

Grocery Price Survey

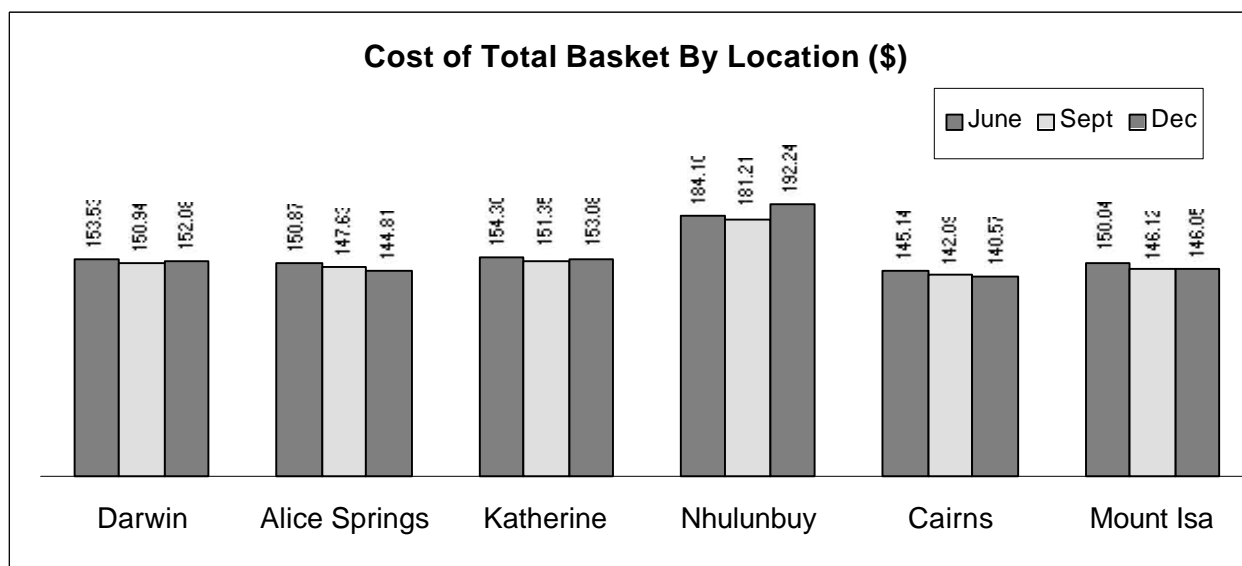
December Quarter 2000

The Grocery Price Survey measures the expenditure required to purchase an average basket of goods at each major supermarket in the Northern Territory; and for comparative purposes, selected supermarkets in Cairns and Mount Isa. The basket comprises 132 items including food (except take-away), household supplies and personal care products, with the basket weighted to reflect typical weekly household purchasing patterns.

While caution should be taken when comparing results over time, the December quarter results show that:

- The gap between Darwin and Cairns prices has widened somewhat since the September quarter.
- Alice Springs prices remain lower than Darwin prices, and are now lower than prices recorded in Mount Isa.
- Katherine prices are marginally higher than Darwin prices, with the gap widening only slightly.
- Nhulunbuy prices are still the highest in the survey, with the gap between Nhulunbuy and Darwin increasing substantially during the December quarter.
- Cairns prices continue to be the lowest in the survey.
- Mount Isa prices continue to be higher than Cairns prices, and in the December quarter were found to be higher than Alice Springs, a turnaround on the previous period.
- Prices increased in all Top End centres, except Alice Springs, over the December quarter, while prices decreased in all other centres.

December quarter results continue to indicate that people purchasing an average basket of goods at supermarkets in towns more remote from southern supply centres face higher prices than those closer. This is partially due to higher freight costs to more remote centres being passed on to consumers and to the small market size and lack of competition in these centres.



Results for the December Quarter 2000 are preliminary estimates based on projections of price movements in Darwin during the period. Final results, adjusted for movements in the December Quarter CPI, will be available with the March Quarter 2001 survey results. Due to the change in the basket's 13th series CPI-based weights to the 14th series, actual totals in this brief will vary from those contained in previous quarterly briefings released by Treasury.

Overall

- Overall, the lowest cost for the basket of goods was recorded at Franklins in Cairns (\$138.11) while the highest was recorded at Woolworths in Nhulunbuy (\$192.24).
- In the Territory, the lowest cost for the basket of goods was recorded at Bi Lo in Alice Springs (\$141.94) while the highest was recorded at Woolworths in Nhulunbuy (\$192.24).

Individual Outlets

- Three of the four supermarkets surveyed in Cairns were found to be the least expensive of the 21 outlets surveyed, with Franklins, Cairns the cheapest with a total basket cost of \$138.11.
- The cheapest Territory outlet was Bi-Lo in Alice Springs ranked 4th.
- The cheapest Darwin outlet was Bi-Lo at Northlakes ranked 10th.
- The most expensive Darwin outlet was the Woolworth's city store, ranked 20th.

Darwin

- Darwin prices were on average 8.2% higher than in Cairns in the December quarter, compared to 6.2% higher in the previous quarter. The average cost of the total weighted basket in Darwin was \$152.08 compared to \$140.57 in Cairns, a difference of \$11.51. The gap between Darwin and Cairns has widened, a result of a 0.8% increase in Darwin prices over the quarter, while Cairns prices fell 1.1%.
- For the December quarter, the lowest cost recorded for the basket of goods in Darwin was \$148.59 at Bi-Lo, Northlakes, while the most expensive was recorded at Woolworth's city store at \$154.62.

Alice Springs

- Alice Springs prices were on average 4.8% lower than the equivalent items in Darwin, compared to 2.2% lower in the previous quarter. The average cost for the total basket of goods in Alice Springs was \$144.81 compared to Darwin's total of \$152.08. Alice Springs prices decreased 1.9% over the quarter from a total of \$147.63 in September. BiLo was the least expensive store in Alice (\$141.94) while Coles recorded the highest cost (\$148.44).

Katherine

- Katherine prices were on average 0.7% higher than the equivalent items in Darwin, compared to 0.3% higher in the previous quarter. The cost of the total basket in Katherine was \$153.08, compared to \$152.08 for Darwin. Katherine prices increased 1.1% over the quarter, from \$151.35 in September. Only the one grocery store (Woolworths) is surveyed in Katherine.

Nhulunbuy

- Nhulunbuy prices were on average 26.4% higher than the equivalent items in Darwin in December, compared to 20.1% higher in the previous quarter. The average cost of the total basket in Nhulunbuy was \$192.24 compared to \$152.08 in Darwin. Nhulunbuy prices increased 6.1% over the quarter, from \$181.21 recorded in September. Generally, Nhulunbuy prices were considerably higher than Darwin prices in all groups surveyed, reflecting both additional freight costs (especially for perishables) and a lack of economies of scale or competition in Nhulunbuy. Only the one grocery store is surveyed in Nhulunbuy (Woolworths).

Grocery Price Survey, December Quarter 2000 (cont'd)

Cairns

- Cairns prices were on average 7.6% lower than Darwin in December, compared to 5.9% lower in the previous quarter. The average cost of the total basket in Cairns was \$140.57 compared to \$152.08 in Darwin. Franklins Cairns recorded the lowest cost for the basket of goods at \$138.11, with the most expensive of \$144.66 recorded at the Coles, Central outlet. Cairns prices are surveyed to provide a similar size town comparison with Darwin. Cairns prices are, however, typically lower than Darwin because of their close proximity to supply centres.

Mount Isa

- Mount Isa prices were on average 0.9% higher than Alice Springs in December, a turnaround from 1.0% lower in the previous quarter. The average cost of the total basket in Mount Isa was \$146.05 compared to \$144.81 in Alice Springs. Mount Isa prices showed relatively little change over the quarter from expenditure of \$146.12 in September. Mt Isa prices are surveyed to provide a similar size town comparison with Alice Springs. Prices are usually similar, with Mt Isa about as far from eastern seaboard supply centres as Alice Springs is from southern supply centres.

Average Grocery Basket Cost based on Household Expenditure - December Quarter 2000

Table 1: Expenditure (\$)	Alice					
	Darwin	Springs	Katherine	Nhulunbuy	Cairns	Mount Isa
Dairy and Related Products	14.20	13.45	14.45	18.96	13.57	13.88
Bread and Cereal Products	15.34	14.64	15.64	19.56	14.96	15.72
Meat & Seafoods	23.16	21.90	22.34	29.66	21.49	21.44
Fruit & Vegetables	21.34	20.50	22.24	31.95	17.39	18.35
Non-Alcoholic Drinks and Snack Food	23.34	21.12	23.66	29.42	20.56	21.38
Other Food	14.74	14.58	14.50	18.30	14.39	14.71
Household Supplies	16.60	15.49	16.72	18.36	15.38	16.78
Pharmaceuticals	7.86	7.99	7.86	8.20	7.55	7.80
Sport and Other Recreation	4.02	4.03	3.93	4.49	4.11	4.07
Personal Care Products	11.49	11.12	11.73	13.33	11.19	11.91
Total Basket (\$)	\$152.08	\$144.81	\$153.08	\$192.24	\$140.57	\$146.05
<i>Previous Qtr (\$) - Adjusted for Sept CPI</i>	<i>\$150.94</i>	<i>\$147.63</i>	<i>\$151.35</i>	<i>\$181.21</i>	<i>\$142.09</i>	<i>\$146.12</i>
<i>% Change</i>	<i>0.8</i>	<i>-1.9</i>	<i>1.1</i>	<i>6.1</i>	<i>-1.1</i>	<i>0.0</i>

Table 2: Variation from Darwin (%)

	Alice Springs	Katherine	Nhulunbuy	Cairns	Mount Isa
Dairy and Related Products	-5.3	1.8	33.6	-4.5	-2.2
Bread and Cereal Products	-4.6	2.0	27.5	-2.5	2.4
Meat & Seafoods	-5.4	-3.5	28.1	-7.2	-7.4
Fruit & Vegetables	-3.9	4.2	49.8	-18.5	-14.0
Non-Alcoholic Drinks and Snack Food	-9.5	1.3	26.0	-11.9	-8.4
Other Food	-1.1	-1.7	24.1	-2.4	-0.2
Household Supplies	-6.7	0.7	10.6	-7.3	1.1
Pharmaceuticals	1.6	0.0	4.4	-4.0	-0.8
Sport and Other Recreation	0.2	-2.0	11.8	2.3	1.3
Personal Care Products	-3.2	2.1	16.0	-2.6	3.7
Total Basket	-4.8	0.7	26.4	-7.6	-4.0
<i>Previous Qtr (%)</i>	<i>-2.2</i>	<i>0.3</i>	<i>20.1</i>	<i>-5.9</i>	<i>-3.2</i>

Grocery Price Survey, December Quarter 2000 (cont'd)

Cost of Total Basket by Outlet										
Outlet - Name			Dec Qtr (\$)	Dec Qtr Rank	Sept Qtr* (\$)	Sept Qtr Rank	June Qtr* (\$)	June Qtr Rank	3 Quarter Average (\$)	3 Quarter Rank
Cairns	Franklins	Stocklands	138.11	1	139.99	1	143.48	1	140.53	1
Cairns	Bi-Lo	Central	138.58	2	141.33	2	146.16	3	142.03	3
Cairns	Woolworths	Stocklands	140.95	3	141.36	3	143.66	2	141.99	2
Alice Springs	Bi-Lo		141.94	4	148.65	7	149.60	5	146.73	7
Mount Isa	Woolworths		143.87	5	143.59	5	149.73	6	145.73	4
Alice Springs	Woolworths		144.06	6	143.42	4	151.76	11	146.41	6
Cairns	Coles	Central	144.66	7	145.66	6	147.25	4	145.85	5
Mount Isa	Coles		148.23	8	148.65	7	150.35	7	149.08	8
Alice Springs	Coles		148.44	9	150.83	14	151.26	8	150.18	9
Darwin	Bi-Lo	Northlakes	148.59	10	151.56	19	154.70	19	151.62	12
Darwin	Bi-Lo	Casuarina	149.01	11	151.12	15	154.07	16	151.40	11
Darwin	Woolworths	Nightcliff	151.73	12	150.46	10	153.93	14	152.04	15
Darwin	Coles	Casuarina	152.38	13	149.91	9	151.66	9	151.32	10
Darwin	Woolworths	Palmerston	152.63	14	151.41	18	153.90	13	152.65	16
Darwin	Woolworths	Casuarina	152.66	15	150.80	13	154.63	18	152.70	18
Darwin	Coles	Palmerston	152.78	16	151.20	16	151.69	10	151.89	14
Katherine	Woolworths		153.08	17	151.35	17	154.30	17	152.91	19
Darwin	Coles	Karama	153.10	18	150.61	11	151.87	12	151.86	13
Darwin	Woolworths	Hibiscus	153.30	19	150.73	12	154.01	15	152.68	17
Darwin	Woolworths	City	154.62	20	151.60	20	154.79	20	153.67	20
Nhulunbuy	Woolworths		192.24	21	181.21	21	184.10	21	185.85	21

Cost of Total Basket by Outlet by Town										
Darwin	Bi-Lo	Northlakes	148.59	1	151.56	9	154.70	9	151.62	3
Darwin	Bi-Lo	Casuarina	149.01	2	151.12	6	154.07	7	151.40	2
Darwin	Woolworths	Nightcliff	151.73	3	150.46	2	153.93	5	152.04	6
Darwin	Coles	Casuarina	152.38	4	149.91	1	151.66	1	151.32	1
Darwin	Woolworths	Palmerston	152.63	5	151.41	8	153.90	4	152.65	7
Darwin	Woolworths	Casuarina	152.66	6	150.80	5	154.63	8	152.70	9
Darwin	Coles	Palmerston	152.78	7	151.20	7	151.69	2	151.89	5
Darwin	Coles	Karama	153.10	8	150.61	3	151.87	3	151.86	4
Darwin	Woolworths	Hibiscus	153.30	9	150.73	4	154.01	6	152.68	8
Darwin	Woolworths	City	154.62	10	151.60	10	154.79	10	153.67	10
Alice Springs	Bi-Lo		141.94	1	148.65	2	149.60	1	146.73	2
Alice Springs	Woolworths		144.06	2	143.42	1	151.76	3	146.41	1
Alice Springs	Coles		148.44	3	150.83	3	151.26	2	150.18	3
Katherine	Woolworths		153.08	1	151.35	1	154.30	1	152.91	1
Nhulunbuy	Woolworths		192.24	1	181.21	1	184.10	1	185.85	1
Cairns	Franklins	Stocklands	138.11	1	139.99	1	143.48	1	140.53	1
Cairns	Bi-Lo	Central	138.58	2	141.33	2	146.16	3	142.03	3
Cairns	Woolworths	Stocklands	140.95	3	141.36	3	143.66	2	141.99	2
Cairns	Coles	Central	144.66	4	145.66	4	147.25	4	145.85	4
Mount Isa	Woolworths		143.87	1	143.59	1	149.73	1	145.73	1
Mount Isa	Coles		148.23	2	148.65	2	150.35	2	149.08	2

* Expenditures figures adjusted to reflect CPI estimates for each quarter.

Methodology: The Grocery Price Survey was carried out in the same week at all major supermarkets in the Territory and selected major supermarkets in Cairns and Mount Isa. A separate technical paper is available from www.nt.gov.au/ntt/pdf/technical.pdf

The Grocery Price Survey is conducted by the Economic Analysis program of Northern Territory Treasury. Further details are available from www.nt.gov.au/ntt or phone: 8999 6255.