

Buying a car

Activity: can I afford a car?

Buying a car should be more than just finding the right look and feel. This activity invites students to investigate and select a safe car by researching aspects such as the reasonable resale price of a vehicle, and considering other factors that are often overlooked, like safety features and the ongoing costs of a vehicle.

The investigation requires an internet connection and can be done in the classroom or at home.

Step 1: selecting a safe car

Visit [howsafeisyourcar.com.au](https://www.howsafeisyourcar.com.au)

This website has been developed to provide buyers with information about the safety of new and used cars on the Australian market. Cars are given a 1 - 5 star rating (5 being the highest), based on results from the Australasian New Car Assessment Program (ANCAP) for new cars or Used Car Safety Ratings (UCSR) which are an analysis of real world crash data.

Assume that you have money to purchase a car. Use this website to compare the safety ratings of 3 vehicles that you would consider buying. After comparing, make note of which vehicle is the safest. If you do not have at least one 4 or 5 star rated car, find a car that is and ask yourself, would I buy a car that wasn't 4 or 5 star rated?

| Car (Year, Make, Model) | 1-5 Star Rating |
|-------------------------|-----------------|
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Step 2: what is a good price?

Visit [redbook.com.au](https://www.redbook.com.au)

This website offers the market value for a car. Market value is the price a car would be expected to be worth on the open market in its current state.

Using the same 3 vehicles that you researched in step 1, find out their approximate values today (*HINT: When you find the vehicle on Redbook, click on the profile and look for 'Private Price Guide' under 'Valuation Prices'*).

| Car (Year, Make, Model) | 'Private Price Guide' Value |
|-------------------------|-----------------------------|
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In your search results, are the safest vehicles the most expensive?

Would you pay a higher price for a safe vehicle? Why or why not?

Step 3: insuring your car

As a vehicle owner, you must ensure that the vehicle you are driving is licenced with the Department of Transport (often referred to as paying your vehicle 'rego'). When you pay to license your vehicle, this cost includes compulsory third party (CTP) insurance which provides you with cover for personal injuries you may cause to others in a crash. What CTP insurance does not cover you for is damage caused to your car or another person's car or property in a crash.

Purchasing private vehicle insurance is important as it can cover these costs. Below are the different types of private insurance and what they cover:

- » Comprehensive car insurance provides the highest level of protection against loss, destruction or damage to your car, as well as covering the damage your car might cause to another person's car or property.
- » Third party fire and theft insurance provides cover for fire damage and theft of your car, plus damage your car might cause to another person's car or property. (Note: this type of insurance does not cover damages to your car in a crash)
- » Third party insurance provides cover for damage your car might cause to another person's car or property. (Note: this type of insurance does not cover damages to your car in a crash)

Select your 2 favourite vehicles from step 1 and 2 and find out how much the different levels of private insurance would cost through RAC. Visit [rac.com.au/insurance/car-insurance](https://www.rac.com.au/insurance/car-insurance) to complete your research. (HINT: Use the 'Get a quote' feature on this page)

On top of compulsory third party (CTP) insurance, what type of private insurance cover would you purchase for these cars and why?

Step 4: make your choice

Based on your research from steps 1 to 3, which car would you most likely buy? Is it safe and affordable? What private insurance cover would you purchase?

Ongoing running costs should also be considered when deciding what car to buy. When the time comes for you to purchase a vehicle, use the checklist below as a guide to find out the approximate running costs of the car you have chosen.

- » Vehicle Registration
- » Fuel
- » Insurance
- » Roadside assistance
- » Service and Repairs

Reflection - In your own words, describe what you have learnt from your research into buying a vehicle.

Tip

Buying a new car is exciting, but before buying, make sure you have all the facts by performing a Personal Properties Security Register (PPSR) check.

To find out more information on what a PPSR check is, visit rac.com.au/car-motoring/info/ppsr-check or head directly to ppsr.gov.au



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