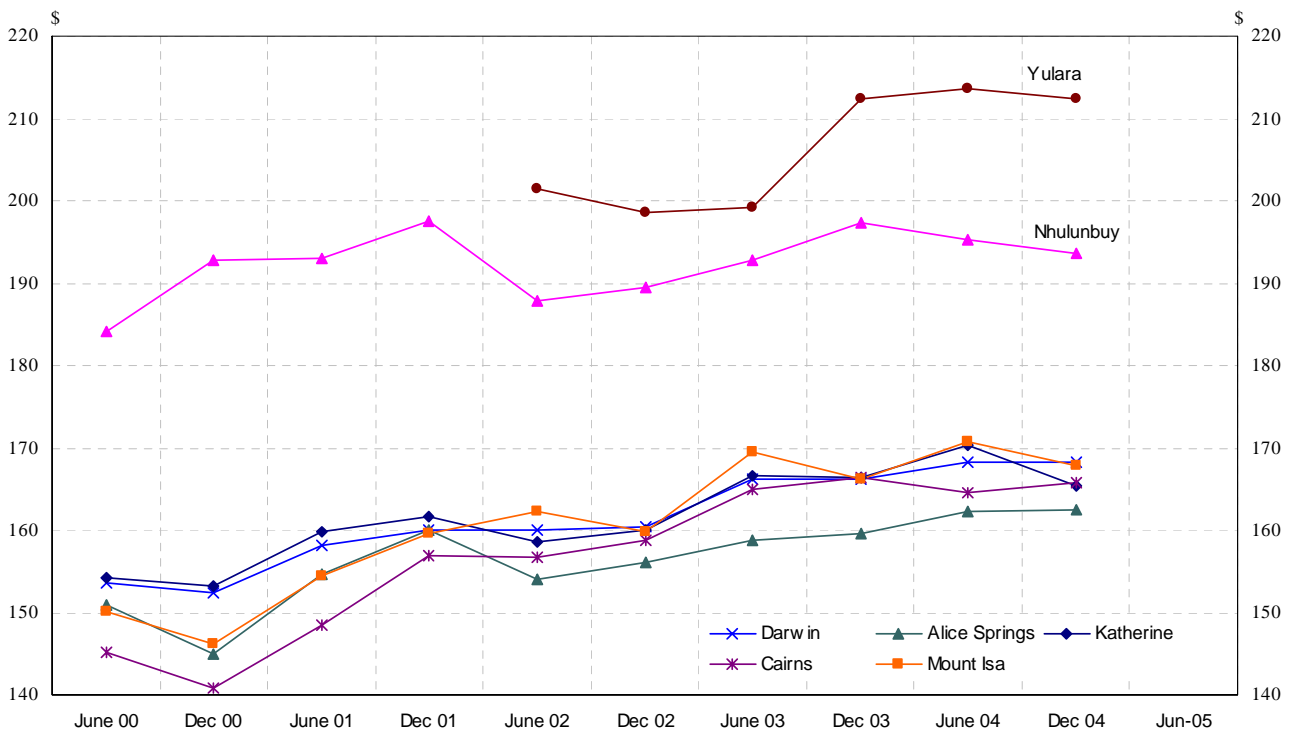


# Grocery Price Survey December 2004

**Summary:**

- In the December 2004 Grocery Price Survey, the cost of a standard basket of goods in Darwin decreased by one cent, virtually unchanged from the previous survey in June 2004. The cost of the basket of goods increased in Cairns (up 0.7%) and Alice Springs (up 0.2%), but fell in Katherine (down 3.0%), Mount Isa (down 1.7%), Nhulunbuy (down 0.8%) and Yulara (down 0.6%).
- In Darwin, the cost of the Fruit & Vegetables component decreased by 1.4% in December, after increases in the previous three surveys of 0.1% (June 2004), 4.8% (December 2003) and 8.7% (June 2003). The cost of the Meat & Seafood category decreased by 0.8% in December after falling by 1.6% in June. 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. Dairy & Related Products, Bread & Cereal Products, Non-Alcoholic Drinks & Snacks, Other Food, Pet Foods and Household Supplies categories all increased, while the Pharmaceuticals and Personal Care Products categories fell.
- The average cost of the basket of goods in Darwin was \$2.37 or 1.4% more expensive than in Cairns in December. Prices fell in six out of the ten categories in Cairns, compared to price decreases in four of the categories in Darwin.
- Of all Territory centres surveyed, Alice Springs continues to record the lowest average cost for the basket. Katherine was the next cheapest of the Territory surveyed centres and was 1.7% cheaper than Darwin. Darwin was the third cheapest with Nhulunbuy and Yulara both more expensive than Darwin, by 15.1% and 26.2% respectively.

**Cost of Total Basket by Location**



The Grocery Price Survey measures the expenditure required to purchase an average basket of goods at most major supermarkets in the Territory and, for comparative purposes, at selected supermarkets in Cairns and Mount Isa. The basket comprises 132 items, including food (but excluding take-away food), household supplies and personal care products. The basket is weighted to reflect typical weekly household purchasing patterns in the Territory. Food comprises some three quarters of the total basket, and the basket represents around one-sixth of average weekly household expenditure. Caution should be used when comparing results over time.

Due to minor technical changes to the Survey methodology, actual totals in this brief may vary slightly from those in previous briefings released by Northern Territory Treasury.

**Grocery Price Survey - December 2004**  
**Average Grocery Basket Cost based on Household Expenditure - December 2004**

Expenditure (\$)	Darwin		Alice		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 & Related Products	16.03	1.1	15.51	4.1	15.32	-4.2	19.31	-1.5	20.28	-6.3	15.82	-0.2	16.20	-0.2
Bread & Cereal Products	17.84	0.8	16.79	0.0	17.21	-3.1	19.56	-7.0	26.12	16.9	16.87	0.3	17.54	4.0
Meat & Seafoods	25.78	-0.8	24.58	-0.7	24.33	-7.2	30.64	-3.6	29.77	-8.7	25.95	3.5	25.52	-1.5
Fruit & Vegetables	25.98	-1.4	25.51	0.0	24.83	-10.8	33.59	-1.2	30.03	0.0	25.85	-1.1	25.70	-11.2
Non-Alcoholic Drinks & Snacks	25.77	1.5	24.99	-2.4	27.28	11.3	27.86	4.2	38.94	-1.1	25.32	0.3	25.51	0.9
Other Food	16.65	1.9	15.56	-0.9	16.17	-1.3	19.01	4.5	19.65	-1.7	15.65	-0.5	16.19	3.0
Household Supplies	16.34	1.5	16.48	6.2	16.62	-3.8	18.02	7.1	19.57	3.6	16.67	8.2	17.35	3.8
Pharmaceuticals	7.77	-6.2	7.50	-2.9	7.67	-7.7	8.25	-7.0	8.70	-4.1	7.77	-2.9	7.96	-8.4
Pet Foods	4.54	0.3	4.49	-1.7	4.56	2.8	5.03	14.3	5.84	-2.0	4.56	-3.2	4.55	-0.7
Personal Care Products	11.47	-1.6	11.07	-1.0	11.28	-3.4	12.23	-10.8	13.39	-2.5	11.33	-2.8	11.31	-4.7
<b>Total Basket (\$)</b>	<b>168.17</b>	<b>0.0</b>	<b>162.47</b>	<b>0.2</b>	<b>165.28</b>	<b>-3.0</b>	<b>193.51</b>	<b>-0.8</b>	<b>212.31</b>	<b>-0.6</b>	<b>165.80</b>	<b>0.7</b>	<b>167.83</b>	<b>-1.7</b>
<i>Revised June 2004 (\$) *</i>	168.18		162.22		170.41		195.16		213.69		164.63		170.78	
<i>\$ Change from previous period #</i>	-0.01		0.25		-5.13		-1.66		-1.39		1.17		-2.95	
<b>Variation from Darwin (\$)</b>			<b>Alice</b>		<b>Katherine</b>		<b>Nhulunbuy</b>		<b>Yulara</b>		<b>Cairns</b>		<b>Mount Isa</b>	
Dairy and Related Products			<b>Springs</b>											
Bread and Cereal Products			-0.52		-0.71		3.28		4.26		-0.21		0.17	
Meat & Seafoods			-1.06		-0.63		1.72		8.28		-0.97		-0.30	
Fruit & Vegetables			-1.21		-1.46		4.86		3.99		0.17		-0.26	
Non-Alcoholic Drinks and Snacks			-0.47		-1.15		7.61		4.06		-0.12		-0.27	
Other Food			-0.78		1.51		2.09		13.17		-0.45		-0.26	
Household Supplies			-1.09		-0.48		2.36		3.00		-1.01		-0.47	
Pharmaceuticals			0.14		0.28		1.67		3.23		0.32		1.01	
Pet Foods			-0.27		-0.10		0.48		0.94		0.00		0.19	
Personal Care Products			-0.05		0.03		0.50		1.31		0.03		0.02	
<b>Total Basket (\$)</b>			-0.39		-0.19		0.76		1.92		-0.13		-0.16	
			-5.70		-2.89		25.34		44.14		-2.37		-0.34	
<i>Variation from Darwin in June 2004 (\$) *</i>			-5.96		2.23		26.99		45.52		-3.55		2.61	
<i>Net \$ change in relation to Darwin</i>			0.26		-5.12		-1.65		-1.38		1.18		-2.95	

\* Adjusted to reflect change in CPI between June 2004 and December 2004.

# Calculations may not add up due to rounding.

### **Darwin**

- The average cost of the basket in Darwin for December 2004 was \$168.17, \$2.37 more expensive than in Cairns. In the June 2004 survey period, Darwin was \$3.55 more expensive than Cairns, while in December 2003 it was \$0.21 cheaper.
- Since June 2004, the average cost of the basket in Darwin decreased by \$0.01, while in Cairns it increased by \$1.17 (up 0.7%).
- The largest price increases in Darwin were for Other Food (up 1.9%) and Household Supplies (up 1.5%), while the largest falls were in Pharmaceuticals (down 6.2%) and Personal Care Products (down 1.6%).
- For December 2004, the lowest cost recorded for the basket of goods in Darwin was \$165.04 at Woolworths Coolalinga. The most expensive basket in Darwin was recorded at the Darwin City Woolworths on Smith Street (corner of Knuckey Street) at \$172.22, a range of \$7.18.
- Comparing December 2004 with December 2003, the cost of the basket increased by 1.2%, compared to 1.9% for the Darwin Consumer Price Index (CPI). The CPI measures price change for a broad range of consumer goods and services. The 'food' category of the Darwin CPI increased by 1.7% over the same period.
- Since June 2000, the cost of the basket in Darwin has increased at an average annual rate of 2.0%, compared to 3.0% in Cairns.

### **Alice Springs**

- The average cost of the basket in Alice Springs increased by \$0.25 (up 0.2%) to \$162.47. This was \$5.70 (3.4%) cheaper than in Darwin, compared to \$5.96 (3.5%) cheaper in June 2004.
- Coles had the cheapest basket in Alice Springs (\$160.19), while Bi-Lo was the most expensive (\$164.58), a range of \$4.39. Grocery prices in Alice Springs are generally lower than in Darwin, particularly for perishables, reflecting its proximity to southern supply centres.
- Since June 2000, the cost of the basket in Alice Springs has increased at an average annual rate of 1.7%, compared to 2.5% in Mount Isa.

### **Katherine**

*Note: There is only one major grocery store in Katherine (Woolworths).*

- The cost of the grocery basket in Katherine was \$165.28, down by \$5.13 or 3.0% since June 2004. Overall, the cost of the basket was \$2.89 (1.7%) cheaper than in Darwin, compared to \$2.23 (1.3%) more expensive in June 2004.
- Past results show that Katherine price movements generally track Darwin price movements for most categories. However in December 2004, prices fell in eight of the ten categories in Katherine compared to four of the categories in Darwin. The major contribution to the fall in the cost of the basket was in the Fruit & Vegetables category.

### **Nhulunbuy**

*Note: There is only one major grocery store in Nhulunbuy (Woolworths).*

- The cost of the basket in Nhulunbuy was \$193.51, down by \$1.66 or 0.8% since June 2004, compared to \$168.17 in Darwin. The basket in Nhulunbuy was \$25.34 (15.1%) higher than in Darwin in December, compared to \$26.99 (16.0%) higher in June 2004.
- In general, Nhulunbuy prices are substantially higher than Darwin prices in most categories, notably so for Fruit & Vegetables (29.3%), Dairy & Related Products (20.5%), and Meat & Seafoods (18.8%) in the December survey. This reflects both additional freight costs (especially for perishables) and limited economies of scale and competition in Nhulunbuy.

### **Yulara**

*Note: There is only one grocery store in Yulara (IGA).*

- Yulara was introduced in the June 2002 survey period. The cost of the basket in Yulara was \$212.31, down by \$1.39 or 0.6% since June 2004, and still the most expensive of the surveyed centres. Yulara prices are significantly higher than in Darwin, reflecting remoteness, no competition and economies of scale.

## Grocery Price Survey, December 2004 (cont'd)

### Cairns

Note: Prices in Cairns are surveyed in four selected supermarkets to provide a similar size comparison with Darwin.

- The average cost of the basket in Cairns was \$165.80, up \$1.17 or 0.7% since June 2004 compared to \$168.17 in Darwin. Comparing December 2004 with June 2004, there were price falls in six of the ten basket categories.

### Mount Isa

Note: Mt Isa prices are surveyed to provide a similar size town comparison with Alice Springs.

- The average cost of the basket in Mount Isa was \$167.83 down \$2.95 or 1.7% since June 2004. This was \$5.36 more expensive than Alice Springs, down from the \$8.56 difference reported in June 2004. Mount Isa has a slightly smaller population than Alice Springs and is not as close to a major supply centre as Alice Springs is.

### Overall

- The lowest cost for the basket of goods was recorded at Alice Springs Coles (\$160.19), while the highest was recorded at Yulara (\$212.31).
- In Darwin, the cheapest basket of goods for December 2004 was from Woolworths at Coolalinga (\$165.04), followed by Woolworths at Casuarina (\$165.68) and Woolworths at Palmerston (\$165.74). The cheapest basket of goods in Alice Springs for December 2004 was at Coles (\$160.19), followed by Woolworths (\$162.65) and Bi-Lo (\$164.58).
- The results for December 2004 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 and larger population 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.
- Prices for Fruit & Vegetables and Meat & Seafood items (which make up around one-third of the basket) are highly volatile, reflecting variations in seasonal and other factors affecting supply. As such, variations in prices in these categories 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 December 2004	Year to December 2004	Since June 2000	Compound Annual Growth Rate since June 2000
Darwin	0.0	1.2	9.5	2.0
Alice Springs	0.2	1.9	7.7	1.7
Katherine	-3.0	-0.7	7.1	1.5
Nhulunbuy	-0.8	-1.9	5.1	1.1
Cairns	0.7	-0.3	14.2	3.0
Mount Isa	-1.7	0.9	11.9	2.5
Yulara	-0.6	-0.1	n.a.	n.a.

Source: Northern Territory Treasury

*Grocery Price Survey, December 2004 (cont'd)*

<b>Cost of Total Basket by Outlet</b>											
Outlet - Name	Dec*	Dec*	June*	June*	Dec*	Dec*	June*	June*	2 Year		
	04	04	04	04	03	03	03	03	Average	Rank	
	(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank	
Alice Springs Coles	160.19	1	164.33	5	160.26	2	161.19	3	161.49	2	
Alice Springs Woolworths	162.65	2	160.20	1	157.61	1	156.38	1	159.21	1	
Cairns Woolworths Stocklands	164.39	3	164.05	4	165.29	11	164.14	8	164.47	5	
Alice Springs Bi-Lo	164.58	4	162.14	2	160.66	3	158.94	2	161.58	3	
Darwin Woolworths Coolalinga	165.04	5	167.62	14	164.57	8	166.57	16	165.95	10	
Cairns Bi-Lo Central	165.21	6	162.30	3	161.82	5	162.49	5	162.96	4	
Katherine Woolworths	165.28	7	170.41	20	166.47	15	166.56	15	167.18	12	
Cairns Coles Central	165.63	8	166.10	9	164.82	10	167.16	18	165.93	8	
Darwin Woolworths Casuarina	165.68	9	164.48	6	165.97	13	163.77	6	164.98	7	
Darwin Woolworths Palmerston	165.74	10	166.43	10	161.12	4	164.99	10	164.57	6	
Darwin Coles Palmerston	166.14	11	168.91	17	166.66	16	170.94	24	168.16	18	
Darwin Coles Casuarina	166.56	12	170.86	22	167.23	18	166.52	14	167.79	17	
Darwin Woolworths Nightcliff	166.78	13	167.18	12	167.30	19	163.81	7	166.27	11	
Darwin Woolworths Humpty Doo	167.25	14	167.64	15	167.39	20	167.88	21	167.54	15	
Mount Isa Coles	167.45	15	172.48	23	165.32	12	168.80	22	168.51	21	
Cairns Action Stocklands	167.97	16	166.06	8	173.46	24	165.64	12	168.28	19	
Mount Isa Woolworths	168.21	17	169.09	18	167.22	17	170.22	23	168.69	22	
Darwin Coles City	168.59	18	172.69	24	170.35	22	165.34	11	169.24	24	
Darwin Bi-Lo Northlakes	169.02	19	170.56	21	163.20	7	167.13	17	167.48	14	
Darwin Woolworths Hibiscus	169.42	20	165.84	7	166.36	14	167.47	19	167.27	13	
Darwin Woolworths City (2)	170.11	21	168.44	16	170.48	23	164.46	9	168.37	20	
Darwin Coles Karama	170.73	22	169.77	19	167.77	21	167.74	20	169.00	23	
Darwin Bi-Lo Casuarina	171.07	23	167.33	13	162.84	6	162.48	4	165.93	9	
Darwin Woolworths City (1)	172.22	24	166.77	11	164.79	9	166.40	13	167.55	16	
Nhulunbuy Woolworths	193.51	25	195.16	25	197.25	25	192.70	25	194.66	25	
Yulara IGA	212.31	26	213.69	26	212.44	26	199.19	26	209.41	26	

**Cost of Total Basket by Outlet by Town**

Darwin Woolworths Coolalinga	165.04	1	167.62	7	164.57	4	166.57	9	165.95	4
Darwin Woolworths Casuarina	165.68	2	164.48	1	165.97	6	163.77	2	164.98	2
Darwin Woolworths Palmerston	165.74	3	166.43	3	161.12	1	164.99	5	164.57	1
Darwin Coles Palmerston	166.14	4	168.91	10	166.66	8	170.94	14	168.16	11
Darwin Coles Casuarina	166.56	5	170.86	13	167.23	9	166.52	8	167.79	10
Darwin Woolworths Nightcliff	166.78	6	167.18	5	167.30	10	163.81	3	166.27	5
Darwin Woolworths Humpty Doo	167.25	7	167.64	8	167.39	11	167.88	13	167.54	8
Darwin Coles City	168.59	8	172.69	14	170.35	13	165.34	6	169.25	14
Darwin Bi-Lo Northlakes	169.02	9	170.56	12	163.20	3	167.13	10	167.48	7
Darwin Woolworths Hibiscus	169.42	10	165.84	2	166.36	7	167.47	11	167.27	6
Darwin Woolworths City (2)	170.11	11	168.44	9	170.48	14	164.46	4	168.37	12
Darwin Coles Karama	170.73	12	169.77	11	167.77	12	167.74	12	169.00	13
Darwin Bi-Lo Casuarina	171.07	13	167.33	6	162.84	2	162.48	1	165.93	3
Darwin Woolworths City (1)	172.22	14	166.77	4	164.79	5	166.40	7	167.55	9
Katherine Woolworths	165.28	1	170.41	1	166.47	1	166.56	1	167.18	1
Alice Springs Coles	160.19	1	164.33	3	160.26	2	161.19	3	161.49	2
Alice Springs Woolworths	162.65	2	160.20	1	157.61	1	156.38	1	159.21	1
Alice Springs Bi-Lo	164.58	3	162.14	2	160.66	3	158.94	2	161.58	3
Yulara IGA	212.31	1	213.69	1	212.44	1	199.19	1	209.41	1
Nhulunbuy Woolworths	193.51	1	195.16	1	197.25	1	192.70	1	194.66	1
Cairns Woolworths Stocklands	164.39	1	164.05	2	165.29	3	164.14	2	164.47	2
Cairns Bi-Lo Central	165.21	2	162.30	1	161.82	1	162.49	1	162.96	1
Cairns Coles Central	165.63	3	166.10	4	164.82	2	167.16	4	165.93	3
Cairns Action Stocklands	167.97	4	166.06	3	173.46	4	165.64	3	168.28	4
Mount Isa Coles	167.45	1	172.48	2	165.32	1	168.80	1	168.51	1
Mount Isa Woolworths	168.21	2	169.09	1	167.22	2	170.22	2	168.69	2

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

(1) Woolworths in Smith St. (Cnr of Knuckey St.); (2) Woolworths in Cavenagh St. (Cnr of Whitfield St.)

**Methodology:** A technical paper is available at [www.nt.gov.au/ntt/economics/publications.shtml](http://www.nt.gov.au/ntt/economics/publications.shtml)