

For 2013, Running Costs for petrol vehicles changed very little from the previous year.

Despite the price of fuel per litre reaching an all time high at the end of July of \$2.27 per litre for 91 Octane and \$2.35 for 95, the average between February and July's petrol price was used for the purpose of these calculations. This average is \$2.20, or 10 cents more than in 2012.

The "big mover" this year is undoubtedly the drop in the interest rates to a 50 year low of 4.1%. The fall reduces the yield on opportunistic investment, therefore is a lesser cost to the motorist. Motor vehicle retail pricing and maintenance costs remained fairly static from the previous year. The low interest on investment has offset the rise in petrol, insurance and tyres. The slight reduction in the fixed costs is offset by the rise in the flexible costs.

As the AA operating costs are calculated on ownership of a new vehicle for the first 5 years, depreciation is still one of the biggest influences on the overall result.

A noticeable change in vehicle classes was recognised. Large engines are now replaced with smaller power plants with improved fuel consumption, which achieve similar power outputs to large engines due to more efficient design techniques and installation of turbo chargers etc. When selecting a category or class of vehicle, it is imperative to keep the car's value in mind.

The operating cost calculations are a combination of two components; the fixed costs (registration, insurance warrant of fitness and depreciation) and the operating costs (fuel and maintenance).

The running cost schedule is separated into four main categories;

- **Small:** Smallest hatchbacks and city type cars.
- **Compact:** Slightly larger sized sedans, hatches or wagons.
- **Medium:** Family oriented vehicles, mid-sized SUV's and Crossover vehicles.
- **Large:** Larger capacity and luxury vehicles and large SUVs


The chart on page one indicates the average annual ownership costs based on an average distance travelled of 14,000km per year. The chart on page 2 can be used to calculate reimbursement rates for the actual annual distance travelled from 5,000km to 30,000km per year.

Locate your TOTAL (work related + personal) distance to identify how much the vehicle costs to operate over that period. That figure can be applied to your work related distance for a suitable reimbursement rate. As these calculations are based on the first 5 years of a NZ new vehicle's life, be realistic if your vehicle is older, as older vehicles have depreciated significantly, so the depreciation and fixed costs will be minimal.

Employee/employer negotiation may be needed to determine a fair rate for older vehicles if these figures are being used for reimbursement purposes. For example, the fixed costs may need to be adjusted downward while the day-to-day running costs may require an increase to allow for unforeseen costly mechanical repairs. The result may however reduce the overall running cost, such is the influence depreciation has.

Insurance assumes a 35yr old male driver with full no claims bonus, a fully comprehensive policy including glass cover and excludes drivers under 25.

(PETROL DRIVEN VEHICLES) ESTIMATED ON 14,000KM PER YEAR FIRST FIVE YEARS OF OWNERSHIP

	CATEGORY	Small	Compact	Medium	Large
		0 - 1500cc new rrp to \$34,000	1501cc - 2000cc new rrp to \$42,000	2001cc - 3500cc retail price to \$60,000	3501cc + new rrp to \$75,000
	Average value of vehicle surveyed	\$29,077	\$34,284	\$47,462	\$66,893
FIXED COSTS					
	Average value at start of third year	\$15,992	\$18,385	\$29,245	\$38,229
	Annual relicensing	\$288	\$288	\$288	\$288
	Insurance - Comprehensive, No Claim	\$705	\$780	791	\$1,132
	Warrant of Fitness (annually for the first 6 years)	\$49	\$49	\$49	\$49
	Total Outlay	\$17,033	\$19,501	\$30,4133	\$39,697
	Interest on outlay	\$799	\$803	\$1,253	\$1,636
	Capital Cost (Outlay + Interest)	\$17,735	\$20,305	\$31,666	\$41,333
	Depreciation at third year	\$2,719	\$3,635	\$4,725	\$7,078
	Depreciation Value	\$13,273	\$14,750	\$24,560	\$31,182
	Total Fixed Costs	\$4,461	\$5,555	\$7,106	\$10,182
	Fixed Costs per Day	\$12.22	\$15.22	\$19.87	\$27.90
FLEXIBLE COSTS					
	Petrol - Litres used per 100km	6.4	7.54	8.95	11.17
	Litres used over 14,000km	896	1055.6	1253	1564
	Cost of fuel annually at \$2.20/litre	\$1,971.20	\$2,322.32	\$2,756.60	\$3,440.80
	Cost of oil	\$79.33	\$79.33	\$79.33	\$79.33
	Tyres cost per year	\$333.04	\$397.52	\$451.77	\$660.52
	Repairs and Maintenance	\$596.84	\$633.82	\$635.35	650.47
	Total Running Costs	\$2,980.42	\$3,432.99	\$3,923.05	\$4,831.13
	Flexible (Running) Cost per Kilometre	21.3	24.5	28	34.5
FIXED COST + FLEXIBLE COST = OPERATING COST =		\$7,441.86	\$8,988.15	\$11,029.32	\$15,013.32
OPERATING COST in CENTS PER KM		53.2	64.2	78.8	107
	Previous year	52.9	63.9	79.1	106.3
	Percentage difference over last year	0.5%	0.5%	-0.4%	-0.43%



Expanded usage from 5,000km - 30,000km per year

2013

Petrol Vehicles	Small	Compact	Medium	Large
Total kilometres driven per year	Cents/km	Cents/km	Cents/km	Cents/km
5,000km	107.4	132.3	166.8	234.6
6,000km	98.9	121.6	152.8	214.4
7,000km	90.4	110.9	138.9	194.3
8,000km	81.8	100.1	124.9	174.2
9,000km	73.3	89.4	111.0	154.0
10,000km	64.8	78.7	97.0	133.9
11,000km	62.0	75.2	92.7	127.5
12,000km	59.2	71.7	88.3	121.2
13,000km	56.4	68.2	83.9	114.8
14,000km	53.2	64.2	78.8	107
15,000km	50.8	61.3	75.1	102.1
16,000km	49.3	59.4	72.7	98.7
17,000km	47.8	57.5	70.4	95.3
18,000km	46.3	55.7	68.0	91.9
19,000km	44.8	53.8	65.6	88.5
20,000km	43.4	52.0	63.3	85.2
21,000km	42.7	51.1	62.1	83.5
22,000km	42.0	50.2	61.0	81.9
23,000km	41.2	49.4	59.9	80.2
24,000km	40.5	48.5	58.8	78.5
25,000km	39.8	47.6	57.6	76.9
26,000km	39.1	46.8	56.5	75.2
27,000km	38.4	45.9	55.4	73.6
28,000km	37.7	45.0	54.3	71.9
29,000km	37.0	44.1	53.2	70.3
30,000km	36.3	43.3	52.0	68.6