

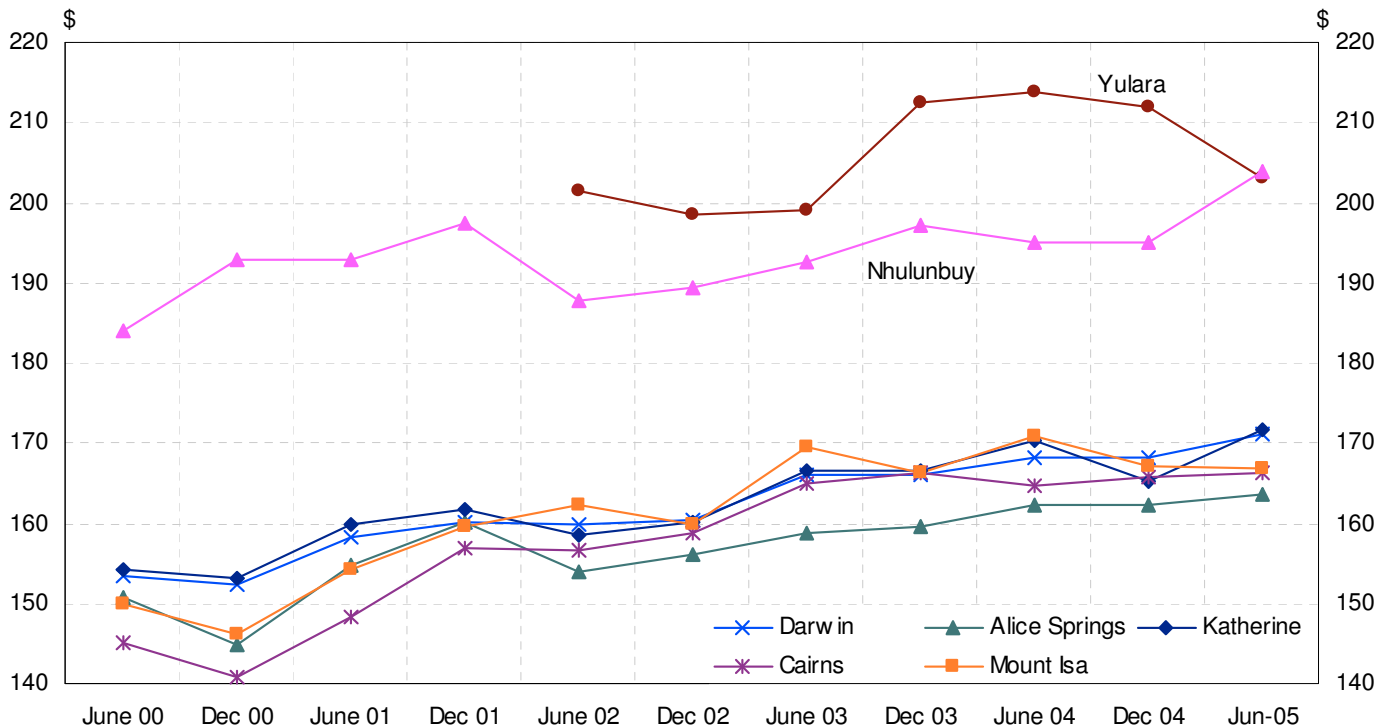
Grocery Price Survey

June 2005

Summary:

- In the June 2005 Grocery Price Survey, the cost of a standard basket of goods in Darwin increased by 1.7% from the previous survey in December 2004. The cost of the basket of goods increased by 4.6% in Nhulunbuy, by 4.0% in Katherine, by 0.8% in Alice Springs and by 0.4% in Cairns, but fell by 4.2% in Yulara and by 0.2% in Mount Isa.
- Comparing the latest results with June 2004, the cost of the basket in Darwin increased by 1.7%. The cost of the basket increased by 4.6% in Nhulunbuy, by 1.0% in Cairns, by 0.9% in Alice Springs, and by 0.8% Katherine, while the cost of the basket declined by 4.9% in Yulara, and by 2.4% in Mount Isa.
- In Darwin, the cost of Pharmaceuticals increased by 12.2%, and was the major contributor to the increase in the cost of the basket. The cost of Pharmaceuticals increased across all surveyed regions in the period. In Darwin the cost of the Meat & Seafood category increased by 3.5% in June (after falling by 0.8% in December) and was the second largest contributor to growth in the cost of the basket. The Fruit & Vegetables category increased by 1.5%, following a decrease of 1.4% in the previous survey. 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.
- In June 2005 the cost of the basket of goods in Cairns was \$4.76 (2.8%) cheaper than in Darwin, compared to 1.5% cheaper in December 2004 and 2.1% cheaper in June 2004. Prices fell in six of the ten categories in Cairns, compared to price decreases in two of the categories in Darwin.
- Of all Territory centres surveyed, Alice Springs continues to record the lowest cost for the basket. Darwin was the second cheapest of the Territory centres surveyed, followed by Katherine, Yulara and Nhulunbuy.

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 - June 2005
Average Grocery Basket Cost based on Household Expenditure - June 2005

	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
Expenditure (\$)														
Dairy & Related Products	16.55	3.3	15.81	1.9	15.88	3.7	20.29	5.1	18.46	-9.0	16.13	2.0	16.00	-1.2
Bread & Cereal Products	17.87	0.2	17.03	1.5	17.23	0.1	22.16	5.9	23.84	-8.7	17.40	3.1	17.66	0.7
Meat & Seafoods	26.67	3.5	26.01	5.9	26.47	8.8	31.82	3.8	30.65	2.9	25.26	-2.7	26.07	2.1
Fruit & Vegetables	26.37	1.5	24.26	-4.9	27.69	11.5	37.24	10.9	24.70	-17.8	25.64	-0.8	24.61	-4.3
Non-Alcoholic Drinks & Snacks	25.60	-0.7	24.51	-1.9	25.79	-5.5	27.65	-0.8	35.31	-9.3	25.16	-0.6	25.20	-1.2
Other Food	16.57	-0.5	15.91	2.3	17.12	5.9	19.06	0.2	19.82	0.9	15.56	-0.6	15.63	-3.5
Household Supplies	16.65	1.9	16.07	-1.3	17.16	3.6	18.44	1.6	21.48	11.5	16.56	-0.1	16.88	1.2
Pharmaceuticals	8.71	12.2	8.54	13.9	8.37	9.2	9.69	17.5	10.16	16.7	8.58	10.5	8.84	11.2
Pet Foods	4.55	0.4	4.29	-4.4	4.60	0.9	5.17	2.8	5.52	-5.4	4.36	-4.5	4.43	-2.8
Personal Care Products	11.53	0.5	11.20	1.2	11.48	1.8	12.37	1.2	13.25	-1.0	11.68	3.0	11.44	1.1
Total Basket (\$)	171.09	1.7	163.64	0.8	171.80	4.0	203.90	4.6	203.19	-4.2	166.33	0.4	166.76	-0.2
<i>December 2004 (\$)*</i>	<i>168.17</i>		<i>162.28</i>		<i>165.21</i>		<i>194.99</i>		<i>212.00</i>		<i>165.71</i>		<i>167.16</i>	
<i>\$ Change from previous period</i>	<i>2.92</i>		<i>1.36</i>		<i>6.59</i>		<i>8.91</i>		<i>-8.81</i>		<i>0.62</i>		<i>-0.40</i>	
<i>% Change from previous period</i>	<i>1.7%</i>		<i>0.8%</i>		<i>4.0%</i>		<i>4.6%</i>		<i>-4.2%</i>		<i>0.4%</i>		<i>-0.2%</i>	
<i>June 2004 (\$)</i>	<i>168.18</i>		<i>162.22</i>		<i>170.41</i>		<i>195.16</i>		<i>213.69</i>		<i>164.63</i>		<i>170.78</i>	
<i>\$ Change from June 2004</i>	<i>2.91</i>		<i>1.42</i>		<i>1.40</i>		<i>8.73</i>		<i>-10.50</i>		<i>1.70</i>		<i>-4.02</i>	
<i>% Change from June 2004</i>	<i>1.7%</i>		<i>0.9%</i>		<i>0.8%</i>		<i>4.5%</i>		<i>-4.9%</i>		<i>1.0%</i>		<i>-2.4%</i>	

	Alice Springs	Katherine	Nhulunbuy	Yulara	Cairns	Mount Isa
Variation from Darwin (\$)						
Dairy and Related Products	-0.75	-0.67	3.74	1.90	-0.42	-0.55
Bread and Cereal Products	-0.84	-0.64	4.28	5.97	-0.47	-0.21
Meat & Seafoods	-0.66	-0.21	5.15	3.97	-1.41	-0.61
Fruit & Vegetables	-2.12	1.32	10.86	-1.67	-0.73	-1.77
Non-Alcoholic Drinks and Snacks	-1.09	0.19	2.05	9.71	-0.44	-0.40
Other Food	-0.66	0.55	2.49	3.25	-1.01	-0.95
Household Supplies	-0.58	0.51	1.79	4.83	-0.09	0.23
Pharmaceuticals	-0.17	-0.34	0.98	1.44	-0.13	0.13
Pet Foods	-0.27	0.05	0.62	0.97	-0.20	-0.13
Personal Care Products	-0.32	-0.05	0.85	1.72	0.15	-0.09
Total Basket (\$)	-7.45	0.71	32.80	32.10	-4.76	-4.33
% Variation from Darwin	-4.4%	0.4%	19.2%	18.8%	-2.8%	-2.5%
<i>Variation from Darwin in December 2004 (\$)*</i>	<i>-5.89</i>	<i>-2.96</i>	<i>26.82</i>	<i>43.83</i>	<i>-2.46</i>	<i>-1.01</i>
<i>Net \$ change in relation to Darwin</i>	<i>-1.56</i>	<i>3.66</i>	<i>5.98</i>	<i>-11.74</i>	<i>-2.30</i>	<i>-3.33</i>
<i>% Variation from Darwin</i>	<i>-3.5%</i>	<i>-1.8%</i>	<i>15.9%</i>	<i>26.1%</i>	<i>-1.5%</i>	<i>-0.6%</i>
<i>Variation from Darwin in June 2004 (\$) *</i>	<i>-5.96</i>	<i>2.23</i>	<i>26.99</i>	<i>45.52</i>	<i>-3.55</i>	<i>2.61</i>
<i>Net \$ change in relation to Darwin</i>	<i>-1.50</i>	<i>-1.52</i>	<i>5.82</i>	<i>-13.42</i>	<i>-1.21</i>	<i>-6.94</i>
<i>% Variation from Darwin</i>	<i>-3.5%</i>	<i>1.3%</i>	<i>16.0%</i>	<i>27.1%</i>	<i>-2.1%</i>	<i>1.5%</i>

*Adjusted to reflect change in CPI between June 2005 and December 2004.

Calculations may not add up due to rounding.

Grocery Price Survey, June 2005 (cont'd)

Grocery Price Survey, June 2005 (cont'd)

Darwin

- The cost of the basket in Darwin in the June 2005 survey period was \$171.09, \$4.76 more expensive than in Cairns. In the December 2004 survey period, Darwin was \$2.46 more expensive than Cairns, and in June 2004 it was \$3.55 more expensive.
- Since December 2004, the cost of the basket in Darwin increased by \$2.92 (1.7%), while in Cairns it increased by \$0.62 (0.4%).
- The largest price increase in Darwin was in the Pharmaceuticals category, which increased by 12.2%, contributing 0.6 percentage points to the 1.7% increase in the cost of the basket. Price increases in the Meat & Seafood, Dairy & Related Products, Fruit & Vegetables and Household Supplies categories made contributions to growth, while there were very weak price increases in the Personal Care Products, Pet Foods and Bread & Cereal Products categories. Prices fell in the Non-Alcoholic Drinks & Snacks and Other Food categories.
- Prices in Darwin increased in eight of the ten basket categories in the June 2005 survey period.
- For June 2005, the basket of goods in Darwin was cheapest at Bi-Lo Northlakes (\$167.92), while the most expensive basket was recorded at Darwin City Coles on Mitchell Street at \$173.21, a range of \$5.30.
- Comparing June 2005 with December 2004, the cost of the basket in Darwin increased by 1.7%, following no growth in the six months to December. The 'Food' component of the Darwin Consumer Price Index – which uses a broader 'basket' than in the Grocery Price Survey, as it includes 'meals out and takeaway foods' – increased 1.2% over the same period.
- Since June 2000, the cost of the basket in Darwin has increased at an average annual rate of 2.2%, compared to 2.8% in Cairns.

Alice Springs

- The cost of the basket in Alice Springs increased by \$1.36 (0.8%) to \$163.64 in the June 2005 period. This was \$7.45 (4.4%) cheaper than in Darwin, compared to \$5.89 (3.6%) cheaper in December 2004. Meat & Seafood and Pharmaceuticals made the largest contributions to growth, while Fruit & Vegetables prices fell significantly. Prices fell in four of the ten categories.
- Grocery prices in Alice Springs are generally lower than in Darwin, particularly for perishables, reflecting its proximity to southern supply centres.
- At \$162.63, Woolworths had the cheapest basket in Alice Springs while Coles was the most expensive at \$164.65, a range of \$2.02.
- Since June 2000, the cost of the basket in Alice Springs has increased at an average annual rate of 1.6%, compared to 2.1% in Mount Isa.

Katherine

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

- The cost of the grocery basket in Katherine was \$171.80, up by \$6.59 (4.0%) since December 2004. Overall, the cost of the basket was \$0.71 (0.4%) more expensive than in Darwin, compared to \$2.96 (1.8%) cheaper in December 2004. The latest survey indicates that Katherine prices have returned to their long term trend of closely tracking Darwin prices. This follows the December 2004 survey, where Katherine prices were reported as substantially cheaper than Darwin.
- The major contributors to the increase in the cost of the basket were the Fruit & Vegetables, Meat & Seafood and Other Food categories.
- Katherine price movements generally track Darwin price movements for most categories. In June 2005 prices in Katherine increased in nine of the categories, while in Darwin prices increased in eight of the categories.

Nhulunbuy

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

- The cost of the basket in Nhulunbuy was \$203.90, up by \$8.91 (4.6%) since December 2004. The basket in Nhulunbuy was \$32.81 (19.2%) more expensive than in Darwin in June 2005, compared to \$26.82 (15.9%) higher in December 2004. Nhulunbuy's basket was the most expensive of all the surveyed regions in the June 2005 survey period.
- In general, the cost of goods in Nhulunbuy is substantially higher than in Darwin, reflecting additional freight costs, especially for perishables (which over the past year has been exacerbated by higher fuel prices), and limited economies of scale and competition.
- In the June 2005 survey the cost of Fruit & Vegetables category was 41.2% higher, Bread & Cereal Products 24.0% higher, Dairy & Related Products 22.6% higher, and Meat & Seafood 19.3% higher.

Grocery Price Survey, June 2005 (cont'd)

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 \$203.19 in the latest survey, down by \$8.81 or 4.2% since December 2004.
- Until the latest survey, Yulara had consistently been the most expensive of the surveyed regions. For similar reasons as Nhulunbuy, Yulara prices are also significantly higher than in Darwin, reflecting the combination of remoteness as well as a lack of competition and economies of scale.

Cairns

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

- The cost of the basket of goods in Cairns was \$166.33, up by \$0.62 (0.4%) since December 2004.
- The major contributors to growth were Pharmaceuticals and Bread & Cereals products, while Meat & Seafood had the largest downward effect on the cost of the basket.
- Comparing June 2005 with December 2004, prices fell in six of the ten basket categories.

Mount Isa

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

- In the June 2005 survey period, the cost of the basket in Mount Isa was \$166.76, down \$0.40 (0.2%) since the December 2004 survey period. This was \$3.12 more expensive than Alice Springs, down from the \$4.88 difference reported in December 2004.
- Mount Isa has a slightly smaller population than Alice Springs and is not as close to major supply centres.

Overall

- The lowest cost for the basket of goods was recorded at Cairns Bi-Lo Central (\$162.30), while the highest was recorded at Nhulunbuy Woolworths (\$203.90).
- In Darwin, the cheapest basket of goods for June 2005 was from Bi-Lo Northlakes (\$167.92), followed by Woolworths at Casuarina (\$169.57) and Woolworths at Palmerston (\$169.77). The cheapest basket of goods in Alice Springs for June 2005 was at Woolworths (\$162.63), followed by Bi-Lo (\$163.64) and Coles (\$164.65).
- The results for June 2005 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 (which have also been affected by significantly higher fuel prices in recent times) 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 typically make up around one-third of the cost 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 June 2005	Year to June 2005	Since June 2000	Compound Annual Growth Rate since June 2000
Darwin	1.7	1.7	11.4	2.2
Alice Springs	0.8	0.9	8.5	1.6
Katherine	4.0	0.8	11.3	2.2
Nhulunbuy	4.6	4.5	10.8	2.1
Yulara	-4.2	1.0	na	na
Cairns	0.4	1.0	14.6	2.8
Mount Isa	-0.2	-2.4	11.1	2.1

na not available

Source: Northern Territory Treasury

Grocery Price Survey, June 2005 (cont'd)

Cost of Total Basket by Outlet												
Outlet - Name			June*		December*		June*		December*		2 Year	
			2005	2004	2004	2003	2004	2003	Average	Rank		
			(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank	(\$)	Rank
Cairns	Bi-Lo	Central	162.30	1	165.03	6	162.30	3	161.82	5	162.86	4
Alice Springs	Woolworths		162.63	2	162.46	2	160.20	1	157.61	1	160.72	1
Alice Springs	Bi-Lo		163.64	3	164.06	4	162.14	2	160.66	3	162.63	3
Alice Springs	Coles		164.65	4	160.32	1	164.33	5	160.26	2	162.39	2
Cairns	Coles	Central	165.15	5	165.86	9	166.10	9	164.82	10	165.48	6
Cairns	Woolworths	Stocklands	166.54	6	163.96	3	164.05	4	165.29	11	164.96	5
Mount Isa	Coles		166.74	7	166.56	12	172.48	23	165.32	12	167.77	12
Mount Isa	Woolworths		166.79	8	167.77	16	169.09	18	167.22	17	167.72	11
Darwin	Bi-Lo	Northlakes	167.92	9	168.68	18	170.56	21	163.20	7	167.59	10
Darwin	Woolworths	Casuarina	169.57	10	165.92	10	164.48	6	165.97	13	166.48	8
Darwin	Woolworths	Palmerston	169.77	11	165.64	8	166.43	10	161.12	4	165.74	7
Darwin	Woolworths	Humpty Doo	170.21	12	167.15	15	167.64	15	167.39	20	168.10	15
Darwin	Woolworths	Hibiscus	170.65	13	169.66	21	165.84	7	166.36	14	168.13	16
Darwin	Woolworths	Nightcliff	170.69	14	166.71	13	167.18	12	167.30	19	167.97	13
Darwin	Bi-Lo	Casuarina	170.98	15	170.74	22	167.33	13	162.84	6	167.97	14
Darwin	Woolworths	Coolalinga	171.00	16	164.94	5	167.62	14	164.57	8	167.03	9
Cairns	Action	Stocklands	171.34	17	168.00	17	166.06	8	173.46	24	169.71	21
Darwin	Woolworths	City (1)	171.35	18	172.42	24	166.77	11	164.79	9	168.84	19
Katherine	Woolworths		171.80	19	165.21	7	170.41	20	166.47	15	168.47	17
Darwin	Coles	Karama	172.01	20	170.90	23	169.77	19	167.77	21	170.11	22
Darwin	Coles	Palmerston	172.29	21	166.51	11	168.91	17	166.66	16	168.59	18
Darwin	Coles	Casuarina	172.78	22	166.73	14	170.86	22	167.23	18	169.40	20
Darwin	Woolworths	City (2)	172.88	23	169.60	20	168.44	16	170.48	23	170.35	23
Darwin	Coles	City	173.21	24	168.76	19	172.69	24	170.35	22	171.25	24
Yulara	IGA		203.19	25	212.00	26	213.69	26	212.44	26	210.33	26
Nhulunbuy	Woolworths		203.90	26	194.99	25	195.16	25	197.25	25	197.83	25
Cost of Total Basket by Outlet by Town												
Darwin	Bi-Lo	Northlakes	167.92	1	168.68	8	170.56	12	163.20	3	167.59	4
Darwin	Woolworths	Casuarina	169.57	2	165.92	3	164.48	1	165.97	6	166.48	2
Darwin	Woolworths	Palmerston	169.77	3	165.64	2	166.43	3	161.12	1	165.74	1
Darwin	Woolworths	Humpty Doo	170.21	4	167.15	7	167.64	8	167.39	11	168.10	7
Darwin	Woolworths	Hibiscus	170.65	5	169.66	11	165.84	2	166.36	7	168.13	8
Darwin	Woolworths	Nightcliff	170.69	6	166.71	5	167.18	5	167.30	10	167.97	5
Darwin	Bi-Lo	Casuarina	170.98	7	170.74	12	167.33	6	162.84	2	167.97	6
Darwin	Woolworths	Coolalinga	171.00	8	164.94	1	167.62	7	164.57	4	167.03	3
Darwin	Woolworths	City (1)	171.35	9	172.42	14	166.77	4	164.79	5	168.84	10
Darwin	Coles	Karama	172.01	10	170.90	13	169.77	11	167.77	12	170.11	12
Darwin	Coles	Palmerston	172.29	11	166.51	4	168.91	10	166.66	8	168.59	9
Darwin	Coles	Casuarina	172.78	12	166.73	6	170.86	13	167.23	9	169.40	11
Darwin	Woolworths	City (2)	172.88	13	169.60	10	168.44	9	170.48	14	170.35	13
Darwin	Coles	City	173.21	14	168.76	9	172.69	14	170.35	13	171.25	14
Katherine	Woolworths		171.80	1	165.21	1	170.41	1	166.47	1	168.47	1
Alice Springs	Woolworths		162.63	1	162.46	2	160.20	1	157.61	1	160.72	1
Alice Springs	Bi-Lo		163.64	2	164.06	3	162.14	2	160.66	3	162.63	3
Alice Springs	Coles		164.65	3	160.32	1	164.33	3	160.26	2	162.39	2
Nhulunbuy	Woolworths		203.90	1	194.99	1	195.16	1	197.25	1	197.83	1
Yulara	IGA		203.19	1	212.00	1	213.69	1	212.44	1	210.33	1
Cairns	Bi-Lo	Central	162.30	1	165.03	2	162.30	1	161.82	1	162.86	1
Cairns	Coles	Central	165.15	2	165.86	3	166.10	4	164.82	2	165.48	3
Cairns	Woolworths	Stocklands	166.54	3	163.96	1	164.05	2	165.29	3	164.96	2
Cairns	Action	Stocklands	171.34	4	168.00	4	166.06	3	173.46	4	169.71	4
Mount Isa	Coles		166.74	1	166.56	1	172.48	2	165.32	1	167.77	2
Mount Isa	Woolworths		166.79	2	167.77	2	169.09	1	167.22	2	167.72	1

* 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