

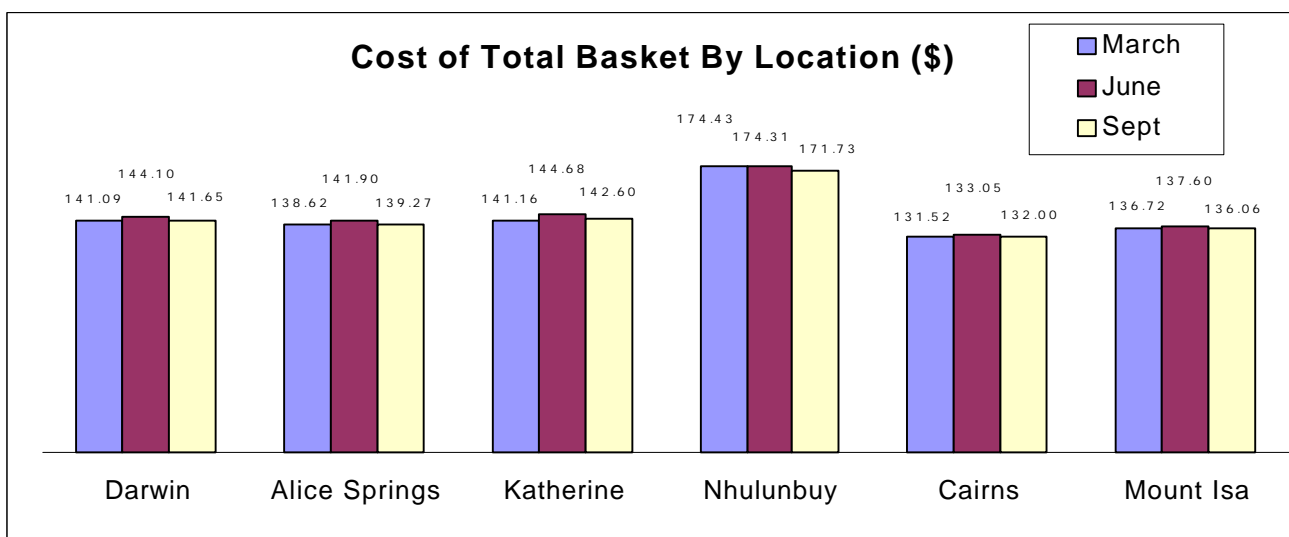
# Grocery Price Survey

## September 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 selected supermarkets in Cairns and Mount Isa. The basket comprises 132 food (except take-away), household supplies and personal care products. Prices of these items are weighted according to average household expenditure on these items as reported by the Australian Bureau of Statistics Household Expenditure Survey, updated by changes in the Consumer Price Index.

While care needs to be taken when comparing results over time, the September quarter results show that:

- The gap between Darwin and Cairns prices has narrowed a little;
- Alice Springs prices remain slightly lower than Darwin prices but slightly higher than Mount Isa prices;
- Katherine prices are marginally higher than Darwin prices, a significant improvement on the situation a year earlier;
- Nhulunbuy prices are the highest in the survey but the gap between Nhulunbuy and Darwin has reduced since the March quarter;
- Cairns prices continue to be the lowest in the survey; and
- Mount Isa prices continue to be higher than Cairns but lower than Alice Springs.
- Prices decreased in all centres over the September quarter, however, prices in all centres except Nhulunbuy are now generally back to the same levels as observed in the March quarter.
- The decrease in prices over the quarter reinforces the findings of the pre/post GST survey conducted on the 30<sup>th</sup> June and 10<sup>th</sup> July, which found that the average cost of the basket had decreased in a sample of stores in Darwin, Alice Springs and Cairns over that period.



### Darwin

- Darwin prices were on average 7.3% higher than in Cairns in the September quarter, compared to 8.3% higher in the previous quarter. The average cost of the total basket in Darwin was \$141.65 compared to \$132.00 in Cairns. Analysis of the results show that the major differences in prices were in the Meat & Seafood, Fresh Fruit & Vegetables, and Soft Drink, Ice Cream &

Confectionery groups. The narrowing in the gap between Darwin and Cairns resulted from a 1.7% decrease in Darwin prices over the quarter from the revised expenditure of \$144.10 in June, while prices in Cairns decreased 0.8% from the revised expenditure of \$133.05 over the same period.

- In Darwin, the lowest cost recorded for the basket of goods was \$140.03 at Coles, Casuarina, while the most expensive at \$143.12 was recorded at Woolworths, City - this represents a relatively small range of \$3.09.

#### *Alice Springs*

- Alice Springs prices were on average 1.7% lower than the equivalent items in Darwin, compared to 1.5% lower in the previous quarter. The average cost for the total basket of goods in Alice Springs was \$139.27 compared to Darwin of \$141.65. Alice Springs prices decreased 1.9% over the quarter from the revised expenditure of \$141.90 in June.
- Analysis of the results show that prices in Alice Springs were lower than Darwin in all expenditure groups except for the Fresh Fruit and Vegetables group.

#### *Katherine*

- Katherine prices were on average 0.7% higher than the equivalent items in Darwin, compared to 0.4% higher in the previous quarter. The average cost of the total basket in Katherine was \$142.60 compared to \$141.65 for Darwin. Katherine prices decreased 1.5% over the quarter from the revised expenditure of \$144.68 in June. This result represents a significant improvement in prices since the Select Committee's *Inquiry into Food Prices* and is thought to reflect public and Government concern regarding high prices at Woolworths in Katherine.

#### *Nhulunbuy*

- Nhulunbuy prices were on average 21.2% higher than the equivalent items in Darwin in September, compared to 21.0% higher in the previous quarter. The average cost of the total basket in Nhulunbuy was \$171.73 compared to \$141.65 in Darwin. Nhulunbuy prices decreased 1.5% over the quarter, from the revised expenditure of \$174.31 in June. Generally, Nhulunbuy prices were considerably higher than Darwin prices in all groups surveyed, especially in the Dairy, Meat & Seafood, and Fresh Fruit & Vegetables groups, reflecting both additional freight costs (especially for perishables) and a lack of economies of scale or competition in Nhulunbuy.

#### *Cairns*

- Cairns prices were on average 6.8% lower than Darwin in September, compared to 7.7% lower in the previous quarter. The average cost of the total basket in Cairns was \$132.00 compared to \$141.65 in Darwin. Franklins Stockland recorded the lowest cost for the basket of goods at \$129.69, with the most expensive of \$137.11 recorded at the Coles, Central outlet.

#### *Mount Isa*

- Mount Isa prices were on average 2.3% lower than Alice Springs in June, compared to 3.0% lower in the previous quarter. The average cost of the total basket in Mount Isa was \$136.06 compared to \$139.27 in Alice Springs. Mount Isa prices decreased 1.1% over the quarter from the revised expenditure of \$137.60 in June. Analysis of the results show that the major difference in prices was in the Fresh Fruit & Vegetables group.

*Individual Outlets*

- Three of the four supermarkets surveyed in Cairns were found to be the least expensive of the 21 outlets surveyed, with Franklins, Stockland the cheapest with a total basket cost of \$129.69.
- The cheapest Territory outlet was Woolworths in Alice Springs ranked 5<sup>th</sup>.
- The cheapest Darwin outlet was Coles at Casuarina ranked 8<sup>th</sup>.
- The most expensive Darwin outlet was Woolworths City, ranked 20<sup>th</sup>.

**Average Weekly Household Expenditure - September Quarter 2000**

	Darwin	Alice Springs	Katherine	Nhulunbuy	Cairns	Mount Isa
Dairy Products	13.41	13.07	13.70	17.77	13.32	13.65
Cereal Products	14.42	14.19	14.31	17.44	13.93	14.21
Meat & Seafood	20.26	19.92	19.47	25.00	19.13	18.97
Fresh Fruit & Vegetables	22.34	23.33	23.51	30.48	18.44	19.68
Processed Fruit & Vegetables	5.14	4.83	5.31	6.59	4.63	4.72
Soft Drinks, Ice Cream & Confectionery	19.70	18.28	20.08	23.22	16.88	17.69
Other Foods	11.75	11.50	11.68	13.59	11.44	11.94
Household Supplies	19.77	19.55	19.86	21.61	19.33	20.20
Personal Care Products	14.86	14.61	14.68	16.03	14.90	15.00
<b>Total Basket (\$)</b>	<b>\$141.65</b>	<b>\$139.27</b>	<b>\$142.60</b>	<b>\$171.73</b>	<b>\$132.00</b>	<b>\$136.06</b>
<i>Previous Qtr (\$) - Adjusted for June CPI</i>	<i>\$144.10</i>	<i>\$141.90</i>	<i>\$144.68</i>	<i>\$174.31</i>	<i>\$133.05</i>	<i>\$137.60</i>
<i>% Change</i>	<i>-1.7</i>	<i>-1.9</i>	<i>-1.5</i>	<i>-1.5</i>	<i>-0.8</i>	<i>-1.1</i>

	Alice Springs	Katherine	Nhulunbuy	Cairns	Mount Isa
Dairy Products	-2.5	2.2	32.6	-0.7	1.8
Cereal Products	-1.6	-0.8	20.9	-3.4	-1.4
Meat & Seafood	-1.7	-3.9	23.4	-5.5	-6.4
Fresh Fruit & Vegetables	4.4	5.2	36.4	-17.5	-11.9
Processed Fruit & Vegetables	-6.1	3.3	28.4	-9.8	-8.2
Soft Drinks, Ice Cream & Confectionery	-7.2	2.0	17.9	-14.3	-10.2
Other Foods	-2.1	-0.6	15.7	-2.7	1.6
Household Supplies	-1.2	0.4	9.3	-2.2	2.1
Personal Care Products	-1.7	-1.3	7.8	0.2	0.9
<b>Total Basket (%)</b>	<b>-1.7</b>	<b>0.7</b>	<b>21.2</b>	<b>-6.8</b>	<b>-3.9</b>
<i>Previous Qtr (%)</i>	<i>-1.5</i>	<i>0.4</i>	<i>21.0</i>	<i>-7.7</i>	<i>-4.5</i>

	Alice Springs	Katherine	Nhulunbuy	Cairns	Mount Isa
Dairy Products	-0.34	0.30	4.37	-0.09	0.24
Cereal Products	-0.23	-0.11	3.02	-0.49	-0.21
Meat & Seafood	-0.34	-0.79	4.74	-1.12	-1.29
Fresh Fruit & Vegetables	0.99	1.17	8.14	-3.90	-2.66
Processed Fruit & Vegetables	-0.31	0.17	1.46	-0.50	-0.42
Soft Drinks, Ice Cream & Confectionery	-1.41	0.39	3.52	-2.82	-2.01
Other Foods	-0.25	-0.07	1.84	-0.32	0.19
Household Supplies	-0.23	0.09	1.83	-0.44	0.43
Personal Care Products	-0.26	-0.19	1.16	0.03	0.14
<b>Total Basket (\$)</b>	<b>-\$2.38</b>	<b>\$0.95</b>	<b>\$30.08</b>	<b>-\$9.65</b>	<b>-\$5.59</b>
<i>Previous Qtr (\$)</i>	<i>-\$2.21</i>	<i>\$0.58</i>	<i>\$30.21</i>	<i>-\$11.05</i>	<i>-\$6.50</i>

## Cost of Total Basket by Outlet

Outlet - Name			Sept Qtr (\$)	Sept Qtr Rank	*June Qtr (\$)	June Qtr Rank	*Mar Qtr (\$)	Mar Qtr Rank
Cairns	Franklins	Stocklands	129.69	1	132.58	2	128.37	1
Cairns	Woolworths	Stocklands	130.58	2	131.31	1	133.68	3
Cairns	Bi-Lo	Central	130.63	3	133.67	3	129.84	2
Mount Isa	Woolworths		133.11	4	137.63	6	136.91	6
Alice Springs	Woolworths		134.86	5	142.12	10	136.95	7
Cairns	Coles	Central	137.11	6	134.63	4	134.19	4
Mount Isa	Coles		139.01	7	137.57	5	136.54	5
Darwin	Coles	Casuarina	140.03	8	141.94	8	141.85	18
Alice Springs	Bi-Lo		140.44	9	141.09	7	137.59	8
Darwin	Coles	Karama	141.13	10	142.88	12	143.32	19
Darwin	Woolworths	Nightcliff	141.37	11	144.43	14	138.55	9
Darwin	Bi-Lo	Casuarina	141.44	12	144.36	13	140.63	12
Darwin	Woolworths	Hibiscus	141.59	13	144.99	17	139.24	10
Darwin	Coles	Palmerston	141.66	14	141.97	9	141.20	15
Darwin	Bi-Lo	Northlakes	141.75	15	144.83	16	140.35	11
Darwin	Woolworths	Casuarina	142.11	16	145.32	20	143.49	20
Darwin	Woolworths	Palmerston	142.25	17	145.12	18	141.36	17
Alice Springs	Coles		142.50	18	142.48	11	141.31	16
Katherine	Woolworths		142.60	19	144.68	15	141.16	14
Darwin	Woolworths	City	143.12	20	145.16	19	140.87	13
Nhulunbuy	Woolworths		171.73	21	174.31	21	174.43	21

\* 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](http://www.nt.gov.au/ntt/pdf/technical.pdf)

**Revisions:** June quarter 2000 estimates have been revised to reflect ABS CPI estimates for the June quarter.

**Seasonality:** Some items priced are subject to seasonal changes in quality and availability, while at times wet weather may prevent deliveries of goods to some supermarkets surveyed. The results of the Grocery Price Survey are not seasonally adjusted to take account of this volatility and hence care should be taken in comparing results over time.

**Pricing Policies:** Major supermarket chains generally have a common pricing policy for their stores in the same locality. However, store managers generally have some discretion to vary prices in response to local competition and factors associated with fresh fruit, vegetables and meat.

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](http://www.nt.gov.au/ntt) or phone: 8999 6255.