financially encumbered and that market value cover applies. The premiums for male and female drivers have been averaged. Rates are for private use. RACV roadside membership has been included.

Fuel: Fuel costs of 183.6 cents/litre (ULP), 198.3 cents/litre (95PULP), and 195.9 cents/litre (diesel) are based on the average of Victorian metro and regional centres for the six months 1 January 2023 to 30 June 2023.

Fuel consumption data was based on the Australian Design Rule 81/01 standard fuel consumption test for the combined cycle.

For the electric vehicles, the domestic electricity single tariff daytime/off-peak of 30 cents/kWh has been used and official power consumption as provided by the manufacturer. In the case of hybrid vehicles which combine electric and petrol engine technologies, the domestic electricity tariff and appropriate petrol costs and official fuel consumption have been used.

Road user charges: Government Road User Charges have been applied at the rates of 2.8 cents/km for EV and 2.3 cents/km for PHEV vehicles.

Tyres and battery: We assume a replacement set of four tyres will be required during the calculation period.

Replacement costs include fitting and balancing in conjunction with replacing the four tyres. Costs are at retail pricing. Tyre selection is based on the most suitable replacement for the original equipment branded tyre or a tyre of equivalent specification of a different brand suitable for the vehicle. A replacement battery and fitting is included in the costing period for most vehicles.

Service and repairs: Maintenance costs include dealer servicing according to the manufacturer's schedule.

Where a manufacturer offers capped price servicing, this has been factored into our costings. With certain makes and models we use their service inclusive program which is a one-off payment that covers servicing for an elected period of time. Where a maker's capped price servicing arrangements expire earlier than our five-year calculation period, servicing reverts back to normal maker's schedule at appropriate rates.

Further information

R.A.C.V. Finance Limited ABN 82 004 292 291 Australian Credit Licence No. 391488. RACV Finance is subject to RACV lending criteria. Conditions, fees and charges apply.

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