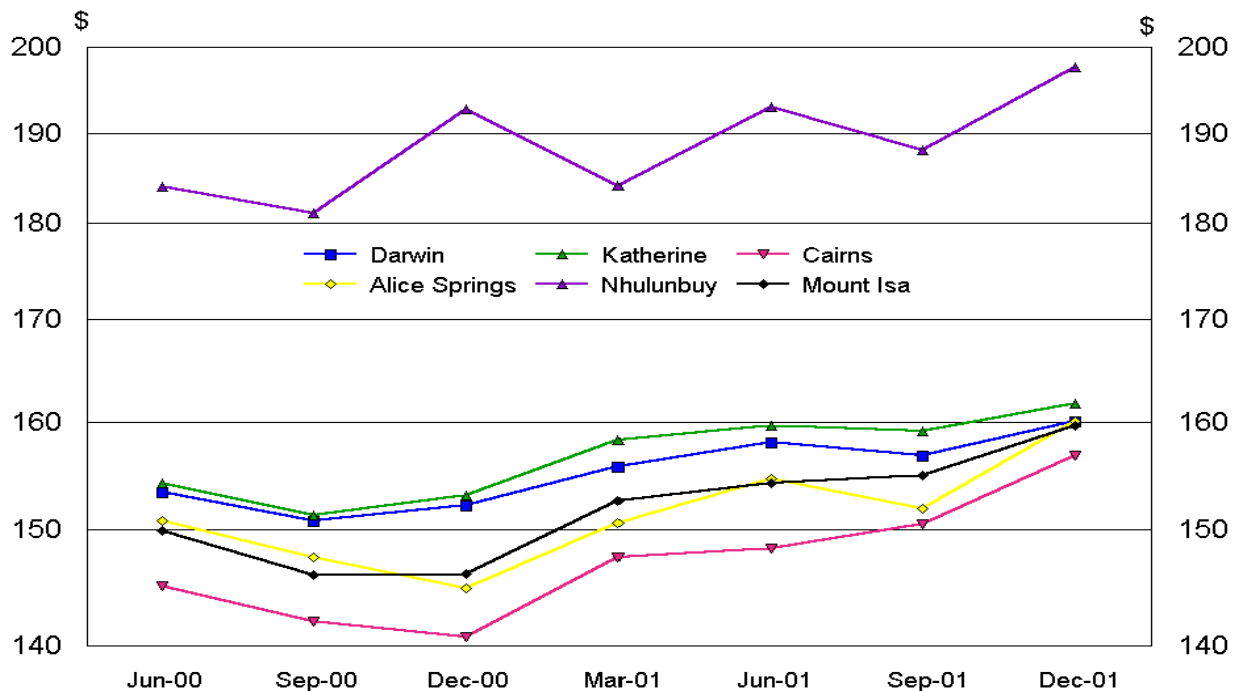


Grocery Price Survey December Quarter 2001

Summary:

- Prices increased in the December quarter 2001 in all centres. Darwin prices increased by 2%.
- These increases were primarily due to a substantial increase in the Fruit & Vegetables category, following decreases in this category in the previous two quarters. The 6.4% increase in Fruit & Vegetable prices in Darwin contributed almost half of the total 2% increase.
- Prices in the Meat & Seafoods, Bread & Cereal Products and Pharmaceuticals categories also increased in all centres during the quarter.
- The gap between grocery prices in Darwin and Cairns narrowed again in the December quarter 2001, although prices in Cairns continue to be the lowest in the survey.
- Grocery prices in Alice Springs are now similar to those in Darwin, with the gap narrowing in the December quarter. Prices in Alice Springs were marginally higher than prices recorded in Mount Isa, the result of a greater increase in Alice Springs than Mount Isa.
- Katherine prices are marginally higher than Darwin prices, although the gap has narrowed.
- Nhulunbuy prices remain the highest in the survey. The gap between Nhulunbuy and Darwin widened during the December quarter.

Cost of Total Basket by Location (\$)



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, at 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. Caution should be taken when comparing results over time.

Results for the December Quarter 2001 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 subsequent survey results. As part of Treasury's savings initiatives, the frequency of the grocery price survey has been reduced to every six months. The next survey results for the period ending 30 June 2002 will be released in July 2002.

Grocery Price Survey, December Quarter 2001 (cont'd)

Average Grocery Basket Cost based on Household Expenditure - December Quarter 2001

Expenditure (\$)	Darwin		Alice Springs		Katherine		Nhulunbuy		Cairns		Mount Isa	
	Qtr %	Change	Qtr %	Change	Qtr %	Change	Qtr %	Change	Qtr %	Change	Qtr %	Change
Dairy and Related Products	15.56	2.1	15.00	3.5	15.57	-2.4	20.73	1.6	15.00	2.6	15.33	0.5
Bread and Cereal Products	16.40	1.4	16.06	2.1	16.51	1.3	19.85	1.7	16.04	2.5	16.50	1.5
Meat & Seafoods	25.15	4.5	24.95	6.5	25.98	7.4	30.80	10.6	25.38	8.4	25.25	6.7
Fruit & Vegetables	23.44	6.4	25.25	14.7	23.84	7.8	32.96	5.7	22.99	11.6	23.93	14.1
Non-Alcoholic Drinks and Snacks	23.46	-1.4	23.34	2.1	23.85	-1.1	27.26	1.8	22.94	0.9	23.29	-0.4
Other Food	15.64	-0.2	14.96	-0.2	15.84	1.0	18.17	0.7	14.56	-1.7	14.83	-4.8
Household Supplies	16.48	-0.4	16.22	2.7	16.44	-2.5	19.04	3.8	16.08	2.1	16.07	-1.3
Pharmaceuticals	7.97	2.6	7.89	4.7	8.05	0.8	9.77	24.2	7.76	1.8	8.23	5.5
Sport and Other Recreation	4.19	1.1	4.31	6.2	4.11	0.0	4.65	-2.3	4.27	4.9	4.30	0.3
Personal Care Products	11.82	2.8	12.11	8.9	11.65	-2.2	14.47	7.7	11.88	4.6	11.98	3.2
Total Basket (\$)	160.11	2.0	160.10	5.3	161.84	1.7	197.69	5.1	156.90	4.2	159.69	3.0
<i>Previous Qtr (\$) *</i>	<i>156.94</i>		<i>152.03</i>		<i>159.20</i>		<i>188.14</i>		<i>150.63</i>		<i>155.06</i>	
<i>\$ Change</i>	<i>3.17</i>		<i>8.07</i>		<i>2.64</i>		<i>9.55</i>		<i>6.27</i>		<i>4.63</i>	
Variation from Darwin (\$)			Alice Springs		Katherine		Nhulunbuy		Cairns		Mount Isa	
Dairy and Related Products			-0.56		0.01		5.17		-0.56		-0.23	
Bread and Cereal Products			-0.33		0.11		3.45		-0.36		0.10	
Meat & Seafoods			-0.21		0.83		5.64		0.23		0.10	
Fruit & Vegetables			1.81		0.40		9.51		-0.45		0.49	
Non-Alcoholic Drinks and Snacks			-0.12		0.39		3.80		-0.52		-0.17	
Other Food			-0.68		0.20		2.53		-1.07		-0.81	
Household Supplies			-0.26		-0.04		2.56		-0.40		-0.41	
Pharmaceuticals			-0.08		0.08		1.80		-0.21		0.25	
Sport and Other Recreation			0.12		-0.08		0.47		0.08		0.11	
Personal Care Products			0.29		-0.17		2.65		0.06		0.16	
Total Basket (\$)			-0.01		1.73		37.58		-3.21		-0.42	
<i>Previous Qtr (\$) *</i>			<i>-4.91</i>		<i>2.26</i>		<i>31.20</i>		<i>-6.31</i>		<i>-1.88</i>	
<i>\$ Change</i>			<i>4.90</i>		<i>-0.53</i>		<i>6.38</i>		<i>3.10</i>		<i>1.46</i>	

* September Quarter adjusted to reflect CPI.

Darwin

- The gap between Darwin and Cairns has narrowed in the December quarter, with the total average grocery basket cost in Darwin (\$160.11) \$3.21 (or 2.0%) higher than in Cairns (\$156.90), compared to \$6.31 higher in the previous quarter.
- Darwin prices increased by \$3.17 (2.0%) over the quarter, while in Cairns prices increased by \$6.27 (4.2%). Prices in the Meat & Seafoods and Fruit & Vegetables categories increased by almost twice as much in Cairns than in Darwin over the quarter.
- For the December quarter, the lowest cost recorded for the basket of goods in Darwin was \$155.74 at Coles Casuarina, which was also the lowest in the survey. The most expensive was recorded at Woolworths Palmerston at \$163.61, a range of \$7.87.

Alice Springs

- The total average grocery basket cost in Alice Springs was \$0.01 lower than the cost of equivalent items in Darwin, compared to \$4.91 lower in the September quarter. The average cost for the total basket of goods in Alice Springs was \$160.10 (up \$8.07 or 5.3%) compared to Darwin's total of \$160.11. Prices in the Fruit and Vegetables category increased by 14.7% in

Grocery Price Survey, December Quarter 2001 (cont'd)

Alice Springs, compared to an increase of 6.4% in Darwin for the same category.

- Coles was the least expensive store in Alice Springs (\$157.24) while Bi-Lo recorded the highest cost (\$163.96). Grocery prices in Alice Springs have been generally lower than those in Darwin, reflecting its closer proximity to southern supply centres, although the gap disappeared in the December quarter.

Katherine

- The total cost of the grocery basket in Katherine was \$161.84 (up \$2.64 or 1.7%). Overall, prices were \$1.73 higher than the equivalent items in Darwin (\$2.26 higher in the previous quarter). The Fruit & Vegetables category increased significantly over the quarter, while Katherine was the only centre to record a decrease in prices in the Dairy & Related Products category. *NB: There is only one major grocery store (Woolworths) in Katherine.*

Nhulunbuy

- The total cost of the basket in Nhulunbuy was \$197.69 (up \$9.55 or 5.1%), compared to \$160.11 in Darwin. Prices in Nhulunbuy were \$37.58 higher than the equivalent items in Darwin in the December quarter (\$31.20 higher in the September quarter).
- In general, Nhulunbuy prices are substantially higher than Darwin prices in all categories, most notably Fruit & Vegetables and Meat & Seafoods (higher by 40.6% and 22.4% respectively). This reflects both additional freight costs (especially for perishables) and a lack of economies of scale or competition in Nhulunbuy. *NB: There is only one major grocery store in Nhulunbuy (Woolworths) and prices tend to fluctuate between quarters.*

Cairns

- The average cost of the total basket in Cairns was \$156.90 (\$3.21 lower) compared to \$160.11 in Darwin. Fruit & Vegetable prices in Cairns increased the most, up by 11.6%, compared to a 6.4% increase in the same category in Darwin. Coles Cairns Central recorded the lowest cost for the basket of goods at \$155.90, with the most expensive of \$157.55 recorded at the Bi-Lo Cairns Central outlet. *NB: Prices in Cairns are surveyed to provide a similar size town comparison with Darwin. Prices are, however, typically lower in Cairns than in Darwin because of the proximity to east coast supply centres.*

Mount Isa

- The average grocery basket cost in Mount Isa was \$159.69 (up \$4.63 or 3.0% from the September quarter). This was \$0.41 lower than Alice Springs in the December quarter, compared to \$3.03 higher in the September quarter. Fruit & Vegetables prices increased by a similar proportion to those in Alice Springs. Prices in the Other Food category fell by 4.8%, compared to a 0.2% fall in Alice Springs. *NB: 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.*

Overall

- Overall, the lowest cost for the basket of goods was recorded at Coles Casuarina (\$155.74), while the highest was recorded at Woolworths in Nhulunbuy (\$197.69).
- December quarter results continue to indicate that, in general, people purchasing an average basket of goods at supermarkets in towns more remote from major supply centres face higher prices than those closer. This is due to higher freight costs to more remote centres being passed on to consumers, as well as the small market size and lack of competition in these centres.
- In terms of the outlook, fuel price fluctuations will continue to affect the cost of freight (and grocery prices) in the Territory. Woolworths Coolalinga will be included in the next survey.

Grocery Price Survey, December Quarter 2001 (cont'd)

Cost of Total Basket by Outlet														
Outlet - Name			Dec Qtr	Dec Qtr	Sept Qtr*	Sept Qtr	Jun Qtr*	Jun Qtr	Mar Qtr*	Mar Qtr	Dec Qtr*	Dec Qtr	5 Qtr	5 Qtr
			01	01	01	01	01	01	01	01	01	00	00	Average
			(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank
Darwin	Coles	Casuarina	155.74	1	152.63	6	155.47	10	154.84	13	152.56	13	154.25	9
Cairns	Coles	Central	155.90	2	153.14	8	153.31	6	150.88	6	144.85	7	151.62	4
Cairns	Franklins	Stocklands	156.86	3	150.28	3	145.17	1	145.12	1	138.47	1	147.18	1
Alice Springs	Coles		157.24	4	149.25	2	152.92	5	152.19	8	148.61	9	152.04	6
Cairns	Woolworths	Stocklands	157.28	5	152.08	5	147.21	2	148.57	3	141.13	3	149.25	3
Cairns	Bi-Lo	Central	157.55	6	147.01	1	148.06	3	145.85	2	138.87	2	147.47	2
Darwin	Coles	Karama	158.19	7	154.19	9	155.25	9	155.03	14	153.34	18	155.20	13
Mount Isa	Coles		158.64	8	155.05	12	156.25	12	153.46	10	148.42	8	154.36	10
Alice Springs	Woolworths		159.10	9	151.94	4	153.97	7	149.86	4	144.11	6	151.79	5
Darwin	Bi-Lo	Northlakes	159.28	10	155.91	14	155.79	11	152.38	9	148.88	10	154.45	11
Darwin	Coles	Palmerston	159.32	11	152.82	7	160.45	18	154.82	12	153.02	16	156.08	14
Darwin	Woolworths	Nightcliff	159.84	12	160.05	20	161.41	21	157.00	17	151.88	12	158.03	17
Darwin	Woolworths	Casuarina	160.07	13	157.99	16	158.32	15	157.01	18	152.87	15	157.25	16
Darwin	Woolworths	City (New)	160.25	14	158.44	18	na	na	na	na	na	na	na	na
Darwin	Woolworths	Hibiscus	160.46	15	158.12	17	156.94	13	156.24	16	153.48	19	157.05	15
Mount Isa	Woolworths		160.74	16	155.07	13	152.46	4	152.02	7	144.05	5	152.87	7
Darwin	Woolworths	Humpty Doo	161.09	17	160.20	21	160.71	19	na	na	na	na	na	na
Darwin	Bi-Lo	Casuarina	161.72	18	154.67	10	154.67	8	153.72	11	149.30	11	154.82	12
Darwin	Woolworths	City	161.73	19	160.97	22	159.83	17	161.51	20	154.71	20	159.75	20
Katherine	Woolworths		161.84	20	159.20	19	159.77	16	158.38	19	153.25	17	158.49	19
Darwin	Woolworths	Palmerston	163.61	21	157.31	15	161.27	20	155.97	15	152.85	14	158.20	18
Alice Springs	Bi-Lo		163.96	22	154.90	11	157.26	14	150.05	5	142.14	4	153.66	8
Nhulunbuy	Woolworths		197.69	23	188.14	23	193.00	22	184.24	21	192.75	21	191.16	21
Cost of Total Basket by Outlet by Town														
Darwin	Coles	Casuarina	155.74	1	152.63	1	155.47	3	154.84	4	152.56	4	154.25	1
Darwin	Coles	Karama	158.19	2	154.19	3	155.25	2	155.03	5	153.34	8	155.20	4
Darwin	Bi-Lo	Northlakes	159.28	3	155.91	5	155.79	4	152.38	1	148.88	1	154.45	2
Darwin	Coles	Palmerston	159.32	4	152.82	2	160.45	8	154.82	3	153.02	7	156.08	5
Darwin	Woolworths	Nightcliff	159.84	5	160.05	10	161.41	11	157.00	8	151.88	3	158.03	8
Darwin	Woolworths	Casuarina	160.07	6	157.99	7	158.32	6	157.01	9	152.87	6	157.25	7
Darwin	Woolworths	City (New)	160.25	7	158.44	9	na	na	na	na	na	na	na	na
Darwin	Woolworths	Hibiscus	160.46	8	158.12	8	156.94	5	156.24	7	153.48	9	157.05	6
Darwin	Woolworths	Humpty Doo	161.09	9	160.20	11	160.71	9	na	na	na	na	na	na
Darwin	Bi-Lo	Casuarina	161.72	10	154.67	4	154.67	1	153.72	2	149.30	2	154.82	3
Darwin	Woolworths	City	161.73	11	160.97	12	159.83	7	161.51	10	154.71	10	159.75	10
Darwin	Woolworths	Palmerston	163.61	12	157.31	6	161.27	10	155.97	6	152.85	5	158.20	9
Alice Springs	Coles		157.24	1	149.25	1	152.92	1	152.19	3	148.61	3	152.04	2
Alice Springs	Woolworths		159.10	2	151.94	2	153.97	2	149.86	1	144.11	2	151.79	1
Alice Springs	Bi-Lo		163.96	3	154.90	3	157.26	3	150.05	2	142.14	1	153.66	3
Katherine	Woolworths		161.84	1	159.20	1	159.77	1	158.38	1	153.25	1	158.49	1
Nhulunbuy	Woolworths		197.69	1	188.14	1	193.00	1	184.24	1	192.75	1	191.16	1
Cairns	Coles	Central	155.90	1	153.14	4	153.31	4	150.88	4	144.85	4	151.62	4
Cairns	Franklins	Stocklands	156.86	2	150.28	2	145.17	1	145.12	1	138.47	1	147.18	1
Cairns	Woolworths	Stocklands	157.28	3	152.08	3	147.21	2	148.57	3	141.13	3	149.25	3
Cairns	Bi-Lo	Central	157.55	4	147.01	1	148.06	3	145.85	2	138.87	2	147.47	2
Mount Isa	Coles		158.64	1	155.05	1	156.25	2	153.46	2	148.42	2	154.36	2
Mount Isa	Woolworths		160.74	2	155.07	2	152.46	1	152.02	1	144.05	1	152.87	1

* 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/nt/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 7921.