

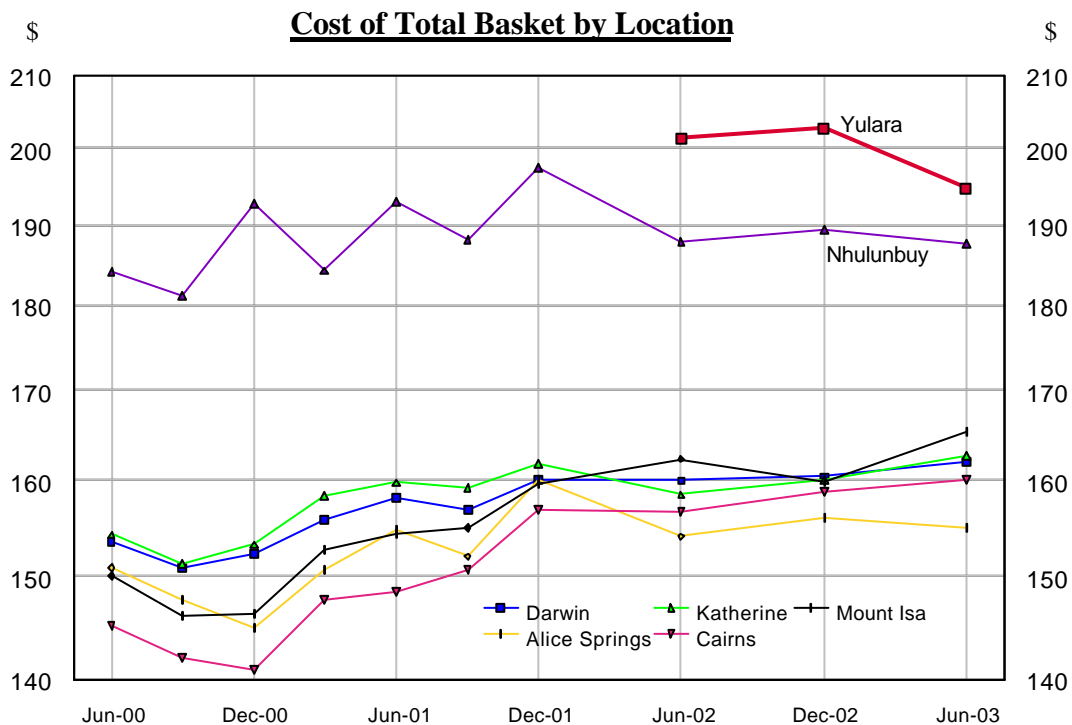


# Grocery Price Survey

## JUNE 2003

### Summary:

- Prices rose in the six months to June 2003 in Darwin, Katherine and the Queensland centres of Cairns and Mount Isa, but fell in Alice Springs, Nhulunbuy and Yulara.
- Compared to the December 2002 survey, prices in Darwin increased by 1.0%. Prices in the Meat & Seafood category continued to show marked volatility, increasing by 6.1% after declining 2.4% in the previous period. Large price variations in both the Meat & Seafood and Fruit & Vegetables categories are common, reflecting a range of seasonal and other factors that can affect supply. Price increases in the Meat & Seafood category contributed 0.9 percentage points to the overall 1.0% increase in the total basket. Bread and Cereal Products and Non-Alcoholic Drinks and Snacks also contributed to the rise. Offsetting this were falls in Dairy and Related Products, Household Supplies, Sport and Other Recreation and Personal Care Products.
- The gap between grocery prices in Darwin and Cairns widened slightly in the six months to June, primarily due to more significant price increases in categories such as Meat & Seafood and Bread and Cereal Products in Darwin than in Cairns.
- Alice Springs recorded the lowest total basket and Katherine prices moved slightly above Darwin prices.
- The gap between Nhulunbuy and Darwin prices closed slightly, although Nhulunbuy prices remain some 15.8% higher. Despite a 4.0% decline between survey periods, Yulara prices remain the highest surveyed.



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 2003 are preliminary estimates based on projections of price movements in Darwin during the period. Final results, adjusted for movements in the June 2003 CPI, will be available with the subsequent survey results.

Grocery Price Survey, June 2003 (cont'd)

Grocery Price Survey - Six months to June 2003

Average Grocery Basket Cost based on Household Expenditure - Six months to June 2003

Expenditure (\$)	Darwin		Alice Springs		Katherine		Nhulunbuy		Yulara		Cairns		Mount Isa	
	6 mth %	Change	6 mth %	Change	6 mth %	Change	6 mth %	Change	6 mth %	Change	6 mth %	Change	6 mth %	Change
Dairy and Related Products	15.83	-1.2	15.22	-2.3	15.99	3.4	20.35	4.3	20.63	-0.2	16.02	3.2	16.48	6.5
Bread and Cereal Products	17.13	3.2	16.52	1.5	17.06	5.5	19.25	-4.6	21.94	-2.8	16.79	2.6	17.27	0.9
Meat & Seafoods	26.07	6.1	25.34	3.5	26.92	13.0	27.47	-2.9	30.38	4.8	24.93	4.3	26.22	13.7
Fruit & Vegetables	23.17	0.2	21.86	-1.3	23.25	-5.1	31.74	-1.2	22.06	-27.0	23.54	-6.5	23.53	-3.4
Non-Alcoholic Drinks and Snacks	24.42	0.9	23.44	0.5	23.87	-1.3	27.28	-2.3	34.56	-3.7	23.88	1.8	24.58	1.2
Other Food	16.05	-0.1	15.05	-3.0	15.42	-4.7	18.75	3.3	19.45	-2.1	15.52	3.0	16.36	7.6
Household Supplies	16.30	-1.3	15.60	-4.0	17.16	3.5	17.50	-4.0	18.45	1.2	15.97	0.6	16.86	2.6
Pharmaceuticals	7.60	0.8	7.22	-0.7	7.61	2.5	8.24	1.4	8.62	9.5	7.69	1.3	7.64	-0.5
Sport and Other Recreation	4.22	-3.6	4.07	-2.0	4.39	-0.8	4.72	-1.2	5.55	2.0	4.26	0.3	4.45	1.6
Personal Care Products	11.21	-1.9	10.66	-3.7	10.98	-2.7	12.23	0.6	13.07	0.5	11.52	-1.2	11.97	0.7
<b>Total Basket (\$)</b>	<b>162.00</b>	<b>1.0</b>	<b>155.00</b>	<b>-0.7</b>	<b>162.64</b>	<b>1.6</b>	<b>187.52</b>	<b>-1.0</b>	<b>194.72</b>	<b>-4.0</b>	<b>160.11</b>	<b>0.8</b>	<b>165.35</b>	<b>3.4</b>
December 2002 (\$) *	160.42		156.08		160.04		189.43		202.78		158.87		159.88	
\$ Change	1.58		-1.08		2.60		-1.91		-8.05		1.25		5.47	
<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			-0.60		0.16		4.52		4.80		0.20		0.65	
Bread and Cereal Products			-0.62		-0.07		2.12		4.81		-0.35		0.13	
Meat & Seafoods			-0.73		0.85		1.40		4.30		-1.15		0.15	
Fruit & Vegetables			-1.30		0.08		8.57		-1.11		0.38		0.36	
Non-Alcoholic Drinks and Snacks			-0.98		-0.55		2.86		10.14		-0.54		0.16	
Other Food			-1.00		-0.63		2.70		3.41		-0.53		0.31	
Household Supplies			-0.69		0.86		1.20		2.15		-0.33		0.56	
Pharmaceuticals			-0.38		0.01		0.64		1.03		0.09		0.04	
Sport and Other Recreation			-0.15		0.17		0.50		1.33		0.04		0.23	
Personal Care Products			-0.55		-0.23		1.02		1.86		0.30		0.75	
<b>Total Basket (\$)</b>			<b>-7.00</b>		<b>0.64</b>		<b>25.52</b>		<b>32.73</b>		<b>-1.88</b>		<b>3.35</b>	
December 2002 (\$) *			-4.34		-0.38		29.02		42.36		-1.55		-0.54	
\$ Change			-2.66		1.02		-3.49		-9.64		-0.33		3.89	

\* Six months to December adjusted to reflect CPI.

## *Grocery Price Survey, June 2003 (cont'd)*

### *Darwin*

- The gap between Darwin and Cairns has widened slightly in the six months to 30 June 2003, with the total average grocery basket cost in Darwin (\$162.00) \$1.88 (or 1.2%) higher than in Cairns (\$160.11), compared to \$1.55 higher in the December quarter 2002.
- The Darwin basket increased by \$1.58 (1.0%) over the six months to June, while Cairns prices increased by \$1.25 (0.8%). Prices in the Meat & Seafood category increased by 6.1% in Darwin, compared to a 4.3% increase in Cairns, while prices for Fruit & Vegetables in Darwin increased slightly (by 0.2%), compared to a substantial decrease in Cairns (-6.5%).
- For the six months to June, the lowest cost recorded for the basket of goods in Darwin was \$158.22 at Bi-Lo Casuarina. The most expensive was recorded at Coles Palmerston at \$166.80, a range of \$8.58.

### *Alice Springs*

- The total average grocery basket cost in Alice Springs was \$7.00 lower than the cost of equivalent items in Darwin in the six months to June 2003, compared to \$4.34 lower in December 2002. The average cost for the total basket of goods in Alice Springs was \$155.00 (down \$1.08 or 0.7%) compared to Darwin's total of \$162.00. Prices moved favourably for Alice Springs when compared to Darwin in all categories except Sport and Other Recreation. The Meat & Seafood category increased by 3.5% in Alice Springs compared to 6.1% in Darwin.
- Woolworths was the least expensive store in Alice Springs (\$152.66), while Coles recorded the highest cost (\$157.37). Grocery prices in Alice Springs have been 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 \$162.64 (up \$2.60 or 1.6%). Overall, prices were \$0.64 higher than the equivalent items in Darwin (\$0.38 lower in December 2002). The Meat & Seafood category increased significantly over the six months to June (up 13.0%), along with a substantial increase in the Bread and Cereal Products category. *NB: There is only one major grocery store (Woolworths) in Katherine.*

### *Nhulunbuy*

- The total cost of the basket in Nhulunbuy was \$187.52 (down \$1.91), compared to \$162.00 in Darwin. Prices in Nhulunbuy were \$25.52 higher than the equivalent items in Darwin in the June half (compared to \$29.02 higher in December 2002).
- In general, Nhulunbuy prices are substantially higher than Darwin prices in all categories, most notably Fruit & Vegetables and Dairy & Related Products (higher by 37.0% and 28.6% 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 can fluctuate markedly between periods.*

### *Yulara*

- Yulara was introduced in the survey for the first time in the six months to June 2002. Prices in Yulara remain the highest in the survey, despite falling \$8.05 (4.0%) to \$194.72 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).*

*Grocery Price Survey, June 2003 (cont'd)*

*Cairns*

- The average cost of the total basket in Cairns was \$160.11 (up \$1.25 or 0.8%) compared to \$162.00 in Darwin. Meat & Seafood and Dairy and Related Products prices rose by 4.3% and 3.2% respectively. Bi-Lo Cairns Central recorded the lowest cost for the basket of goods in Cairns at \$156.74, with Coles Cairns Central recording the most expensive basket at \$163.01. *NB: Prices in Cairns are surveyed to provide a similar size town comparison with Darwin.*

*Mount Isa*

- The average grocery basket cost in Mount Isa was \$165.35 (up \$5.47 or 3.4% from December 2002). This was \$10.35 higher than Alice Springs in the six months to June 2003, compared to \$3.80 higher in the December quarter. Meat & Seafood and Other Food categories rose substantially in Mt Isa, by 13.7% and 7.6% respectively. Household Goods and Personal Care Products also rose, at odds with Alice Springs movements. *NB: Mt Isa prices are surveyed to provide a similar size town comparison with Alice Springs.*

*Overall*

- Overall, the lowest cost for the basket of goods was recorded at Woolworths, Alice Springs (\$152.66), while the highest was recorded at Yulara (\$194.72).
- The results for the six months to 30 June 2003 are in line with the general principle that 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 & Vegetables and Meat & Seafood prices are highly volatile, reflecting variations in seasonal and other factors affecting supply. As such, swings in prices in this category can have a substantial impact on the overall cost of the basket in any one survey period.

**Movements in Average Cost of Grocery Basket (% change)**

	6 months to June 2003	Year to June 2003	Since June 2000	Compound Annual Growth Rate since June 2000
Darwin	1.0	1.3	5.5	1.8
Alice Springs	-0.7	0.6	2.7	0.9
Katherine	1.6	2.6	5.4	1.8
Nhulunbuy	-1.0	-0.1	1.9	0.6
Cairns	0.8	2.2	10.3	3.3
Mount Isa	3.4	1.8	10.2	3.3
Yulara	-4.0	-3.3	n.a	n.a

Source: NT Treasury

*Grocery Price Survey, June 2003 (cont'd)*

<b>Cost of Total Basket by Outlet</b>												
Outlet - Name			June	June	Dec*	Dec*	June*	June*	Dec*	Dec*	2 Year	
			03	03	02	02	02	02	01	01	Average	Rank
			(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank
Alice Springs	Woolworths		152.66	1	154.28	1	152.07	1	158.90	9	154.48	1
Alice Springs	Bi-Lo		154.96	2	158.74	6	153.97	2	163.90	22	157.89	5
Cairns	Bi-Lo	Central	156.74	3	n.a.	n.a.	154.76	3	157.53	6	156.34	2
Alice Springs	Coles		157.37	4	155.22	2	156.19	6	157.20	4	156.50	3
Darwin	Bi-Lo	Casuarina	158.22	5	160.81	18	161.94	22	161.78	20	160.69	14
Cairns	Woolworths	Stocklands	159.71	6	158.35	5	156.09	5	157.22	5	157.84	4
Darwin	Woolworths	Casuarina	159.84	7	160.78	17	158.97	10	159.97	13	159.89	9
Darwin	Woolworths	Nightcliff	159.88	8	160.46	16	159.78	15	159.77	12	159.97	10
Darwin	Woolworths	City (New)	160.45	9	160.95	20	159.19	11	160.19	14	160.20	13
Darwin	Woolworths	Palmerston	160.99	10	159.92	11	159.68	14	163.50	21	161.02	17
Cairns	Action	Stocklands	161.01	11	159.93	12	155.40	4	156.88	3	158.31	6
Darwin	Coles	City	161.36	12	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	161.36	20
Darwin	Woolworths	Coolalinga	162.18	13	163.51	22	157.30	8	n.a.	n.a.	160.99	16
Darwin	Woolworths	City	162.38	14	161.45	21	159.41	13	161.65	18	161.22	19
Darwin	Coles	Casuarina	162.53	15	159.33	7	160.94	17	155.80	1	159.65	8
Katherine	Woolworths		162.64	16	160.04	13	158.48	9	161.73	19	160.72	15
Darwin	Bi-Lo	Northlakes	162.80	17	160.82	19	161.48	20	159.42	11	161.13	18
Cairns	Coles	Central	163.01	18	158.31	4	160.43	16	155.87	2	159.41	7
Darwin	Woolworths	Hibiscus	163.27	19	159.63	8	157.05	7	160.30	15	160.06	11
Darwin	Coles	Karama	163.47	20	157.58	3	161.32	19	158.26	7	160.16	12
Darwin	Woolworths	Humpty Doo	163.81	21	160.05	14	161.11	18	161.02	17	161.50	22
Mount Isa	Coles		164.78	22	159.92	10	165.43	23	158.60	8	162.18	24
Mount Isa	Woolworths		165.92	23	159.84	9	159.28	12	160.67	16	161.43	21
Darwin	Coles	Palmerston	166.80	24	160.12	15	161.55	21	159.38	10	161.96	23
Nhulunbuy	Woolworths		187.52	25	189.43	23	187.78	24	197.51	23	190.56	25
Yulara	IGA		194.72	26	202.78	24	201.40	25	n.a.	n.a.	199.64	26
<b>Cost of Total Basket by Outlet by Town</b>												
Darwin	Bi-Lo	Casuarina	158.22	1	160.81	9	161.94	13	161.78	11	160.69	7
Darwin	Woolworths	Casuarina	159.84	2	160.78	8	158.97	3	159.97	6	159.89	2
Darwin	Woolworths	Nightcliff	159.88	3	160.46	7	159.78	7	159.77	5	159.97	3
Darwin	Woolworths	City (New)	160.45	4	160.95	11	159.19	4	160.19	7	160.20	6
Darwin	Woolworths	Palmerston	160.99	5	159.92	4	159.68	6	163.50	12	161.02	9
Darwin	Coles	City	161.36	6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	161.36	12
Darwin	Woolworths	Coolalinga	162.18	7	163.51	13	157.30	2	n.a.	n.a.	160.99	8
Darwin	Woolworths	City	162.38	8	161.45	12	159.41	5	161.65	10	161.22	11
Darwin	Coles	Casuarina	162.53	9	159.33	2	160.94	8	155.80	1	159.65	1
Darwin	Bi-Lo	Northlakes	162.80	10	160.82	10	161.48	11	159.42	4	161.13	10
Darwin	Woolworths	Hibiscus	163.27	11	159.63	3	157.05	1	160.30	8	160.06	4
Darwin	Coles	Karama	163.47	12	157.58	1	161.32	10	158.26	2	160.16	5
Darwin	Woolworths	Humpty Doo	163.81	13	160.05	5	161.11	9	161.02	9	161.50	13
Darwin	Coles	Palmerston	166.80	14	160.12	6	161.55	12	159.38	3	161.96	14
Katherine	Woolworths		162.64	1	160.04	1	158.48	1	161.73	1	160.72	1
Alice Springs	Woolworths		152.66	1	154.28	1	152.07	1	158.90	2	154.48	1
Alice Springs	Bi-Lo		154.96	2	158.74	3	153.97	2	163.90	3	157.89	3
Alice Springs	Coles		157.37	3	155.22	2	156.19	3	157.20	1	156.50	2
Yulara	IGA		194.72	1	202.78	1	201.40	1	n.a.	n.a.	199.64	1
Nhulunbuy	Woolworths		187.52	1	189.43	1	187.78	1	197.51	1	190.56	1
Cairns	Bi-Lo	Central	156.74	1	n.a.	n.a.	154.76	1	157.53	4	156.34	1
Cairns	Woolworths	Stocklands	159.71	2	158.35	2	156.09	3	157.22	3	157.84	2
Cairns	Action	Stocklands	161.01	3	159.93	3	155.40	2	156.88	2	158.31	3
Cairns	Coles	Central	163.01	4	158.31	1	160.43	4	155.87	1	159.41	4
Mount Isa	Coles		164.78	1	159.92	2	165.43	2	158.60	1	162.18	2
Mount Isa	Woolworths		165.92	2	159.84	1	159.28	1	160.67	2	161.43	1

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