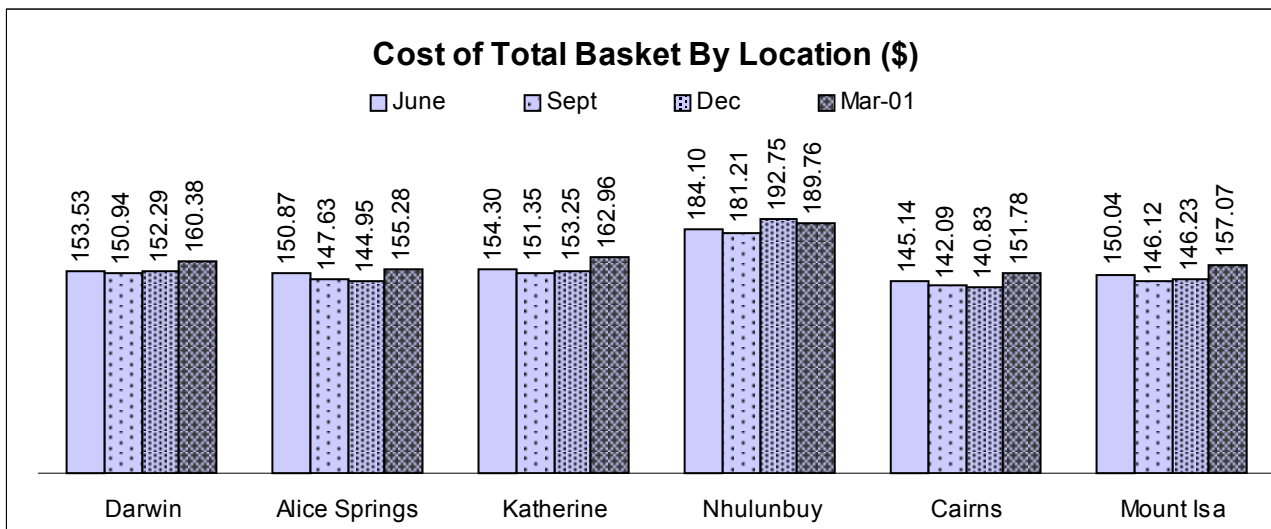


Grocery Price Survey March Quarter 2001

Summary:

- Prices increased over the March Quarter 2001 in all centres, except for Nhulunbuy.
- Prices in the Fruit & Vegetables and Meat & Seafood categories increased substantially during the quarter in most centres. The large increase in the Fruit & Vegetables category in the March quarter comes after price declines in most centres over the preceding three quarters.
- The Fruit & Vegetables and Meat & Seafood categories each accounted for 16% of the total cost of the grocery basket in Darwin in the March quarter (32% in total). Fresh (or perishable) fruit and vegetables comprise close to three quarters of the Fruit & Vegetables category. Long term movements in the CPI show that fresh fruit and vegetable prices are volatile between quarters and even between years, given the magnitude of supply-side fluctuations caused by changes in agricultural conditions.
- The gap between Darwin and Cairns grocery prices narrowed in the March quarter 2001. Cairns prices continue to be the lowest in the survey.
- Alice Springs prices remain lower than Darwin prices, although the gap narrowed in the March quarter. Alice Springs prices also remained lower than prices recorded in Mount Isa, continuing the pattern first established in the December quarter 2000.
- Katherine prices are marginally higher than Darwin prices, with the gap widening slightly.
- Nhulunbuy prices are still the highest in the survey, although the gap between Nhulunbuy and Darwin narrowed substantially during the March quarter 2001.



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. Caution should be taken when comparing results over time.

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

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

Overall

- March quarter results continue to indicate that, in general, 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 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.
- Overall, the lowest cost for the basket of goods was recorded at Franklins in Cairns (\$149.17) while the highest was recorded at Woolworths in Nhulunbuy (\$189.76).
- In the Territory, the lowest cost for the basket of goods was recorded at Woolworths in Alice Springs (\$154.36) while the highest was recorded at Woolworths in Nhulunbuy (\$189.76).

Average Grocery Basket Cost based on Household Expenditure – March 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	14.72	0.2	14.21	2.1	14.84	-0.7	19.52	-0.5	14.48	3.2	14.38	0.2
Bread and Cereal Products	16.23	4.3	15.84	6.8	16.48	3.9	20.28	2.2	15.63	3.1	16.24	2.0
Meat & Seafoods	24.79	8.2	23.96	10.7	24.47	10.6	29.55	0.4	22.65	6.6	22.86	7.7
Fruit & Vegetables	25.71	21.1	26.06	27.7	28.36	28.3	33.64	5.8	23.99	38.1	26.59	45.3
Non-Alcoholic Drinks and Snacks	23.82	-0.1	21.89	1.4	23.97	-0.8	26.22	-12.8	21.48	2.3	21.98	0.6
Other Food	15.92	3.9	15.38	1.5	15.79	4.9	18.35	-3.5	15.19	1.5	15.84	3.6
Household Supplies	16.08	1.0	15.39	3.5	16.05	0.0	17.05	-3.2	15.31	3.7	15.49	-3.8
Pharmaceuticals	7.70	2.8	7.23	-5.0	7.64	2.0	8.00	2.2	7.63	6.0	7.66	3.0
Sport and Other Recreation	3.95	-1.0	3.90	-2.6	3.97	1.4	4.55	1.9	4.02	-1.5	4.17	3.2
Personal Care Products	11.45	1.2	11.42	4.4	11.37	-1.5	12.61	-3.8	11.40	3.6	11.85	1.1
Total Basket (\$)	160.38	5.3	155.28	7.1	162.96	6.3	189.76	-1.6	151.78	7.8	157.07	7.4
<i>Previous Qtr (\$)</i>	<i>152.29</i>		<i>144.95</i>		<i>153.25</i>		<i>192.75</i>		<i>140.83</i>		<i>146.23</i>	
<i>\$ Change</i>	<i>8.09</i>		<i>10.33</i>		<i>9.71</i>		<i>-3.00</i>		<i>10.95</i>		<i>10.83</i>	
Variation from Darwin (\$)			Alice Springs		Katherine		Nhulunbuy		Cairns		Mount Isa	
Dairy and Related Products			-0.52		0.12		4.80		-0.25		-0.34	
Bread and Cereal Products			-0.38		0.26		4.06		-0.60		0.02	
Meat & Seafoods			-0.83		-0.32		4.75		-2.14		-1.93	
Fruit & Vegetables			0.35		2.65		7.93		-1.72		0.88	
Non-Alcoholic Drinks and Snacks			-1.93		0.15		2.40		-2.34		-1.84	
Other Food			-0.55		-0.13		2.42		-0.74		-0.08	
Household Supplies			-0.70		-0.04		0.96		-0.77		-0.59	
Pharmaceuticals			-0.47		-0.07		0.29		-0.08		-0.04	
Sport and Other Recreation			-0.05		0.02		0.60		0.07		0.22	
Personal Care Products			-0.02		-0.07		1.17		-0.04		0.40	
Total Basket (\$)			-5.10		2.57		29.37		-8.60		-3.32	
<i>Previous Qtr (\$)</i>			<i>-7.34</i>		<i>0.96</i>		<i>40.47</i>		<i>-11.46</i>		<i>-6.05</i>	
<i>\$ Change</i>			<i>2.24</i>		<i>1.61</i>		<i>-11.09</i>		<i>2.86</i>		<i>2.74</i>	

Darwin

- The total average grocery basket cost in Darwin was \$8.60 higher than in Cairns in the March quarter, compared to \$11.46 higher in the previous quarter. The average cost of the total weighted basket in Darwin was \$160.38 compared to \$151.78 in Cairns (5.7% higher). The gap between Darwin and Cairns has narrowed, a result of an \$8.09 (5.3%) increase in Darwin prices over the quarter, while Cairns prices rose \$10.95 (7.8%).
- For the March quarter, the lowest cost recorded for the basket of goods in Darwin was \$156.55 at Bi-Lo, Northlakes, while the most expensive was recorded at Woolworths' city store at

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

\$166.47, a range of \$9.92.

Alice Springs

- The total average grocery basket cost in Alice Springs was \$5.10 lower than the cost of equivalent items in Darwin, compared to \$7.34 lower in the previous quarter. The average cost for the total basket of goods in Alice Springs was \$155.28 compared to Darwin's total of \$160.38 (3.3% higher). Alice Springs prices increased by \$10.33 (7.1%) over the quarter from a total of \$144.95 in December. Woolworths was the least expensive store in Alice (\$154.36) while Coles recorded the highest cost (\$156.77). Alice Springs grocery prices are typically lower than those in Darwin, reflecting its closer proximity to southern supply centres.

Katherine

- The total cost of the grocery basket in Katherine was \$2.57 higher than the equivalent items in Darwin, compared to \$0.96 higher in the previous quarter. The cost of the total basket in Katherine was \$162.96, compared to \$160.38 for Darwin. Katherine prices increased by \$9.71 (6.3%) over the quarter, from \$153.25 in December. Only the one grocery store (Woolworths) is surveyed in Katherine.

Nhulunbuy

- The total cost of the basket in Nhulunbuy was \$29.37 higher than the equivalent items in Darwin in March, compared to \$40.47 higher in the previous quarter. The average cost of the total basket in Nhulunbuy was \$189.76 compared to \$160.38 in Darwin. Nhulunbuy prices decreased by \$3.00 (1.6%) over the quarter, from \$192.75 recorded in December.
- 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. As only the one grocery store is surveyed in Nhulunbuy (Woolworths), prices tend to fluctuate between quarters.

Cairns

- The total average grocery basket cost in Cairns was \$8.60 lower than Darwin in March, compared to \$11.46 lower in the previous quarter. The average cost of the total basket in Cairns was \$151.78 compared to \$160.38 in Darwin. Franklins Cairns recorded the lowest cost for the basket of goods at \$149.17, with the most expensive of \$155.31 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 east coast supply centres.

Mount Isa

- The average grocery basket cost in Mount Isa was \$1.78 higher than Alice Springs in March, compared to \$1.28 higher in the previous quarter. The average cost of the total basket in Mount Isa was \$157.07 compared to \$155.28 in Alice Springs. Mount Isa prices increased by \$10.83 (7.4%) over the quarter from expenditure of \$146.23 in December. 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.

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

Cost of Total Basket by Outlet												
Outlet - Name			Mar'01 (\$)	Mar'01 Rank	Dec* (\$)	Dec Rank	Sept* (\$)	Sept Rank	June* (\$)	June Rank	4 Quarter Average (\$)	4 Quarter Rank
Cairns	Franklins	Stocklands	149.17	1	138.47	1	139.99	1	143.48	1	142.78	1
Cairns	Bi-Lo	Central	149.91	2	138.87	2	141.33	2	146.16	3	144.07	2
Cairns	Woolworths	Stocklands	152.75	3	141.13	3	141.36	3	143.66	2	144.73	3
Alice Springs	Woolworths		154.36	4	144.11	6	143.42	4	151.76	11	148.41	5
Alice Springs	Bi-Lo		154.73	5	142.14	4	148.65	7	149.60	5	148.78	7
Cairns	Coles	Central	155.31	6	144.85	7	145.66	6	147.25	4	148.27	4
Mount Isa	Woolworths		156.37	7	144.05	5	143.59	5	149.73	6	148.44	6
Darwin	Bi-Lo	Northlakes	156.55	8	148.88	10	151.56	19	154.70	19	152.92	10
Alice Springs	Coles		156.77	9	148.61	9	150.83	14	151.26	8	151.87	9
Mount Isa	Coles		157.76	10	148.42	8	148.65	7	150.35	7	151.30	8
Darwin	Bi-Lo	Casuarina	158.04	11	149.30	11	151.12	15	154.07	16	153.13	11
Darwin	Coles	Palmerston	159.30	12	153.02	16	151.20	16	151.69	10	153.80	14
Darwin	Coles	Karama	159.35	13	153.34	18	150.61	11	151.87	12	153.79	13
Darwin	Coles	Casuarina	159.61	14	152.56	13	149.91	9	151.66	9	153.44	12
Darwin	Woolworths	Palmerston	160.46	15	152.85	14	151.41	18	153.90	13	154.65	16
Darwin	Woolworths	Hibiscus	160.82	16	153.48	19	150.73	12	154.01	15	154.76	17
Darwin	Woolworths	Nightcliff	161.58	17	151.88	12	150.46	10	153.93	14	154.46	15
Darwin	Woolworths	Casuarina	161.64	18	152.87	15	150.80	13	154.63	18	154.98	18
Katherine	Woolworths		162.96	19	153.25	17	151.35	17	154.30	17	155.46	19
Darwin	Woolworths	City	166.47	20	154.71	20	151.60	20	154.79	20	156.89	20
Nhulunbuy	Woolworths		189.76	21	192.75	21	181.21	21	184.10	21	186.96	21

Cost of Total Basket by Outlet by Town												
Darwin	Bi-Lo	Northlakes	156.55	1	148.88	1	151.56	9	154.70	9	152.33	1
Darwin	Bi-Lo	Casuarina	158.04	2	149.30	2	151.12	6	154.07	7	152.82	2
Darwin	Woolworths	Nightcliff	161.58	8	151.88	3	150.46	2	153.93	5	154.64	6
Darwin	Coles	Casuarina	159.61	5	152.56	4	149.91	1	151.66	1	154.03	3
Darwin	Woolworths	Palmerston	160.46	6	152.85	5	151.41	8	153.90	4	154.91	7
Darwin	Woolworths	Casuarina	161.64	9	152.87	6	150.80	5	154.63	8	155.10	9
Darwin	Coles	Palmerston	159.30	3	153.02	7	151.20	7	151.69	2	154.51	5
Darwin	Coles	Karama	159.35	4	153.34	8	150.61	3	151.87	3	154.43	4
Darwin	Woolworths	Hibiscus	160.82	7	153.48	9	150.73	4	154.01	6	155.01	8
Darwin	Woolworths	City	166.47	10	154.71	10	151.60	10	154.79	10	157.59	10
Alice Springs	Bi-Lo		154.73	2	142.14	1	148.65	2	149.60	1	148.50	2
Alice Springs	Woolworths		154.36	1	144.11	2	143.42	1	151.76	3	147.30	1
Alice Springs	Coles		156.77	3	148.61	3	150.83	3	151.26	2	152.07	3
Katherine	Woolworths		162.96	1	153.25	1	151.35	1	154.30	1	155.85	1
Nhulunbuy	Woolworths		189.76	1	192.75	1	181.21	1	184.10	1	187.91	1
Cairns	Franklins	Stocklands	149.17	1	138.47	1	139.99	1	143.48	1	142.54	1
Cairns	Bi-Lo	Central	149.91	2	138.87	2	141.33	2	146.16	3	143.37	2
Cairns	Woolworths	Stocklands	152.75	3	141.13	3	141.36	3	143.66	2	145.08	3
Cairns	Coles	Central	155.31	4	144.85	4	145.66	4	147.25	4	148.60	4
Mount Isa	Woolworths		156.37	1	144.05	1	143.59	1	149.73	1	148.01	1
Mount Isa	Coles		157.76	2	148.42	2	148.65	2	150.35	2	151.61	2

* Expenditure 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.