

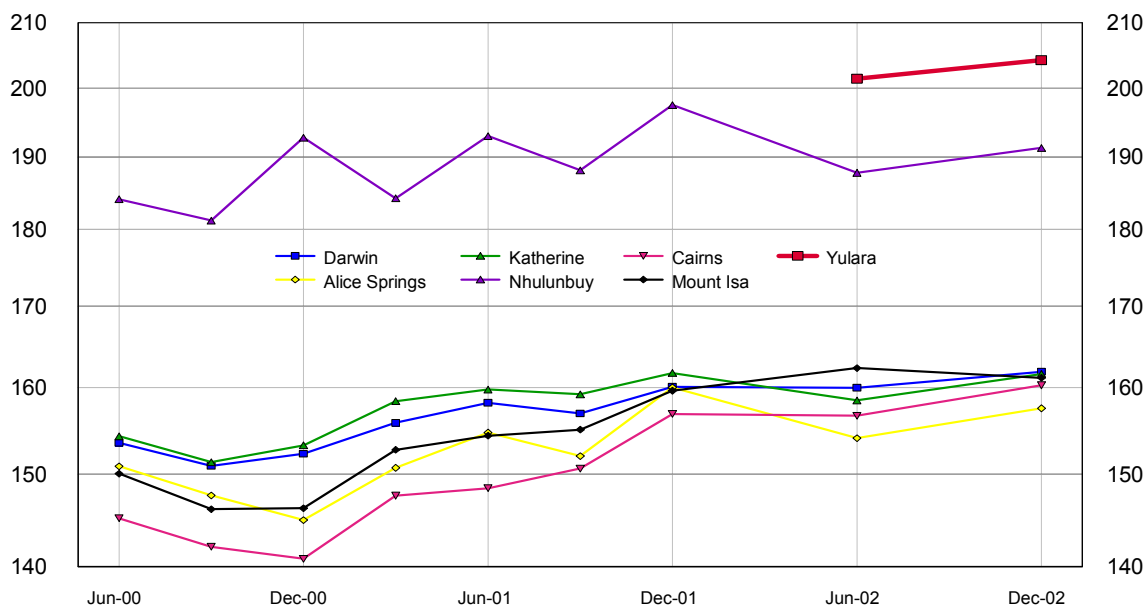
Grocery Price Survey

DECEMBER 2002

Summary:

- Prices rose in the six months to December 2002 in all centres, except Mount Isa. Compared to the June survey, prices in Darwin increased by 1.2%.
- Price movements in the Fruit & Vegetables category continued their recent fluctuations, increasing by 5.8% in Darwin, to partially reverse a significant (13.0%) decline in June. Price movements in this category are often volatile, reflecting variations in seasonal factors affecting supply. The increase in Darwin's Fruit & Vegetable prices contributed 0.8 percentage points to the basket increase of 1.2 percentage points, with the Other Food category (0.5 percentage points) and Bread and Cereal Products (0.3 percentage points) also contributing to the rise. Offsetting this, Meat and Seafoods and Non-Alcoholic Drinks and Snack Food categories fell by 0.4 and 0.3 percentage points respectively.
- The gap between grocery prices in Darwin and Cairns narrowed in December 2002, compared to June 2002. This was primarily due to a significantly larger rise in Cairns' Fruit and Vegetable prices as opposed to Darwin.
- Alice Springs recorded the lowest total basket for the second consecutive survey period.
- Katherine prices remained marginally lower than Darwin prices for the second consecutive survey period.
- The gap between Nhulunbuy and Darwin prices remained relatively constant, with Nhulunbuy 18.2% higher.
- Yulara prices are the highest surveyed.

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 some 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 six months to 31 December 2002 are preliminary estimates based on projections of price movements in Darwin during the period. Final results, adjusted for movements in the December 2002 CPI, will be available with the subsequent survey results.

Grocery Price Survey, December 2002 (cont'd)

Average Grocery Basket Cost based on Household Expenditure - Six months to December 2002

Expenditure (\$)	Darwin	<i>6 mth %</i>	Alice	<i>6 mth %</i>	Katherine	<i>6 mth %</i>	Nhulunbuy	<i>6 mth %</i>	Yulara	<i>6 mth %</i>	Cairns	<i>6 mth %</i>	Mount Isa	<i>6 mth %</i>
		<i>Change</i>	Springs	<i>Change</i>		<i>Change</i>		<i>Change</i>		<i>Change</i>		<i>Change</i>		<i>Change</i>
Dairy and Related Products	16.03	1.1	15.61	-1.5	15.46	-2.0	19.52	-0.9	20.70	6.3	15.53	-2.0	15.48	-4.9
Bread and Cereal Products	17.06	3.4	16.71	3.6	16.62	1.0	20.69	11.5	23.20	7.3	16.80	2.4	17.58	4.2
Meat & Seafoods	24.89	-2.4	24.75	0.5	24.15	-0.9	28.68	-3.5	29.23	5.4	24.16	-0.5	23.32	-8.7
Fruit & Vegetables	23.71	5.8	22.77	8.3	25.20	13.6	33.03	7.8	31.04	-5.9	25.84	16.7	24.93	7.5
Non-Alcoholic Drinks and Snacks	23.04	-1.9	22.22	-0.2	23.04	-1.8	26.58	-0.7	34.16	-2.1	22.34	-3.5	23.15	-2.4
Other Food	16.92	4.7	16.34	3.7	17.06	4.1	19.10	1.8	20.90	11.0	15.82	0.5	15.95	-0.9
Household Supplies	16.32	-0.8	16.08	3.8	16.40	-1.3	18.02	-2.7	18.03	-7.8	15.70	-1.8	16.25	-4.0
Pharmaceuticals	7.85	-1.2	7.57	-4.1	7.73	-0.5	8.45	2.4	8.20	-0.9	7.91	5.3	7.99	3.4
Sport and Other Recreation	4.61	4.9	4.38	3.6	4.65	7.4	5.03	7.1	5.73	1.7	4.47	2.5	4.61	5.3
Personal Care Products	11.47	2.0	11.12	2.7	11.32	1.6	12.20	0.2	13.05	4.8	11.70	4.2	11.92	2.4
Total Basket (\$)	161.91	1.2	157.54	2.3	161.63	2.0	191.30	1.9	204.23	1.4	160.27	2.3	161.17	-0.7
<i>June 2002 (\$) *</i>	<i>159.98</i>		<i>154.08</i>		<i>158.48</i>		<i>187.78</i>		<i>201.40</i>		<i>156.67</i>		<i>162.35</i>	
<i>\$ Change</i>	<i>1.93</i>		<i>3.47</i>		<i>3.15</i>		<i>3.52</i>		<i>2.83</i>		<i>3.61</i>		<i>-1.19</i>	
Variation from Darwin (\$)			Alice		Katherine		Nhulunbuy		Yulara		Cairns		Mount Isa	
			Springs											
Dairy and Related Products			-0.42		-0.57		3.48		4.67		-0.50		-0.56	
Bread and Cereal Products			-0.35		-0.44		3.63		6.14		-0.26		0.52	
Meat & Seafoods			-0.14		-0.74		3.79		4.34		-0.73		-1.57	
Fruit & Vegetables			-0.94		1.49		9.32		7.33		2.13		1.22	
Non-Alcoholic Drinks and Snacks			-0.82		-0.01		3.53		11.12		-0.70		0.10	
Other Food			-0.58		0.13		2.18		3.97		-1.10		-0.98	
Household Supplies			-0.25		0.08		1.70		1.71		-0.62		-0.08	
Pharmaceuticals			-0.28		-0.12		0.60		0.35		0.06		0.14	
Sport and Other Recreation			-0.23		0.05		0.43		1.12		-0.14		0.00	
Personal Care Products			-0.36		-0.15		0.73		1.58		0.23		0.45	
Total Basket (\$)			-4.37		-0.28		29.39		42.32		-1.64		-0.74	
<i>June 2002 (\$) *</i>			<i>-5.90</i>		<i>-1.50</i>		<i>27.80</i>		<i>41.43</i>		<i>-3.31</i>		<i>2.38</i>	
<i>\$ Change</i>			<i>1.53</i>		<i>1.22</i>		<i>1.58</i>		<i>0.90</i>		<i>1.67</i>		<i>-3.12</i>	

* Six months to June adjusted to reflect CPI.

Darwin

- The gap between Darwin and Cairns narrowed slightly in the six months to 31 December 2002, with the total average grocery basket in Darwin costing \$1.64 (or 1.0%) higher than in Cairns. This compares to Darwin's basket being \$3.31 higher in June 2002.
- The Darwin basket increased by \$1.93 (1.2%) over the six months to December, to \$161.91. Cairns prices increased by \$3.61 (2.3%) to \$160.27 over the same period. Prices in the Fruit & Vegetables category increased by significantly more in Cairns (16.7%) than in Darwin (5.8%), while Pharmaceutical prices rose in Cairns (5.3%) but fell in Darwin (1.2%) during the period.
- For the six months to December, the lowest cost recorded for the basket of goods in Darwin was \$159.00 at Coles Karama. The most expensive was recorded at Woolworths Coolalinga at \$165.15, a range of \$6.15.

Alice Springs

- The total average grocery basket cost in Alice Springs was \$4.37 lower than the cost of equivalent items in Darwin in the six months to December. The Alice Springs basket was \$5.90 lower in June. The average cost for the total basket of goods in Alice Springs was \$157.54 (up \$3.47 or 2.3%) compared to Darwin's total of \$161.91. Prices in the Fruit and Vegetables category increased by 8.3% in Alice Springs (after a decrease of 24.4% in the previous quarter), compared to an increase of 5.8% in Darwin for the same category.
- Woolworths was the least expensive store in Alice Springs (at \$155.69), while Bi-Lo recorded the highest cost (at \$160.26). Grocery prices in Alice Springs are generally lower than those in Darwin, particularly for perishables, reflecting its closer proximity to southern supply centres.

Katherine

- The total cost of the grocery basket in Katherine was \$161.63 (up \$3.15 or 2.0% from June). Overall, prices were \$0.28 lower than the equivalent items in Darwin (\$1.50 lower in June). The Fruit & Vegetables category increased significantly over the six months to December (up 13.6%), along with substantial increases in the Sport and Other Recreation (up 7.4%) and Other Food (up 4.1%) categories. *NB: There is only one major grocery store (Woolworths) in Katherine.*

Nhulunbuy

- The total cost of the basket in Nhulunbuy was \$191.30 (up \$3.52 or 1.9% since June), compared to \$161.91 in Darwin. Prices in Nhulunbuy were \$29.39 higher than the equivalent items in Darwin in the December half (compared to \$27.80 higher in June).
- In general, Nhulunbuy prices are substantially higher than Darwin prices in all categories, most notably Fruit & Vegetables and Dairy & Related Products (higher by 39.3% and 21.8% 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 periods.*

Yulara

- Yulara was introduced in the survey for the first time in the six months to June 2002. Prices in Yulara are the highest in the survey, with a total basket cost of \$204.23 in December 2002. Yulara prices are significantly higher (\$41.43) than those in Darwin, reflecting the remoteness of the location, as well as a lack of competition and economies of scale. *N.B: There is only one grocery store in Yulara (IGA).*

Cairns

- The average cost of the total basket in Cairns was \$160.27 (up \$3.61 or 2.3% from June 2002) compared to \$161.91 in Darwin. Fruit & Vegetable prices in Cairns increased the most, up by 16.7%, with a strong rise of 5.3% also recorded in the Pharmaceuticals category. Coles Cairns Central recorded the lowest cost for the basket of goods at \$159.61, with Action Cairns Stocklands recording the most expensive basket at \$161.35. Bi-Lo Cairns Central outlet was unable to be surveyed due to time constraints. *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 \$161.17 (down \$1.19 or 0.7% from the June half). This was \$3.63 higher than Alice Springs in the six months to December 2002, compared to \$8.27 higher in the June quarter. Meat and Seafood and Household supplies categories fell substantially in Mt Isa, yet rose in Alice Springs. The reverse was true in the Pharmaceutical category. *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 Woolworths, Alice Springs (\$155.69), while the highest was recorded at Yulara (\$204.23).
- The results for the six months to 31 December 2002 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.
- Fruit and vegetables prices are highly volatile, reflecting variations in seasonal factors affecting supply. As such, swings in prices in this category can have a substantial impact on the overall cost of the basket.

Grocery Price Survey, June 2002 (cont'd)

Cost of Total Basket by Outlet												
			Dec	Dec	June*	June*	Dec*	Dec*	June*	June*	2 Year	
Outlet - Name			02	02	02	02	01	01	01	01	Average	Rank
			(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank
Alice Springs	Woolworths		155.69	1	152.07	1	183.15	21	153.97	7	161.22	19
Alice Springs	Coles		156.68	2	156.19	6	201.40	23	152.92	5	166.80	23
Darwin	Coles	Karama	159.00	3	161.32	19	161.48	17	155.25	9	159.26	9
Cairns	Coles	Central	159.61	4	160.43	16	159.28	10	153.31	6	158.16	7
Cairns	Woolworths	Stocklands	159.87	5	156.09	5	187.78	22	147.21	2	162.74	22
Alice Springs	Bi-Lo		160.26	6	153.97	2	0.00	1	157.26	14	117.87	1
Darwin	Coles	Casuarina	160.73	7	160.94	17	161.32	16	155.47	10	159.61	10
Mount Isa	Woolworths		161.14	8	159.28	12	156.19	6	152.46	4	157.27	5
Darwin	Woolworths	Hibiscus	161.15	9	157.05	7	157.05	7	156.94	13	158.05	6
Mount Isa	Coles		161.19	10	165.43	23	153.97	4	156.25	12	159.21	8
Cairns	Action	Stocklands	161.35	11	155.40	4	156.09	5	145.17	1	154.50	3
Darwin	Woolworths	Palmerston	161.40	12	159.68	14	159.68	12	161.27	19	160.50	16
Darwin	Coles	Palmerston	161.53	13	161.55	21	160.94	14	160.45	18	161.12	18
Darwin	Woolworths	Humpty Doo	161.54	14	161.11	18	161.11	15	n.a.	n.a.	161.26	21
Katherine	Woolworths		161.63	15	158.48	9	161.55	18	159.77	16	160.36	13
Darwin	Woolworths	Nightcliff	161.96	16	159.78	15	159.78	13	161.41	20	160.73	17
Darwin	Woolworths	Casuarina	162.26	17	158.97	10	158.97	8	158.32	15	159.63	11
Darwin	Bi-Lo	Northlakes	162.27	18	161.48	20	161.94	19	155.79	11	160.37	14
Darwin	Bi-Lo	Casuarina	162.32	19	161.94	22	0.00	1	154.67	8	119.73	2
Darwin	Woolworths	City (New)	162.52	20	159.19	11	159.19	9	n.a.	n.a.	160.30	12
Darwin	Woolworths	City	163.02	21	159.41	13	159.41	11	159.83	17	160.42	15
Darwin	Woolworths	Coolalinga	165.15	22	157.30	8	n.a.	n.a.	n.a.	n.a.	161.22	20
Nhulunbuy	Woolworths		191.30	23	187.78	24	152.07	3	193.00	21	181.04	24
Yulara	IGA		204.23	24	201.40	25	n.a.	n.a.	n.a.	n.a.	202.82	25
Cairns	Bi-Lo	Central	n.a.	n.a.	154.76	3	165.43	20	148.06	3	156.09	4

Cost of Total Basket by Outlet by Town												
Darwin	Coles	Karama	159.00	1	161.32	10	161.48	11	155.25	2	159.26	3
Darwin	Coles	Casuarina	160.73	2	160.94	17	161.32	16	155.47	10	159.61	4
Darwin	Woolworths	Hibiscus	161.15	3	157.05	1	157.05	2	156.94	5	158.05	2
Darwin	Woolworths	Palmerston	161.40	4	159.68	6	159.68	12	161.27	19	160.50	9
Darwin	Coles	Palmerston	161.53	5	161.55	12	160.94	8	160.45	8	161.12	11
Darwin	Woolworths	Humpty Doo	161.54	6	161.11	9	161.11	9	n.a.	n.a.	161.26	13
Darwin	Woolworths	Nightcliff	161.96	7	159.78	7	159.78	7	161.41	10	160.73	10
Darwin	Woolworths	Casuarina	162.26	8	158.97	3	158.97	3	158.32	6	159.63	5
Darwin	Bi-Lo	Northlakes	162.27	9	161.48	11	161.94	19	155.79	11	160.37	7
Darwin	Bi-Lo	Casuarina	162.32	10	161.94	13	0.00	1	154.67	1	119.73	1
Darwin	Woolworths	City (New)	162.52	11	159.19	4	159.19	4	n.a.	n.a.	160.30	6
Darwin	Woolworths	City	163.02	12	159.41	5	159.41	5	159.83	7	160.42	8
Darwin	Woolworths	Coolalinga	165.15	13	157.30	2	n.a.	n.a.	n.a.	n.a.	161.22	12
Katherine	Woolworths		161.63	1	158.48	1	161.55	1	159.77	1	160.36	1
Alice Springs	Woolworths		155.69	1	152.07	1	183.15	2	153.97	2	161.22	2
Alice Springs	Coles		156.68	2	156.19	3	201.40	3	152.92	1	166.80	3
Alice Springs	Bi-Lo		160.26	3	153.97	2	0.00	1	157.26	3	117.87	1
Yulara	IGA		204.23	1	201.40	1	n.a.	n.a.	n.a.	n.a.	202.82	1
Nhulunbuy	Woolworths		191.30	1	187.78	1	152.07	1	193.00	1	181.04	1
Cairns	Coles	Central	159.61	1	160.43	4	159.28	2	153.31	4	158.16	3
Cairns	Woolworths	Stocklands	159.87	2	156.09	3	187.78	4	147.21	2	162.74	4
Cairns	Action	Stocklands	161.35	3	155.40	2	156.09	1	145.17	1	154.50	1
Cairns	Bi-Lo	Central	n.a.	n.a.	154.76	1	165.43	3	148.06	3	156.09	2
Mount Isa	Woolworths		161.14	1	159.28	1	156.19	2	152.46	1	157.27	1
Mount Isa	Coles		161.19	2	165.43	2	153.97	1	156.25	2	159.21	2

* Expenditures figures adjusted to reflect CPI estimates for each previous period.

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/grocerypricesurvey/tech_dec2000.pdf