

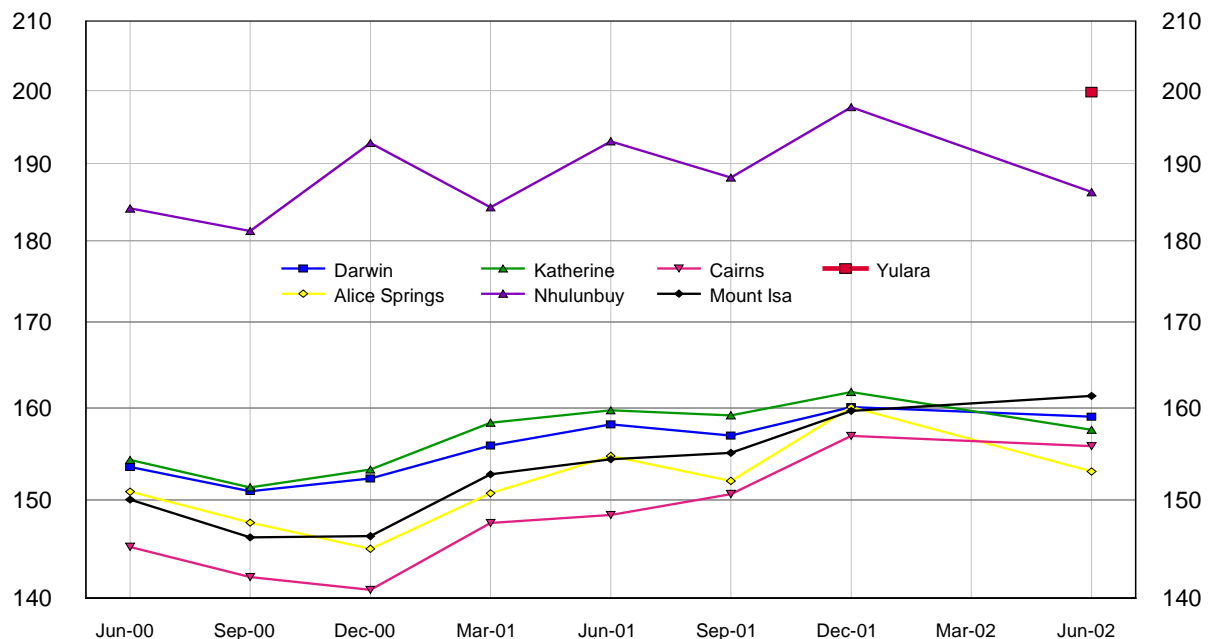
# Grocery Price Survey

## JUNE 2002

### Summary:

- Prices fell in the six months to June 2002 in all centres, except Mount Isa. Compared to the December survey, prices in Darwin decreased by 0.7%.
- These decreases were primarily due to a substantial fall in the Fruit & Vegetables category, reversing a significant spike in the December quarter. Price movements in this category are often volatile, reflecting variations in seasonal factors affecting supply. The 13.0% decrease in Fruit & Vegetable prices in Darwin contributed -1.9 percentage points to the basket decrease, but was partially offset by increases in categories such as Meat & Seafoods (+ 0.9 percentage points) and Non-Alcoholic Drinks & Snackfoods (+ 0.4 percentage points).
- The gap between grocery prices in Darwin and Cairns remained relatively stable in June 2002, compared to December 2001.
- Grocery prices in Alice Springs dropped considerably in the six months to June 2002 and are now the lowest in the survey. A much larger fall in the Fruit and Vegetables category than in other centres contributed to the significant fall in the Alice Springs grocery basket overall.
- Katherine prices are marginally lower than Darwin prices for the first time in the survey.
- Nhulunbuy prices decreased considerably over the June half, with the gap between Nhulunbuy and Darwin narrowing to 17.1% (from 23.4%).
- Yulara has been included in the survey for the first time. Prices are the highest surveyed.
- It had been intended to further extend geographical coverage of the survey to include Tennant Creek. However, the proprietors of the supermarket have not agreed to its inclusion at this stage.

### 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 30 June 2002 are preliminary estimates based on projections of price movements in Darwin during the period. Final results, adjusted for movements in the June 2002 CPI, will be available with the subsequent survey results.

*Grocery Price Survey, June 2002 (cont'd)*

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

Expenditure (\$)	Darwin	6 mth % Change	Alice Springs	6 mth % Change	Katherine	6 mth % Change	Nhulunbuy	6 mth % Change	Yulara	6 mth % Change	Cairns	6 mth % Change	Mount Isa	6 mth % Change
	Dairy and Related Products	15.73	0.9	15.68	4.3	15.65	0.3	19.55	-5.9	19.28	na	15.69	4.4	16.13
Bread and Cereal Products	15.79	-1.3	15.43	-1.5	15.75	-2.2	17.78	-8.3	20.59	na	15.71	0.4	16.17	0.4
Meat & Seafoods	26.45	5.7	25.50	2.8	25.27	-2.0	30.77	0.5	28.85	na	25.20	-0.4	26.49	5.3
Fruit & Vegetables	20.26	-13.0	18.96	-24.4	20.08	-15.2	27.71	-15.4	29.74	na	20.05	-12.2	20.92	-12.0
Non-Alcoholic Drinks and Snacks	24.48	2.5	23.20	-2.4	24.43	0.6	27.88	0.4	36.36	na	24.14	3.3	24.72	4.2
Other Food	16.10	-0.7	15.70	1.1	16.33	-0.6	18.65	-1.0	18.72	na	15.72	4.0	16.05	4.3
Household Supplies	17.19	2.5	16.18	-2.0	17.36	3.7	19.33	-0.3	20.43	na	16.70	2.0	17.70	8.2
Pharmaceuticals	7.08	-5.1	7.02	-4.9	6.92	-8.2	7.35	-19.6	7.37	na	6.69	-7.9	6.88	-10.6
Sport and Other Recreation	4.51	4.6	4.34	-2.3	4.45	5.3	4.83	0.8	5.78	na	4.47	1.9	4.49	1.6
Personal Care Products	11.45	-0.6	11.01	-6.7	11.34	-0.1	12.39	-12.1	12.66	na	11.42	-1.3	11.85	1.5
<b>Total Basket (\$)</b>	<b>159.03</b>	<b>-0.7</b>	<b>153.03</b>	<b>-4.4</b>	<b>157.58</b>	<b>-2.6</b>	<b>186.23</b>	<b>-5.7</b>	<b>199.77</b>	<b>na</b>	<b>155.79</b>	<b>-0.7</b>	<b>161.38</b>	<b>1.1</b>
<i>Previous Qtr (\$) *</i>	160.09		160.00		161.73		197.51		na		156.88		159.63	
<i>\$ Change</i>	-1.05		-6.98		-4.16		-11.28		na		-1.09		1.75	
<b>Variation from Darwin (\$)</b>			<b>Alice Springs</b>		<b>Katherine</b>		<b>Nhulunbuy</b>		<b>Yulara</b>		<b>Cairns</b>		<b>Mount Isa</b>	
Dairy and Related Products			-0.05		-0.07		3.82		3.55		-0.04		0.40	
Bread and Cereal Products			-0.36		-0.04		1.99		4.80		-0.08		0.37	
Meat & Seafoods			-0.95		-1.18		4.32		2.40		-1.25		0.04	
Fruit & Vegetables			-1.30		-0.18		7.46		9.48		-0.20		0.66	
Non-Alcoholic Drinks and Snacks			-1.28		-0.05		3.40		11.88		-0.34		0.24	
Other Food			-0.41		0.22		2.54		2.62		-0.38		-0.05	
Household Supplies			-1.01		0.17		2.13		3.23		-0.50		0.50	
Pharmaceuticals			-0.05		-0.16		0.27		0.29		-0.39		-0.20	
Sport and Other Recreation			-0.17		-0.06		0.32		1.28		-0.03		-0.02	
Personal Care Products			-0.43		-0.10		0.95		1.22		-0.02		0.40	
<b>Total Basket (\$)</b>			<b>-6.01</b>		<b>-1.45</b>		<b>27.20</b>		<b>40.74</b>		<b>-3.24</b>		<b>2.35</b>	
<i>Previous Qtr (\$) *</i>			-0.08		1.65		37.43		na		-3.21		-0.45	
<i>\$ Change</i>			-5.92		-3.10		-10.23		na		-0.03		2.80	

\* December Quarter adjusted to reflect CPI.

## *Grocery Price Survey, June 2002 (cont'd)*

### *Darwin*

- The gap between Darwin and Cairns has remained relatively stable in the six months to 30 June 2002, with the total average grocery basket cost in Darwin (\$159.03) \$3.24 (or 2.1%) higher than in Cairns (\$155.79), compared to \$3.21 higher in the December quarter 2001.
- The Darwin basket decreased by \$1.05 (0.7%) over the six months to June, while Cairns prices decreased by \$1.09 (0.7%). Prices in the Fruit & Vegetables and Pharmaceuticals categories each decreased by similar magnitudes in both Darwin and Cairns over the six months.
- For the six months to June, the lowest cost recorded for the basket of goods in Darwin was \$156.16 at Woolworths, Hibiscus. The most expensive was recorded at BiLo Casuarina at \$160.89, a range of \$4.73.

### *Alice Springs*

- The total average grocery basket cost in Alice Springs was \$6.00 lower than the cost of equivalent items in Darwin in the six months to June, compared to \$0.08 lower in the December quarter. The average cost for the total basket of goods in Alice Springs was \$153.03 (down \$6.98 or 4.4%) compared to Darwin's total of \$159.03. Prices in the Fruit and Vegetables category decreased by 24.4% in Alice Springs (down from the increase of 14.7% in the previous quarter) and compare to a decrease of 13.0% in Darwin for the same category.
- Woolworths was the least expensive store in Alice Springs (\$151.05), while Coles recorded the highest cost (\$155.21). Grocery prices in Alice Springs have been generally lower than those in Darwin, reflecting its closer proximity to southern supply centres, particularly for perishables. This is emphasised by the substantial decline in the Fruit & Vegetables category this period.

### *Katherine*

- The total cost of the grocery basket in Katherine was \$157.58 (down \$4.16 or 2.6%). Overall, prices were \$1.45 lower than the equivalent items in Darwin (\$1.65 higher in the December quarter). The Fruit & Vegetables category decreased significantly over the six months to June, along with a substantial decrease in the Pharmaceuticals category. *NB: There is only one major grocery store (Woolworths) in Katherine.*

### *Nhulunbuy*

- The total cost of the basket in Nhulunbuy was \$186.23 (down \$11.28 or 5.7%), compared to \$159.03 in Darwin. Prices in Nhulunbuy were \$27.20 higher than the equivalent items in Darwin in the June half (\$37.42 higher in the December quarter).
- In general, Nhulunbuy prices are substantially higher than Darwin prices in all categories, most notably Fruit & Vegetables and Dairy & Related Products (higher by 36.8% and 24.3% 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.*

### *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 \$199.77 in the six month period. Yulara prices are significantly higher 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 \$155.79 (\$1.09 lower) compared to \$159.03 in Darwin. Fruit & Vegetable prices in Cairns decreased the most, down by 12.2%, similar to

### *Grocery Price Survey, June 2002 (cont'd)*

the 13.0% decrease in the same category in Darwin. BiLo Cairns Central recorded the lowest cost for the basket of goods at \$153.99, with the most expensive of \$159.41 recorded at the Coles 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 \$161.38 (up \$1.75 or 1.1% from the December quarter). This was \$8.35 higher than Alice Springs in the six months to June 2002, compared to \$0.37 lower in the December quarter. Fruit & Vegetables prices fell by twice as much in Alice Springs (down 24.4% off a large spike in the December quarter) than in Mount Isa (down 12.0%). *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 (\$151.05), while the highest was recorded at Yulara (\$199.77).
- The results for the six months to 30 June 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)*

<b>Cost of Total Basket by Outlet</b>												
Outlet - Name			June	June	Dec*	Dec*	June*	June*	Dec*	Dec*	2 Year	
			02	02	01	01	01	01	00	00	Average	Rank
			(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank
Alice Springs	Woolworths		151.05	1	158.90	9	153.97	7	144.11	6	152.01	4
Alice Springs	Bi-Lo		152.81	2	163.90	22	157.26	14	142.14	4	154.03	8
Cairns	Bi-Lo	Central	153.99	3	157.53	6	148.06	3	138.87	2	149.62	2
Cairns	Action	Stocklands	154.58	4	156.88	3	145.17	1	138.47	1	148.78	1
Cairns	Woolworths	Stocklands	155.19	5	157.22	5	147.21	2	141.13	3	150.19	3
Alice Springs	Coles		155.21	6	157.20	4	152.92	5	148.61	9	153.49	6
Darwin	Woolworths	Hibiscus	156.16	7	160.30	15	156.94	13	153.48	19	156.72	13
Darwin	Woolworths	Coolalinga	156.44	8	na	na	na	na	na	na	156.44	11
Katherine	Woolworths		157.58	9	161.73	19	159.77	16	153.25	17	158.08	18
Darwin	Woolworths	Casuarina	158.15	10	159.97	13	158.32	15	152.87	15	157.33	16
Darwin	Woolworths	City (New)	158.25	11	160.19	14	na	na	na	na	159.22	22
Mount Isa	Woolworths		158.27	12	160.67	16	152.46	4	144.05	5	153.86	7
Darwin	Woolworths	City	158.54	13	161.65	18	159.83	17	154.71	20	158.68	20
Darwin	Woolworths	Palmerston	158.60	14	163.50	21	161.27	19	152.85	14	159.05	21
Darwin	Woolworths	Nightcliff	158.85	15	159.77	12	161.41	20	151.88	12	157.97	17
Cairns	Coles	Central	159.41	16	155.87	2	153.31	6	144.85	7	153.36	5
Darwin	Coles	Casuarina	160.07	17	155.80	1	155.47	10	152.56	13	155.98	9
Darwin	Woolworths	Humpty Doo	160.21	18	161.02	17	na	na	na	na	160.62	23
Darwin	Bi-Lo	Northlakes	160.36	19	159.42	11	155.79	11	148.88	10	156.11	10
Darwin	Coles	Karama	160.36	20	158.26	7	155.25	9	153.34	18	156.80	14
Darwin	Coles	Palmerston	160.55	21	159.38	10	160.45	18	153.02	16	158.35	19
Darwin	Bi-Lo	Casuarina	160.89	22	161.78	20	154.67	8	149.30	11	156.66	12
Mount Isa	Coles		164.50	23	158.60	8	156.25	12	148.42	8	156.94	15
Nhulunbuy	Woolworths		186.23	24	197.51	23	193.00	21	192.75	21	192.37	24
Yulara	IGA		199.77	25	na	na	na	na	na	na	199.77	25
<b>Cost of Total Basket by Outlet by Town</b>												
Darwin	Woolworths	Hibiscus	156.16	1	160.30	8	156.94	5	153.48	9	156.72	5
Darwin	Woolworths	Coolalinga	156.44	2	na	na	na	na	na	na	156.44	3
Darwin	Woolworths	Casuarina	158.15	3	159.97	6	158.32	6	152.87	6	157.33	7
Darwin	Woolworths	City (New)	158.25	4	160.19	7	na	na	na	na	159.22	12
Darwin	Woolworths	City	158.54	5	161.65	10	159.83	7	154.71	10	158.68	10
Darwin	Woolworths	Palmerston	158.60	6	163.50	12	161.27	9	152.85	5	159.05	11
Darwin	Woolworths	Nightcliff	158.85	7	159.77	5	161.41	10	151.88	3	157.97	8
Darwin	Coles	Casuarina	160.07	8	155.80	1	155.47	3	152.56	4	155.98	1
Darwin	Woolworths	Humpty Doo	160.21	9	161.02	9	na	na	na	na	160.62	13
Darwin	Bi-Lo	Northlakes	160.36	10	159.42	4	155.79	4	148.88	1	156.11	2
Darwin	Coles	Karama	160.36	11	158.26	2	155.25	2	153.34	8	156.80	6
Darwin	Coles	Palmerston	160.55	12	159.38	3	160.45	8	153.02	7	158.35	9
Darwin	Bi-Lo	Casuarina	160.89	13	161.78	11	154.67	1	149.30	2	156.66	4
Katherine	Woolworths		157.58	1	161.73	1	159.77	1	153.25	1	158.08	1
Alice Springs	Woolworths		151.05	1	158.90	2	153.97	2	144.11	2	152.01	1
Alice Springs	Bi-Lo		152.81	2	163.90	3	157.26	3	142.14	1	154.03	3
Alice Springs	Coles		155.21	3	157.20	1	152.92	1	148.61	3	153.49	2
Yulara	IGA		199.77	1	na	na	na	na	na	na	199.77	1
Nhulunbuy	Woolworths		186.23	1	197.51	1	193.00	1	192.75	1	192.37	1
Cairns	Bi-Lo	Central	153.99	1	157.532	4	148.06	3	138.87	2	149.62	2
Cairns	Action	Stocklands	154.58	2	156.882	2	145.17	1	138.47	1	148.78	1
Cairns	Woolworths	Stocklands	155.19	3	157.224	3	147.21	2	141.13	3	150.19	3
Cairns	Coles	Central	159.41	4	155.874	1	153.31	4	144.85	4	153.36	4
Mount Isa	Woolworths		158.271	1	160.67	2	152.46	1	144.05	1	153.86	1
Mount Isa	Coles		164.498	2	158.60	1	156.25	2	148.42	2	156.94	2

\* Expenditures figures adjusted to reflect CPI estimates for each previous 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)

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 7921.