

# Guild Digest 2014

A survey of independent pharmacy operations in Australia  
Financial year 2012-13

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# FOREWORD

This year marks the 42nd edition of the Guild Digest. The **2014 Digest** presents a snapshot of pharmacy operations in Australia for the financial year 2012-13. In the process, it also provides valuable management information to pharmacy owners and managers in a rapidly evolving economic environment.

Community pharmacy in Australia is a vibrant and efficient industry. Practising as health care professionals in a commercial environment, pharmacists are placed in a unique niche of service providers in the community. Combining their professional and management skills, community pharmacists are the most accessible and the most cost-effective health care providers in the community.

Not surprisingly, pharmacists remain one of the highest ranking custodians of community trust and confidence.

Based on Table 3, which is the most relevant table for year to year comparisons, community pharmacy recorded a turnover decline of 1.68% in 2012-13. Gross profit percentage recorded an increase from 34.98% to 36.65% which, in combination with the shift in turnover, resulted in a small 1.60% lift in gross profit dollars. However, with total expenses growing by 3.99% there was a 5.48% drop in average Total Income.

Here are the key features of Australian community pharmacy as at 30 June 2013, derived principally from Table 2:

- ✚ Community pharmacy is a \$15.38 billion health sector, including \$10.27 billion in prescription sales per year;
- ✚ Community pharmacies dispense 285 million prescriptions annually, including 211 million PBS/RPBS subsidised prescriptions;
- ✚ Community pharmacy employs around 50,770 highly skilled staff (excluding proprietors), the majority of whom are women;
- ✚ Total Dispensary Sales represent around 66.74% of all sales through pharmacies;
- ✚ The average community pharmacy dispenses 53,186 prescriptions per year; and
- ✚ As at 30 June 2013 there were 5,350 community pharmacies, each serving on average a community of 4,305 people across Australia (see Table 27).

The analyses contained in the **2014 Digest** are based largely on the sample of 313 community pharmacies, marginally higher than the previous year's 308.



The Guild records its sincere appreciation to all participants in this crucially important annual survey during a period of uncertainty and intense time pressures. Without their contribution and support this edition of the Digest would not have been possible.

The Guild also recognises the strong support of the pharmacy accounting firms. Three respected accounting firms have lent their tangible support by contributing anonymous information to the Digest on behalf of their pharmacy clients. We formally record our appreciation to **RSM Bird Cameron, PPS Professional Pharmacy Services, MSI Taylor Pharmacy Services** and their pharmacy clients.

Thanks are extended to National Secretariat staff, in particular, Max Ginpil, Dipu Deka, Cathy Portolesi and Jo Legge-Wilkinson for their dedication and outstanding work in the preparation of this edition.

**STEPHEN ARMSTRONG**  
Chief Economist, Pharmacy Guild of Australia



## THE YEAR IN PHARMACY 2012-13

The previous financial year (2011-12) had seen the largest set of Pharmaceutical Benefits Scheme (PBS) price reductions, the patent expiry of the number one PBS drug, the most significant set of changes to the pharmacy location rules since their introduction, and the national rollout of the new Pharmacy Practice Incentives (PPIs).

In 2012-13 the flow-on effects of those events continued to have ramifications. The Guild publicly released analysis in March 2013 showing that Government expenditure on the PBS was now in decline year-on-year for the first time in decades. While the Guild and community pharmacy have supported the public policy merit of the PBS price disclosure regime, it is undeniable that it will, over time, exert downward pressure on pharmacy margins and viability. The Guild has continued to play a strong role in advocacy on behalf of community pharmacy in relation to these pressures.

The effect of the PBS Reforms on the viability of the provision of chemotherapy drugs (which may foreshadow the impact on the wider community pharmacy sector) was a key focus throughout the year. While only impacting on a small number of members, the impact on them, and the potential flow-on for cancer patients, was of serious concern to the Guild and many stakeholders, including patient advocacy groups. The price reductions from price disclosure for docetaxel (76.2% reduction on 1 December 2012) and paclitaxel (86.94% reduction on 1 April 2013) significantly impacted the viability of chemotherapy preparation which relied on cross-subsidisation from these medicines. In May 2013, the Australian Government announced additional funding for the provision of chemotherapy medicines until 31 Dec 2013 to allow time for a thorough review of the funding of chemotherapy services.

The PPI Program has been widely supported by community pharmacies since its implementation in 2011, with uptake and participation rates continuing to increase. As at 30 June 2013 over 91% of community pharmacies were participating in at least one PPI priority area and almost 80% participating in all six priority areas. Participation in each individual PPI priority area continued to increase throughout the year with Dose Administration Aids increasing by 99 to 4,722, Clinical Interventions by 216 to 4861, Staged Supply by 210 to 4,781, Primary Health Care by 81 to 4,401, Community Services Support by 206 to 4,854 and Working with Others by 352 to 4,790.

The Guild also worked with the Federal Government and other key stakeholders on the Personally Controlled Electronic Health Record (PCEHR) and its impact on community pharmacy. Through the Guild, community pharmacy has led the way on eHealth – through electronic transfer of prescriptions, through the Commonwealth government-funded National Prescription and Dispense Repository (NPDR) which was based on the successful MedView trial conducted in the Geelong region, and also through IT recording of clinical interventions and other professional pharmacy



services. During the course of 2013, Fifth Agreement funding was available for an education program aimed at assisting community pharmacies to integrate electronic prescriptions into their dispensary workflows.

The Guild subsidiary GuildLink also made tremendous advances in the eHealth and IT field through the GuildCare software suite, with more than 60% of all pharmacies installing these programs by the end of the year.

Through the year the Guild continued to work with the Department of Health and Ageing and Medicare on the development of Fifth Community Pharmacy Agreement initiatives, including Supply and PBS Claiming from Medications Charts in Residential Aged Care Facilities, and Continued Dispensing. Full implementation of the Continued Dispensing measure has been delayed by the need for State and Territory legislation to be amended. This is expected to be achieved in the 2013-14 financial year.

Two new Fifth Agreement medication management programs, MedsCheck and Diabetes MedsCheck, were rolled out from July 2012. These in-pharmacy medication management services have had a very successful level of take up, and are providing substantial benefits for health care consumers across Australia. They are funded through the Agreement, with no charge to the patient.

The Home Medicines Review program had a controversial year because of measures that were required to try to rein in a drastic overspend. The Guild sounded the alarm over the HMR budget issue early in 2013, and it was only through that action that steps were finally taken in March to try to contain the blow out which was caused in part by the development of aggressive business models which were outside the guidelines and intention of the program.

The solution that was agreed to was in the interests of patients, community pharmacy, the pharmacy profession, and taxpayers. The agreed arrangements ensured that there was no reduction in fees for any of the medication management programmes and increased the HMR budget by more than 30% in each of the next two financial years. The 2012/13 overspend was funded through a combination of underspends in other Agreement programs and reductions in incentive payments for Dose Administration Aids (DAA) and Clinical Interventions (CI) for the remainder of the financial year (which saw a significant lowering of payments for the final quarter).

A research project was commissioned to collate the clinical evidence required to make future recommendations regarding the targeting criteria for HMR patient eligibility. The intention of the



agreed solution to this difficult issue was to ensure the highly-valued medication management programs

## **The Economy**

In a year that has had some negativity and pessimism on the economic front, growth remained fairly modest in 2012-13, with Gross Domestic Product increasing by 2.6% in real terms. Australia's Terms of Trade fell by 4.9% through the year as prices for the output from Australia's resources sector moderated. Growth in total retail sales averaged to 0.35% per month in the second half of the financial year.

The Consumer Price Index rose by 2.4% between June quarter 2012 and June quarter 2013, double the increase in the same period for the previous year, but well short of the average inflation of 2.8% over the past five years. Average Weekly Earnings (full time, adult ordinary time earnings) rose by 5.1%, substantially higher than the previous year.

The unemployment rate ended the year at 5.7%, with 11.669 million people employed. This compared with 5.2% and 11.500 million one year earlier.

The target cash rate started the 2012-13 financial year at 2.75%, a historical low, and remained at the same level throughout as the government struggled against weak investment sentiment. Despite the low interest rates, the slide in the Australian dollar remained modest challenging the country's competitiveness in major sectors like manufacturing, retail and tourism.



## METHODOLOGY FOR THE 2014 GUILD DIGEST

With the exception of Table 3, the analysis contained in this edition of the Digest are based largely on operating information supplied by 313 respondents weighted according to their stratification by prescription volume.

Table 3 is based on responses from participating pharmacists who submitted operating data for both consecutive years – i.e. 2011-12 and 2012-13.

Based on official, de-identified annual prescription volumes, the total population of Australian pharmacies was stratified into national and state strata. The resultant weighting factors were applied to the corresponding strata in the sample. It should be noted that there are significant variations among the states in respect of the distribution of pharmacies within the strata. The four national strata boundaries were defined as follows:

	<b>Prescription Volumes</b>	<b>Number of Pharmacies</b>	<b>Distribution National</b>
Stratum 1	Less than 35,000	1,864	34.8%
Stratum 2	35,000 – 60,000	1,646	30.8%
Stratum 3	60,000 – 95,000	1,348	25.2%
Stratum 4	More than 95,000	492	9.2%
TOTAL		5,350	

The above weighting factors were used to correct expected biases in the responding sample. Similarly, State weighting factors were used to estimate the respective State averages.



# SURVEY RESPONSE

After excluding responses with incomplete information, the final number of responses analysed for the purposes of the main sample for 2012-13 was 313.

Response rates are reasonably consistent with the distribution of pharmacies by State, with the exception of Victoria and New South Wales which received slightly lower than average, whilst Queensland and Western Australia enjoyed higher than average responses.

Care should be taken in interpreting results for smaller states due to the lower sample size.

Over the past decade, response has gradually favoured larger pharmacies. The responding sample for this year's Digest continues this trend. The weighting methodology used for overall national and state averages removes the effect of this bias.

**NOTE: Wherever you see the word “weighted” in the Digest, the weighting methodology has been applied. Wherever that word is not used, the results are a raw (unweighted) average and may be being impacted by a bias in the sample. In these cases, the percentages (for example, salaries as a percentage of revenue) are often more appropriate to use for benchmarking purposes than the raw dollar figures.**



# STATISTICAL APPRAISAL OF RESULTS

The annual Guild Digest survey allows Guild member pharmacies to assess their current performance compared with others. The results can assist management by focusing attention on items for which there are significant differences from the industry norm or benchmark, although even significant differences on their own do not necessarily mean a problem exists.

Standard information has been provided for different categories and locations of pharmacies. This allows more sophisticated comparisons controlling for these factors. For example, in general terms pharmacies with larger sales volumes tend to have higher profits compared with lower profits or losses for those with smaller volumes, so a large sales volume pharmacy should expect to do somewhat better than the average pharmacy in the same region.

How seriously can pharmacies take the survey findings? One issue is whether the survey results are representative of all pharmacies. Another is what difference between well-run pharmacies might be expected anyway. Lastly, are there enough respondents that the estimates are of adequate precision? These questions are explored in greater detail in the following paragraphs.

## REPRESENTATIVENESS OF THE SURVEYED PHARMACIES

A sample of 313 pharmacies responded to this year's survey. The current analyses are based on weightings derived from the distribution of Australian pharmacies in accordance with their annual prescription volumes.

This is a voluntary survey requesting detailed financial questions, so non-response is inevitable and the response rate varied by state.

As the characteristics of the responding pharmacies change from one survey to the next, primarily because of the restructuring that has taken place over the last decade, comparability of the main sample data over time may be a problem. Therefore, comparisons over time may be more meaningful using the data provided by the consecutive year respondents summarised in Table 3. 76 respondents formed part of this category in 2012-13.



## EXPECTED DIFFERENCES

Although an average can be calculated for any numerical data, this does not mean that all values are close to that mean. For example, although an average rent can be calculated for a group of respondents, this does not mean that everyone is paying a rent close to the average.

One approach is to show the spread of values for the responding pharmacies using quartiles. This type of analysis is shown in Table 4. One quarter have lower values than the low quartile and one quarter have values greater than the high quartile. The 'normal' value in the tables is the median value. Half the pharmacies have a higher value than the normal value, and half have lower values.

Another approach is to present separate estimates for pharmacies with different characteristics, such as sales volume, geographical location, hours of operation, etc. These are presented throughout the Digest commencing with Table 6.

## PRECISION OF THE ESTIMATES

The precision of the estimated averages in the tables depends on the spread of the distribution of values and the number of responding pharmacies. It is common-sense that an average based on 300 pharmacies will be much more precise than an average based on only two pharmacies.

One measure of the precision of an estimate is its standard error. The standard error of a mean can be approximately calculated from the difference between the high and low quartiles. This difference, or *inter-quartile range (IQR)*, is divided by a number which depends on the number of respondents used to estimate the mean. This number is approximately 1.35 multiplied by the square root of the sample size:

Number of Respondents used for estimate	Divisor for inter-quartile range
400	27
350	25
313	23.9
300	23
200	19
100	14
50	10
20	6
10	4
5	3

For example, the mean Total Expenses (based on 313 respondents) is \$ 849,866 (see Table 2). The inter-quartile range (from Table 4) is 9.5% (= 33.88% – 24.36%), so the approximate standard error of this estimate is 0.4% (=9.5% /24).



Standard statistical theory shows that there is a 95% certainty that the true mean is within twice the standard error of the estimate. In this case, the 95% confidence interval for the true mean Total Expenses, based on 313 respondents, is between 28.74% and 29.54%.

Standard errors and confidence intervals calculated in this way will be slight over-estimates. This is because the standard errors will be lower when the data are stratified for characteristics that explain some of the spread in values.

The estimates here make particular statistical assumptions. These assumptions imply, for example, that the mean and median will be similar. However, they should give adequate estimates even if there are small departures from these assumptions.

## **USING THIS SURVEY**

The statistical characteristics required of a survey depend on what the survey is to be used for. This survey is intended mainly as an aid to management, and its results will be extremely useful for this purpose.

Even large differences for particular items from the norm shown in the tables may not necessarily indicate a problem. Every business is different. For example, paying relatively high rent may reflect an unnecessarily high expense or a conscious decision to pay for a premium location. Conversely, an average rent could reflect paying the right price for the location - or hide paying too much for a poor location.



# DEFINITION OF KEY INCOME AND EXPENSE ITEMS IN TABLES

*(All financial values are exclusive of GST)*

**Cost of Goods Sold:** refers to the amount paid to purchase goods for re-sale. It also includes the cost of shipping and other costs directly related to the purchase of goods.

**EBITA:** Earnings Before Interest, Tax, Depreciation and Amortisation.  
EBITDA is calculated by taking net profit before tax and adding back the expenses relating to interest, depreciation and amortisation. It provides an indication of profitability eliminating the effects of financing and accounting decisions.

**Expenses:** the operating expenses of running the business, including rent, wages and other expenses

**Full-Time-Equivalents:** is a notional rate. It is derived by dividing the total hours worked by 38 (normal award hours) irrespective of the number of hours worked by each party.

**Funds Retained in Business:** is the difference between Total Income and the reported Drawings by Proprietors. Where Drawings have not been reported by respondents, they have been excluded from the calculated average. Funds Retained in Business are necessary to re-finance inflation affected inventories and to replace fixtures and other capital equipment.

**Gross Margin:** is calculated by deducting Cost of Goods Sold from Sales. Gross margin is the income from which operating expenses are paid, and remaining profit derived

Gross Margin is obtained by first arriving at the Cost of Goods Sold and deducting the figure from Sales as follows:	
Inventory at the beginning of the year	\$ <input style="width: 100px;" type="text"/> **
Plus Purchases during the year*	\$ <input style="width: 100px;" type="text"/>
= Cost of Merchandise	\$ <input style="width: 100px;" type="text"/>
- Purchase Rebates and Trade Rebates	\$ <input style="width: 100px;" type="text"/>
- Goods taken for own use	\$ <input style="width: 100px;" type="text"/>
- Inventory at end of year	\$ <input style="width: 100px;" type="text"/>
= Cost of Goods Sold	\$ <input style="width: 100px;" type="text"/>
Sales	\$ <input style="width: 100px;" type="text"/>
- Cost of Goods Sold	\$ <input style="width: 100px;" type="text"/>
= Gross Margin	\$ <input style="width: 100px;" type="text"/>
* Only include merchandise purchased for re-sale.	
** Fill in your own figures as examples.	

**Gross Margin Plus Other Income:** is the total income to the pharmacy (including other income) less cost of goods sold.



<b>Net Profit/Loss:</b>	is calculated by subtracting Proprietors' Notional Salary from Total income. Please note that taxation is not considered in the Guild's survey or the published results. All figures are before tax.
<b>Other Income:</b>	is income from items which do not involve Cost of Goods Sold. They may, for example, be related to Community Pharmacy Agreement programs or professional services. Dividend and rent income, and other such income not connected with the pharmacy's operation, are also included here.
<b>Other Sales:</b>	value of all sales from non-prescription items. This includes all retail and OTC sales but exclude Other Income.
<b>Proprietors' Notional Salary:</b>	<p>is a notional estimate of a reasonable professional salary for hours worked in the pharmacy by pharmacy proprietors. It is adjusted for over-award payments but includes only work performed within the pharmacy. This is consistent with the rationale that a proprietor should expect remuneration at least equivalent to the salary he/she would otherwise receive for a similar effort as a manager.</p> <p>The calculation of proprietors' notional salary not only reflects normal working hours but also other factors such as leave loading, superannuation, provision for annual leave, provision for long service leave and sick leave (collectively termed On-Costs) and overtime worked.</p> <p>In 2012-13 the normal hourly rate was estimated at \$54.21 for the first 38 hours. This is the equivalent to an annual salary of \$107,119. Additional hours were calculated at time and a half rate to reflect overtime. A rate of 1.2547 was applied to reflect On-Cost provisions. (Refer also to detailed explanation under Section titled "<i>Analysis of Survey Results</i>")</p> <p><b><i>For the purposes of the Digest, no allowance has been made for 'proprietary lead' which is essentially the incentive to invest in a business rather than in an interest bearing investment account.</i></b></p> <p>Where a pharmacy was manager-operated, the proprietor's notional salary was based on the actual number of hours worked by the proprietors in that pharmacy, if any.</p> <p>Percentage shown is of Total Revenue.</p>
<b>Sales:</b>	relate to the sale of all products (both prescription and retail) for which goods were purchased at wholesale for the purpose of re-sale at a profit. Services income, government payments such as rural allowances, trade rebates, discounts, commissions, agency fees, dividends and disposal of assets are excluded.
<b>Sales Analysis - Prescriptions:</b>	value of all prescription sales. This includes, the income derived from dispensing private prescriptions, prescriptions valued less than the maximum patient contribution, all PBS and RPBS prescriptions and all patient contributions. It excludes OTC items.
<b>Salaries and Wages:</b>	include wages paid to all staff and locums but <u>exclude</u> proprietors' earnings (since the latter are represented by Proprietors' Notional Salary).
<b>Stock Turn:</b>	is the Cost of Goods Sold in a given year divided by the average of the Opening and Closing stock in the same year. It is a measure of the frequency with which stock is turned over in the financial year.



**Total Income:** is calculated by subtracting Total Expenses and Cost of Goods Sold from Total Revenue. Total Income refers to the Trading Profit of the pharmacy which may involve several partners.


**Total Revenue:** is the total of Sales and Other Income. Expenses are expressed as a percentage of Total Revenue (not Sales) since a portion of all expenses is also incurred in earning Other Income.



**AUSTRALIAN PHARMACIES 2002 - 2013**  
(Based on all participating pharmacies)

**Table 1**

	2002 (408) \$	2003 (528) \$	2004 (427) \$	2005 (418) \$	2006 (385) \$	2007 (353) \$	2008 (326) \$	2009 (302) \$	2010 (289) \$	2011 (281) \$	2012 (308) \$	2013 (313) \$
<b>SALES</b>	1,930,960	2,116,736	2,195,552	2,334,145	2,394,030	2,464,443	2,568,388	2,901,620	2,972,997	2,984,920	2,922,245	2,875,574
<b>GROSS MARGIN</b>	616,179	660,229	684,059	722,192	756,166	797,473	838,984	980,871	987,422	999,199	1,055,389	1,046,132
SALARIES & WAGES	210,770	227,379	227,712	254,689	263,115	280,355	295,931	341,052	345,136	350,638	347,313	336,399
RENT	60,566	65,566	65,427	73,183	77,862	85,460	90,049	115,547	121,236	119,091	136,499	140,454
OTHER EXPENSES	162,343	181,101	179,567	191,412	205,955	225,749	250,126	298,739	321,248	320,098	370,322	373,013
<b>TOTAL EXPENSES</b>	433,679	474,046	472,706	519,284	546,932	591,564	636,107	755,339	787,619	789,826	854,134	849,866
<b>TRADING PROFIT</b>	182,500	186,183	211,353	202,908	209,234	205,909	202,877	225,532	199,803	209,373	201,255	196,267
OTHER INCOME	17,966	15,276	15,112	14,445	23,721	30,681	24,597	34,024	38,758	28,936	34,485	41,012
<b>TOTAL INCOME</b>	200,466	201,459	226,465	217,353	232,955	236,590	227,474	259,556	238,562	238,309	235,740	237,279
PROPRIETORS' SALARIES	97,400	104,809	136,619	142,167	160,349	156,316	145,055	148,106	134,992	141,127	147,555	143,788
<b>NET PROFIT/LOSS</b>	103,066	96,650	89,846	75,186	72,606	80,274	82,419	111,370	103,570	97,182	88,185	93,490
STOCK CARRIED	183,802	186,903	186,409	197,893	204,134	219,388	231,567	246,943	280,867	276,898	271,361	288,039



“ It was reassuring to have adequate cover and not suffer a financial loss on top of the stress of losing your business.

— Lisa Elden ”

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**AUSTRALIAN PHARMACIES - COMPARISON BETWEEN 2012 AND 2013**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 2**

	2012 AVERAGES		2013 AVERAGES		AMOUNT AND PERCENT OF CHANGE	
	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>						
<b>SALES</b>	<b>2,922,245</b>		<b>2,875,574</b>		<b>-46,671</b>	<b>-1.60</b>
<b>COST OF GOODS SOLD (3)</b>	<b>1,866,856</b>	<b>63.88</b>	<b>1,829,442</b>	<b>63.62</b>	<b>-37,414</b>	<b>-2.00</b>
<b>GROSS MARGIN (3)</b>	<b>1,055,389</b>	<b>36.12</b>	<b>1,046,132</b>	<b>36.38</b>	<b>-9,257</b>	<b>-0.88</b>
Other Income	34,485		41,012		6,527	18.93
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,089,874</b>		<b>1,087,144</b>		<b>-2,729</b>	<b>-0.25</b>
<b>TOTAL REVENUE</b>	<b>2,956,729</b>		<b>2,916,586</b>		<b>-40,144</b>	<b>-1.36</b>
<b>EXPENSES</b>						
Salaries and Wages	347,313	11.75	336,399	11.53	-10,914	-3.14
Rent Paid	136,499	4.62	140,454	4.82	3,955	2.90
Outgoings - Rental & Rates	10,322	0.35	6,154	0.21	-4,169	-40.38
Accounting	9,102	0.31	12,001	0.41	2,899	31.85
Advertising	36,673	1.24	39,148	1.34	2,476	6.75
Bank Charges	7,225	0.24	8,271	0.28	1,046	14.48
Computer Expenses	11,285	0.38	12,929	0.44	1,644	14.56
Depreciation	30,961	1.05	30,787	1.06	-174	-0.56
Electricity, Water, Heating	12,315	0.42	13,202	0.45	887	7.20
Insurance	8,916	0.30	8,767	0.30	-149	-1.68
Interest Paid	71,421	2.42	74,558	2.56	3,137	4.39
Leasing Expenses	5,501	0.19	4,087	0.14	-1,415	-25.71
Motor Vehicle Expenses	3,672	0.12	3,824	0.13	152	4.14
Postage, Freight, Printing	8,335	0.28	9,144	0.31	809	9.71
Repairs, Maintenance, Service	4,080	0.14	3,919	0.13	-161	-3.93
Subs and Registrations	8,072	0.27	8,274	0.28	202	2.50
Superannuation	31,097	1.05	31,543	1.08	446	1.43
Telephone	5,392	0.18	5,326	0.18	-66	-1.23
Training	2,745	0.09	2,346	0.08	-399	-14.54
Abnormal Expenses	14,953	0.51	2,600	0.09	-12,353	-82.61
Payroll Tax	7,847	0.27	5,662	0.19	-2,186	-27.85
Workers' Compensation	2,704	0.09	2,601	0.09	-103	-3.80
Other Expenses	77,702	2.63	87,870	3.01	10,168	13.09
<b>TOTAL EXPENSES</b>	<b>854,134</b>	<b>28.89</b>	<b>849,866</b>	<b>29.14</b>	<b>-4,268</b>	<b>-0.50</b>
<b>TOTAL INCOME</b>	<b>235,740</b>	<b>7.97</b>	<b>237,279</b>	<b>8.14</b>	<b>1,539</b>	<b>0.65</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	147,555 1.10	4.99	143,788 1.07	4.93	-3,766 -0.03	-2.55 -2.55
<b>NET PROFIT/LOSS</b>	<b>88,185</b>	<b>2.98</b>	<b>93,490</b>	<b>3.21</b>	<b>5,305</b>	<b>6.02</b>
<b>EBITDA</b>	<b>190,567</b>	<b>6.45</b>	<b>198,835</b>	<b>6.82</b>	<b>8,268</b>	<b>4.34</b>
<b>SALES ANALYSIS</b>						
Prescriptions (3)	2,039,354	70.51	1,919,300	66.74	-120,054	-5.89
Other Sales (3)	852,923	29.49	950,918	33.07	97,995	11.49
<b>INVENTORY ANALYSIS</b>						
Prescription	104,912	3.55	95,655	3.28	-9,256	-8.82
Other	166,449	5.63	190,631	6.54	24,182	14.53
STOCK CARRIED (Total)	271,361	9.18	288,039	9.88	16,678	6.15
STOCK TURN (On Total Inventory)	6.88		7.16		0.28	4.11
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	19.44		20.06		0.63	3.22
Other	5.12		4.99		-0.14	-2.65
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	221		200		-21	-9.29
PRESCRIPTIONS DISPENSED (Total)	54,534		53,186		-1,348	-2.47
PRESCRIPTIONS DISPENSED WEEKLY	1,049		1,023		-26	-2.47
TOTAL HOURS OPEN per WEEK	65.6		62.4		-3.2	-4.84
AV HRS WORKED BY PROPRIETORS/WEEK	41.7		40.7		-1.1	-2.55
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>133,194</b>	<b>4.50</b>	<b>93,210</b>	<b>3.20</b>	<b>-39,984</b>	<b>-30.02</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

# SUMMARY OF PHARMACY PERFORMANCE 2012-13

(Refer to Table 2)

This section examines the 2012-13 survey results, after applying weightings to remove any distortion caused by the responding sample being skewed towards larger pharmacies. Table 2 also presents the 2011-12 averages for comparison purposes. However, for more accurate analysis of the movements from one period to the next, it is useful to compare the performance of pharmacies which participated in both years. Those results are summarised in the next section by reference to Table 3.

The following are a few key characteristics of Community Pharmacy in Australia:

- ✚ Community pharmacy is a \$15.38 billion health sector, including \$10.27 billion in prescription sales per year;
- ✚ Community pharmacies dispense 285 million prescriptions annually, including 211 million PBS/RPBS subsidised prescriptions;
- ✚ Community pharmacy employs around 50,770 highly skilled staff (excluding proprietors), the majority of whom are women;
- ✚ Total Dispensary Sales represent around 66.74% of all sales through pharmacies;
- ✚ The average community pharmacy dispenses 53,186 prescriptions per year; and
- ✚ As at 30 June 2013 there were 5,350 community pharmacies, each serving on average a community of 4,305 people across Australia (see Table 27).

Here are the salient results of the 2012-13 financial year based on the national weighted averages in Table 2:

- Average Total Sales are \$2,875,574, of which 66.74% is from prescriptions and the remaining 33.07% is from non-prescription sales.
- Average Gross Margin is 36.38%, up from 36.12% in 2011-12.
- Average revenue from Other Income rose from the previous year's figure of \$34,485 to \$41,012 in 2012-13.



- Expenses ended the year at 29.14% as a percentage of Sales, marginally up from 28.89% in 2011-12. Expenses have on average grown by 7% a year for the last decade.
- Salaries and wages as a percentage of sales dropped from 11.75% to 11.53%.
- Rent increased from 4.62% of sales to 4.82% to the highest since 1991-92.
- Wages and rent combined make up 56.11% of total expenses.
- Proprietors' Notional Salary represented 4.93% of turnover, down from 4.99% in 2011-12 reflecting a slight decrease in average hours worked from 41.7 to 40.7 hours per week.
- The average prescription volume per pharmacy decreased slightly (2.4%) but has remained above one thousand per week (1,023), after reaching this milestone in 2008-09.



Chart 1

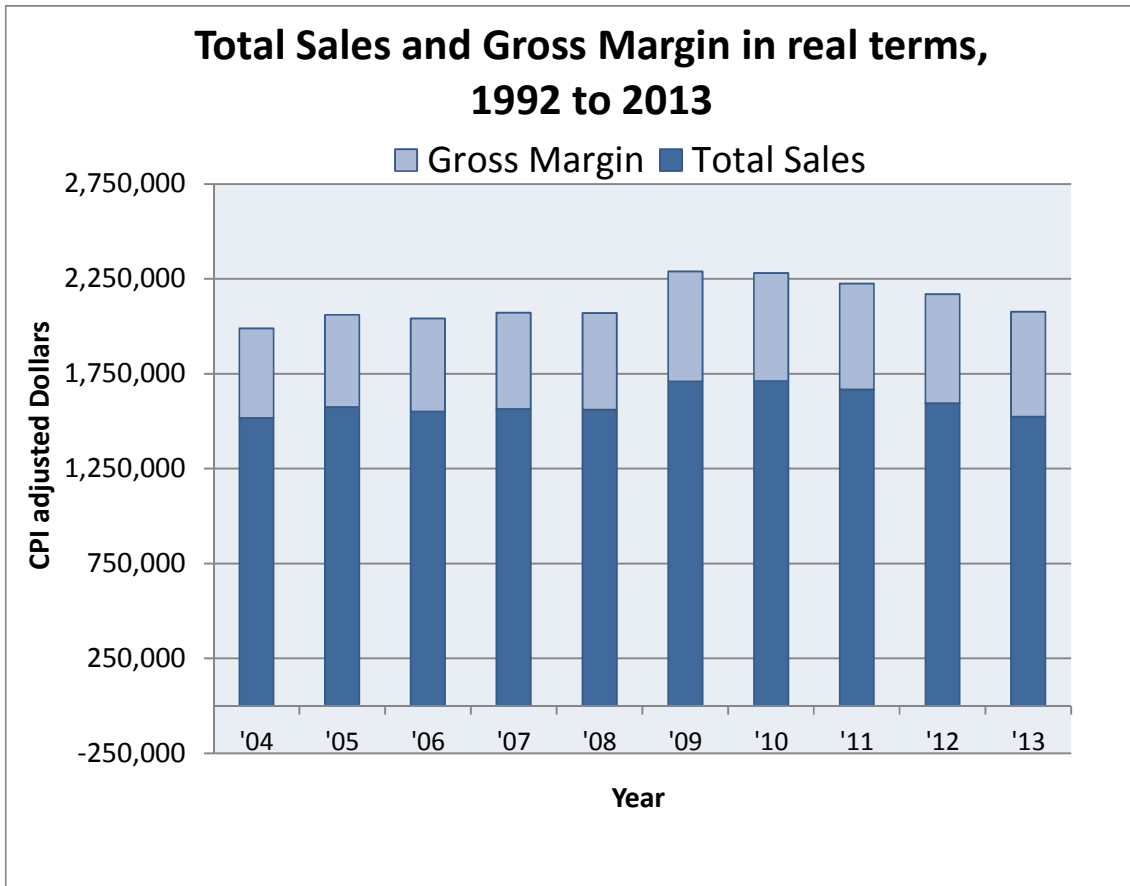
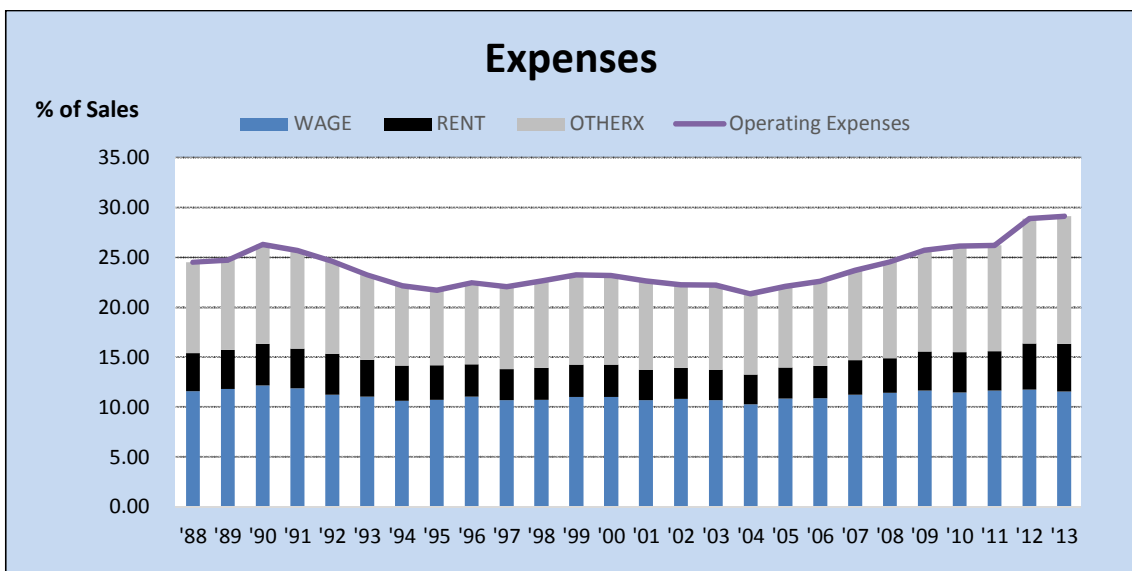
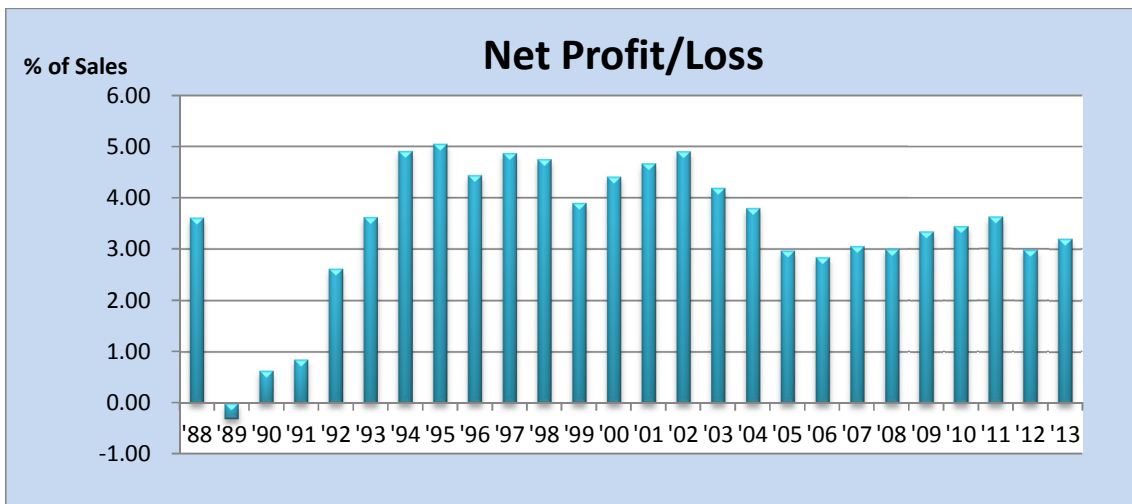
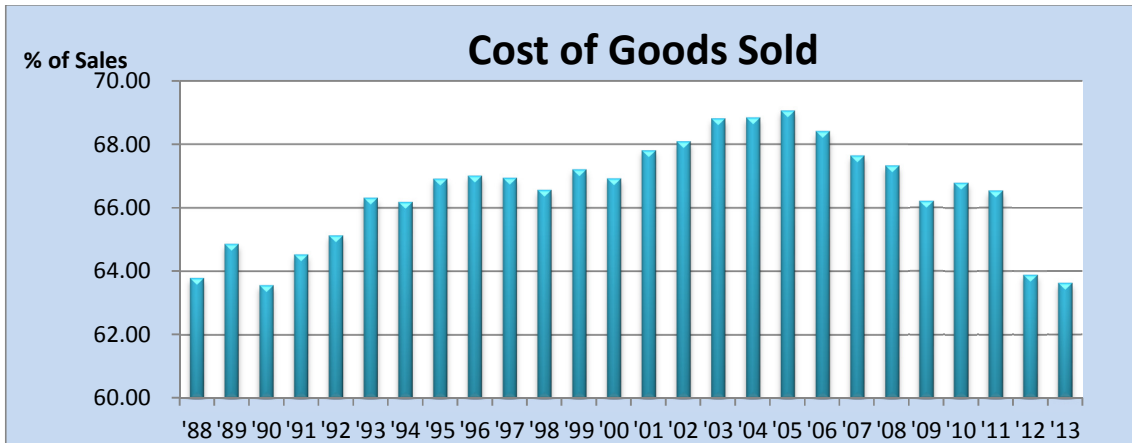


Chart 2

Trends in Pharmacy Operations, 1988 – 2013



**AUSTRALIAN PHARMACIES REPORTING IN TWO CONSECUTIVE YEARS 2012 AND 2013**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 3**

SALES, EXPENSES & PROFITABILITY	2012 AVERAGES		2013 AVERAGES		AMOUNT AND PERCENT OF CHANGE	
	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,417,490</b>		<b>3,360,083</b>		<b>-57,407</b>	<b>-1.68</b>
<b>COST OF GOODS SOLD (3)</b>	<b>2,221,902</b>	<b>65.02</b>	<b>2,137,013</b>	<b>63.35</b>	<b>-84,888</b>	<b>-3.82</b>
<b>GROSS MARGIN (3)</b>	<b>1,195,589</b>	<b>34.98</b>	<b>1,223,070</b>	<b>36.65</b>	<b>27,481</b>	<b>2.30</b>
Other Income	48,694		41,114		-7,580	-15.57
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,244,283</b>		<b>1,264,184</b>		<b>19,901</b>	<b>1.60</b>
<b>TOTAL REVENUE</b>	<b>3,466,185</b>		<b>3,401,197</b>		<b>-64,988</b>	<b>-1.87</b>
<b>EXPENSES</b>						
Salaries and Wages	386,093	11.14	405,978	11.94	19,885	5.15
Rent Paid	166,797	4.81	181,667	5.34	14,871	8.92
Outgoings - Rental & Rates	12,945	0.37	13,268	0.39	324	2.50
Accounting	4,257	0.12	5,714	0.17	1,457	34.22
Advertising	44,643	1.29	47,100	1.38	2,457	5.50
Bank Charges	8,533	0.25	8,746	0.26	213	2.50
Computer Expenses	14,896	0.43	14,654	0.43	-242	-1.62
Depreciation	33,103	0.96	30,368	0.89	-2,735	-8.26
Electricity, Water, Heating	16,053	0.46	17,808	0.52	1,755	10.93
Insurance	8,173	0.24	9,056	0.27	883	10.80
Interest Paid	88,578	2.56	83,994	2.47	-4,584	-5.18
Leasing Expenses	1,121	0.03	1,149	0.03	28	2.50
Motor Vehicle Expenses	1,842	0.05	1,814	0.05	-28	-1.53
Postage, Freight, Printing	13,994	0.40	15,045	0.44	1,051	7.51
Repairs, Maintenance, Service	5,158	0.15	5,138	0.15	-20	-0.39
Subs and Registrations	8,936	0.26	9,160	0.27	223	2.50
Superannuation	34,133	0.98	36,085	1.06	1,952	5.72
Telephone	5,014	0.14	5,139	0.15	125	2.50
Training	2,621	0.08	2,779	0.08	159	6.05
Abnormal Expenses	4,372	0.13	3,098	0.09	-1,274	-29.15
Payroll Tax	5,110	0.15	5,843	0.17	734	14.36
Workers' Compensation	2,145	0.06	2,199	0.06	54	2.50
Other Expenses	62,131	1.79	61,944	1.82	-187	-0.30
<b>TOTAL EXPENSES</b>	<b>930,646</b>	<b>26.85</b>	<b>967,746</b>	<b>30.09</b>	<b>37,099</b>	<b>3.99</b>
<b>TOTAL INCOME</b>	<b>313,637</b>	<b>9.05</b>	<b>296,438</b>	<b>7.60</b>	<b>-17,199</b>	<b>-5.48</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	120,103 0.89	3.46	124,570 0.93	3.59	4,467	3.72
<b>NET PROFIT/LOSS</b>	<b>193,534</b>	<b>5.58</b>	<b>171,868</b>	<b>4.96</b>	<b>-21,666</b>	<b>-11.19</b>
<b>EBITDA</b>	<b>315,214</b>	<b>9.09</b>	<b>286,229</b>	<b>8.26</b>	<b>-28,985</b>	<b>-9.20</b>
<b>SALES ANALYSIS</b>						
Prescriptions (3)	2,244,700	65.68	2,223,866	66.18	-20,833	-0.93
Other Sales (3)	1,170,585	34.25	1,132,766	33.71	-37,819	-3.23
<b>INVENTORY ANALYSIS</b>						
Prescription	78,318	2.26	78,798	2.32	480	0.61
Other	184,380	5.32	183,117	5.38	-1,263	-0.69
<b>STOCK CARRIED (Total)</b>	<b>262,699</b>	<b>7.58</b>	<b>261,915</b>	<b>7.70</b>	<b>-784</b>	<b>-0.30</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>8.46</b>		<b>8.16</b>		<b>-0.30</b>	<b>-3.53</b>
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	28.66		28.22		-0.44	-1.53
Other	6.35		6.19		-0.16	-2.56
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	219		218		-1	-0.24
PRESCRIPTIONS DISPENSED (Total)	63,326		62,261		-1,065	-1.68
PRESCRIPTIONS DISPENSED WEEKLY	1,218		1,197		-20	-1.68
TOTAL HOURS OPEN per WEEK	69.4		70.1		0.7	1.06
AV HRS WORKED BY PROPRIETORS/WEEK	34.0		35.2		1.3	3.72
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>56,682</b>	<b>1.64</b>	<b>55,107</b>	<b>1.62</b>	<b>-1,576</b>	<b>-2.78</b>

(1) Notional Proprietors Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

# COMPARISON OF PHARMACIES RESPONDING IN CONSECUTIVE YEARS

(Refer to Table 3)

The Digest includes a comparison of performance for pharmacies which have responded in two consecutive years. This is particularly important in highlighting movements in key indicators from one year to the next. It is usually more relevant in assessing movements than the estimates provided in Table 2 (i.e. the entire sample).

It is for this purpose that voluntary participation is encouraged to supplement the annual samples being compared. Since these responses are not restricted to the main sample, the larger their number the more representative the comparisons would be.

A sample of 76 pharmacies provided responses for both 2011-12 and 2012-13.

The following section offers an overview of the results summarised in Table 3.

- Total Sales decreased by 1.68%.
- Cost of Goods Sold decreased by 3.82%. Consistent with the findings of the main sample, this in turn produced a higher Gross Margin as a percentage of Sales, at 36.65% compared with 34.98% in 2011-12.
- Total Expenses grew by 3.99% in dollar terms and increased this year as a percentage of revenue, from 26.85% to 30.09% in 2012-13.
- With the growth in expenses offsetting the increase in dollar gross margin, Total Income dropped by 5.48%
- Salaries and Wages for the comparative sample grew by 5.15% while Rents grew by 8.92% (which is likely to be a much better guide to rent increases than the decrease shown in Table 2).
- Prescription revenue dropped marginally by 0.93% in conjunction with a 1.68% reduction in per pharmacy script volume.
- Non-Prescription Sales posted a decrease of 3.23%, reflecting general economic conditions and the competitive environment.



# ANALYSIS OF SURVEY RESULTS

Successful businesses are essentially characterised by their ability to:

- secure a reasonable salary for the proprietor(s) commensurate with the hours invested
- ensure a reasonable return on the funds invested in the business at a rate appropriate to the level of risk involved; (if the recent past is any guide, pharmacy is anything but a low risk business); and
- generate sufficient additional funds to maintain the business, such as covering the necessary inflationary costs of replacing stock and non-depreciable items as well as the depreciation deficiency on capital items whose replacement costs need to be based on current (and not historical) values.

Community pharmacy is no exception.

Despite its primary health care role, community pharmacy is also a business. As well as being health professionals, pharmacists need to survive in the business environment with all its associated risks and rewards. Profitability is an essential part of that landscape.

*Based on Table 3, there was a slight reduction in the overall sales performance of community pharmacy in 2012-13. Prescription revenue was reduced by the pressures of Price Disclosure whilst retail sales exhibited pressures consistent with the broader market. Profitability dropped slightly due to higher expenses. Expenses as a percentage of sales continue to reach record highs.*

*QUARTILE ANALYSIS (Table 4): Low, Normal, High*

Statistical reports should never be considered in isolation. They must be interpreted in context and compared by reference to other factors which may be unique to the operation. With this caveat in mind, the following analyses provide a useful guide for decision-making.

Table 4 allows pharmacies to benchmark their pharmacy against other pharmacies. Results have been divided into quartiles with the three points dividing each quartile indicating:

- 25% of respondents scored below the “Low” quartile marker
- 50% of respondents scored below the “Normal” quartile marker
- 50% of respondents scored above the “Normal” quartile marker
- 25% of respondents scored above the “High” quartile marker.

Figures in the Low, Normal and High columns represent results from a wide range of pharmacies and the data should be viewed only in terms of their corresponding expense or income items.

When using these figures for benchmarking purposes you will ideally aim for:

- Expense results below the “Low” quartile
- Revenue results above the “High” quartile

An expense result above the high quartile value means that the business needs to examine very closely the causes of the high expense level and to undertake remedial action if these expense are not producing a commensurate increase in income. Revenue results below the low quartile value require similar urgent attention since they indicate scope for improvement.



For example

- A Gross Margin result of 30% is less than desirable while a Gross Margin of 40% is excellent.
- A Salaries and Wages result of 9% is excellent while Salaries and Wages of 14% has room for improvement.

However, each result must be viewed in its proper context. With respect to Salaries and Wages, a pharmacy with one part-time staff member may be below the 9% rate and still not be achieving efficiencies. At the other end of the spectrum, a manager-operated pharmacy is likely to have a higher salary cost component (approaching 14%) but in some cases may be operating at a highly efficient level. Similarly, higher than average rents do not necessarily suggest an unproductive location.

It is worth noting that a 1% fall in expenses (expressed in terms of revenue) directly translates to an increase of 1% in profits (expressed in terms of revenue).



## PROPRIETOR'S NOTIONAL SALARY

As in previous years, the purpose of this calculation is to provide an indication of a reasonable level of professional remuneration for a pharmacy proprietor (or proprietors) for working in the pharmacy (often for extended hours), taking shorter holidays than employees, bearing the after-hours burden of record-keeping and assuming all the risks associated with investing in and running a business.


The starting base is an employee manager's actual salary for a 38 hour week, adjusted for overtime for any additional hours. To this figure are added on-costs which necessarily form part of labour costs of employing a manager - such things as annual leave, long service leave, superannuation.

In 2012-13, the normal hourly rate was estimated at \$54.21 for the first 38 hours - equivalent to an annual salary of \$107,119. Additional hours were calculated at time and a half rate to reflect overtime. A rate of 1.2547 was applied to reflect On-Cost provisions.

The on-costs were derived as follows:

%	Annual Salary (38 hour week)
7.69	Holiday (4 weeks)
1.35	Leave loading (17.5% of 4 weeks)
1.92	Sick leave (1 week)
1.67	Long service leave (3 mths/15 yr)
3.85	Public holidays (2 weeks)
9.00	Superannuation
25.47	Total On-Cost





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(G2012171)

#### Module 2

##### Building a Risk Management Culture in Your Pharmacy

This module explores the five pillars of a risk management culture. It will teach you about your role in leading and engaging your staff in risk management.

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(G2013004)

#### Module 3

##### Business Continuity Management for Pharmacy

Would you be prepared if your business was faced with an emergency? This module will show you how to prepare your business to deal with a major disruption.

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G2013024)

Simply visit [guild.org.au/academy](http://guild.org.au/academy) to access the modules.

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**Australian Pharmacies - 2012-13**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 4**

	2013 AVERAGES		Low	Normal	High
SALES, EXPENSES & PROFITABILITY	\$	%			
<b>SALES</b>	<b>2,875,574</b>		<b>1,646,241</b>	<b>2,839,704</b>	<b>4,366,150</b>
<b>COST OF GOODS SOLD (3)</b>	<b>1,829,442</b>	<b>63.62</b>	<b>58.06</b>	<b>61.17</b>	<b>64.46</b>
<b>GROSS MARGIN (3)</b>	<b>1,046,132</b>	<b>36.38</b>	<b>34.38</b>	<b>37.05</b>	<b>40.07</b>
Other Income	41,012		0.23	0.85	1.76
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,087,144</b>		<b>35.54</b>	<b>38.83</b>	<b>41.94</b>
<b>TOTAL REVENUE</b>	<b>2,916,586</b>		<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>EXPENSES</b>					
Salaries and Wages	336,399	11.53	9.60	11.68	13.53
Rent Paid	140,454	4.82	2.19	3.52	5.82
Outgoings - Rental & Rates	6,154	0.21	0.00	0.00	0.26
Accounting	12,001	0.41	0.10	0.27	0.63
Advertising	39,148	1.34	0.34	0.81	1.36
Bank Charges	8,271	0.28	0.14	0.25	0.37
Computer Expenses	12,929	0.44	0.28	0.46	0.70
Depreciation	30,787	1.06	0.48	0.82	1.40
Electricity, Water, Heating	13,202	0.45	0.28	0.38	0.56
Insurance	8,767	0.30	0.20	0.28	0.42
Interest Paid	74,558	2.56	0.22	2.05	4.19
Leasing Expenses	4,087	0.14	0.00	0.00	0.00
Motor Vehicle Expenses	3,824	0.13	0.00	0.01	0.16
Postage, Freight, Printing	9,144	0.31	0.05	0.31	0.44
Repairs, Maintenance, Service	3,919	0.13	0.05	0.10	0.19
Subs and Registrations	8,274	0.28	0.23	0.41	0.84
Superannuation	31,543	1.08	0.81	1.01	1.31
Telephone	5,326	0.18	0.10	0.16	0.25
Training	2,346	0.08	0.01	0.04	0.11
Abnormal Expenses	2,600	0.09	0.00	0.00	0.01
Payroll Tax	5,662	0.19	0.00	0.00	0.15
Workers' Compensation	2,601	0.09	0.03	0.08	0.12
Other Expenses	87,870	3.01	1.13	2.42	4.49
<b>TOTAL EXPENSES</b>	<b>849,866</b>	<b>29.14</b>	<b>24.36</b>	<b>27.98</b>	<b>33.88</b>
<b>TOTAL INCOME</b>	<b>237,279</b>	<b>8.14</b>	4.44	9.28	14.65
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	143,788 1.07	4.93	70,740 0.53	134,407 1.00	166,240 1.24
<b>NET PROFIT/LOSS</b>	<b>93,490</b>	<b>3.21</b>	<b>-2.24</b>	<b>3.67</b>	<b>8.97</b>
<b>EBITDA</b>	<b>198,835</b>	<b>6.82</b>	<b>1.81</b>	<b>6.67</b>	<b>11.88</b>
<b>SALES ANALYSIS</b>					
Prescriptions (3)	1,919,300	66.74	1,242,976	1,908,945	2,768,375
Other Sales (3)	950,918	33.07	362,672	710,296	1,348,618
<b>INVENTORY ANALYSIS</b>					
Prescription	95,655	3.28	59,804	84,715	110,053
Other	190,631	6.54	79,502	149,609	233,518
<b>STOCK CARRIED (Total)</b>	<b>288,039</b>	<b>9.88</b>	<b>145,542</b>	<b>247,829</b>	<b>375,546</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.16</b>		<b>5.53</b>	<b>6.90</b>	<b>8.77</b>
<b>SALES PER INVENTORY DOLLAR</b>					
Prescription	20.06		18.82	24.07	29.15
Other	4.99		3.94	5.21	6.94
<b>STATISTICS</b>					
PHARMACY SIZE (square metres)	200		120.0	190.0	282.5
PRESCRIPTIONS DISPENSED (Total)	53,186		34,335	54,803	78,657
PRESCRIPTIONS DISPENSED WEEKLY	1,023		660	1,054	1,513
TOTAL HOURS OPEN per WEEK	62.4		51.8	60.0	70.5
AV HRS WORKED BY PROPRIETORS/WEEK	40.7		20.0	38.0	47.0
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>93,210</b>	<b>3.20</b>	<b>-31,520</b>	<b>62,954</b>	<b>199,489</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

# PLANNING TOOLS AND PRODUCTIVITY MEASURES

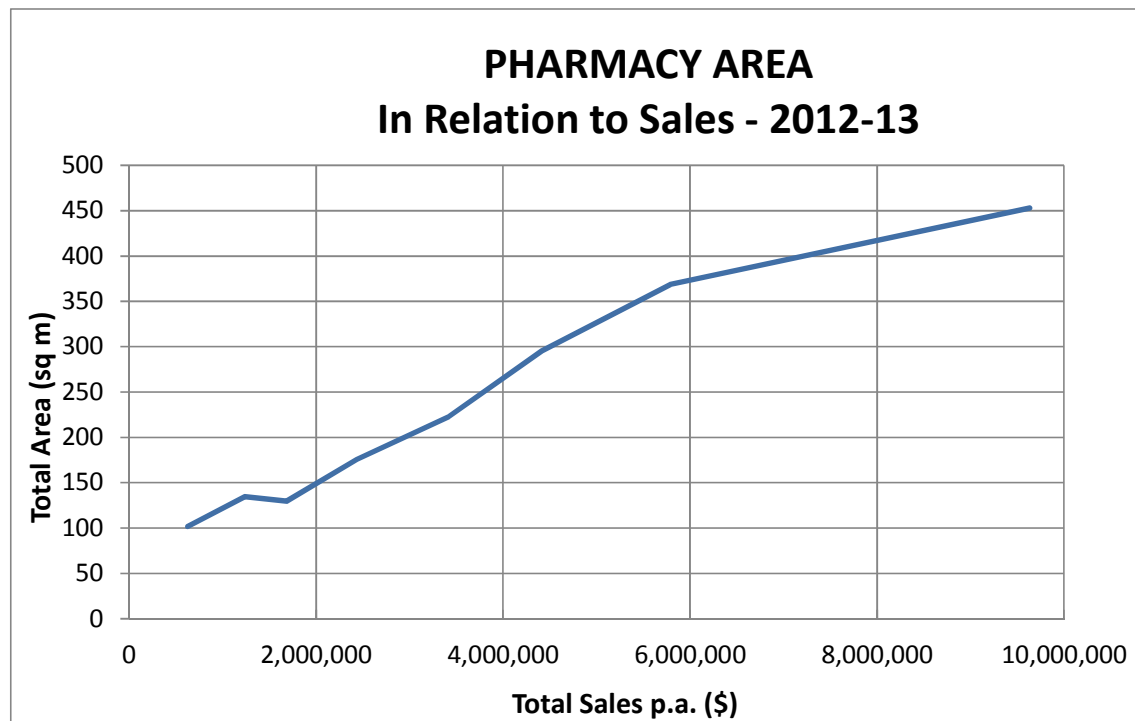
(Refer to Table 5)

## SALES PER SQUARE METRE

This is a useful benchmarking tool to guide merchandising and display. Refer to Table 5 for details according to turnover range. As a general rule, sales productivity by area of selling space tends to increase with turnover and this year turnover per square metre ranged from \$10,318 to \$26,348.

The relationship between Shop Area and Sales is illustrated in Chart 3

**Chart 3**



## TOTAL SALES vs NUMBER OF PRESCRIPTIONS

The average prescription generated between \$37.84 and \$61.03 in sales revenue. With an average value per prescription of about \$32.94, each prescription produced between \$7.50 and \$20 extra revenue in the non-prescription sector.

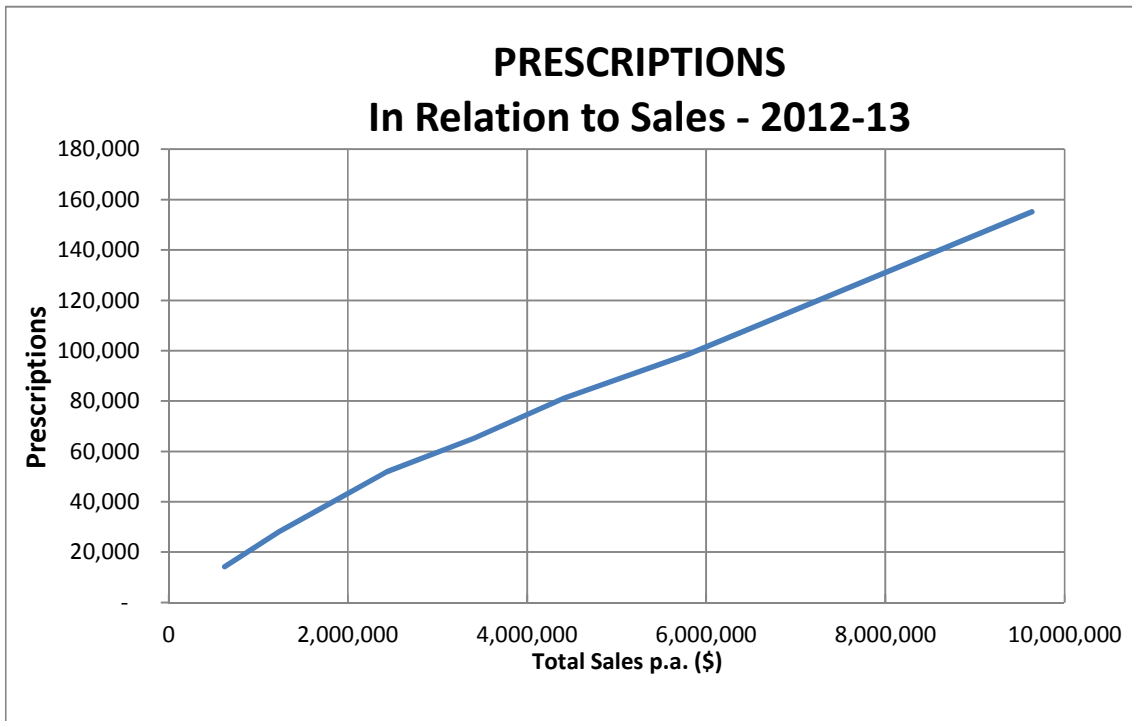
In practice, customer numbers far exceed the number of prescriptions dispensed. Digest data indicates the average number of customers per pharmacy per year is approximately 66,800 (compared with 53,186 dispensed prescriptions). Therefore the average sale per customer may be lower than the Sales per script figures. It is nevertheless important to note that prescriptions contribute significantly to other sales and the important nexus between the two should not be underestimated. The close correlation between the number of prescriptions dispensed and Total Sales is illustrated in Chart 4, and the long term trend (despite a slight revision in 2012-13) towards an increase in the proportion of dispensary to total sales is shown in Chart 5.

### SUMMARY OF PRODUCTIVITY MEASURES – 2012-13

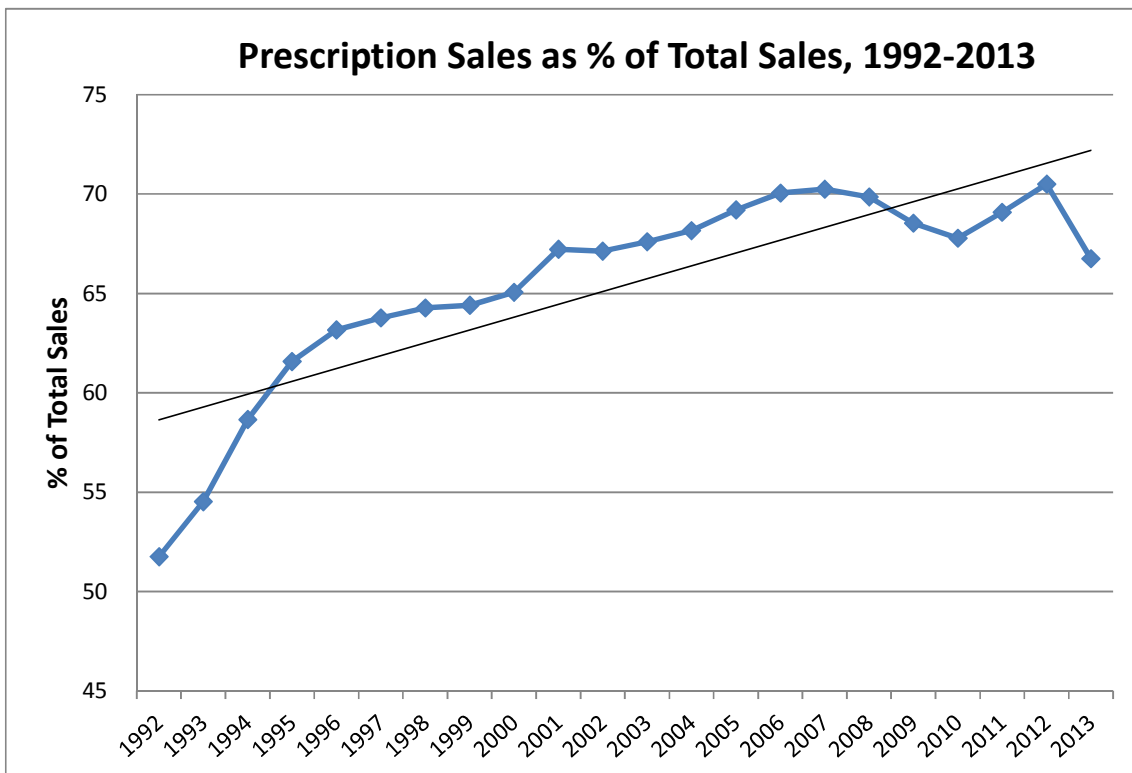
TURNOVER RANGE	Average Script Value (\$)	Non-Prescription Sales. Script (\$)	Script Sales/ Total Sales	TURNOVER PER SQ M SHOP SPACE	RENT \$ PER SQ M SHOP SPACE
UNDER \$1,000,000	33.89	13.70	76.2%	10,318.04	356.68
\$1,000,000 - \$1,500,000	34.55	13.08	76.2%	12,587.44	575.30
\$1,500,000 - \$2,000,000	36.16	9.65	79.2%	15,089.61	502.48
\$2,000,000 - \$3,000,000	34.74	17.16	72.1%	17,521.18	702.11
\$3,000,000 - \$4,000,000	36.55	18.14	69.4%	16,946.01	602.99
\$4,000,000 - \$5,000,000	35.43	23.18	64.3%	17,854.67	811.05
\$5,000,000 - \$7,000,000	36.87	24.39	63.1%	18,598.30	916.18
OVER \$7,000,000	37.07	36.36	63.1%	26,348.44	1,155.82
<b>AUSTRALIA</b>					
ALL PHARMACIES WEIGHTED	36.11	18.32	70.9%	16,798.93	697.52
METROPOLITAN	34.91	15.35	71.7%	16,811.27	699.03
COUNTRY	35.30	15.42	75.3%	13,976.50	294.75



**Chart 4**



**Chart 5**



## SALES PER \$ OF STAFF WAGES

This is a useful general measure of productivity of staff. Table 5 shows that staff generate on average just over \$9 of sales revenue per dollar of wages.

## NON-PRESCRIPTION SALES PER FULL-TIME EQUIVALENT NON-DISPENSARY STAFF

Salaries and wages represent the largest single expense item in community pharmacy. Sales staff therefore have the capacity to significantly influence sales outcomes. The following figures provide a useful benchmark for performance rating.

As with the previous section, the following table excludes dispensary turnover from the calculation to obtain the retail sector sales per full-time equivalent non-dispensary employee. This is based on a 38 hour week and includes only hours for the Sales and Other Staff category in Table 18.

<b>TURNOVER RANGE</b>	<b>Retail Sales/ Full-Time Equivalent Non-Dispensary Employee (\$)</b>
UNDER \$1,000,000	\$225,635
\$1,000,000 - \$1,500,000	\$338,806
\$1,500,000 - \$2,000,000	\$172,458
\$2,000,000 - \$3,000,000	\$332,027
\$3,000,000 - \$4,000,000	\$196,204
\$4,000,000 - \$5,000,000	\$362,690
\$5,000,000 - \$7,00,000	\$207,332
OVER \$7,000,000	\$180,685



**Table 5****SUMMARY OF PRODUCTIVITY MEASURES  
– 2012-13**

<b>TURNOVER RANGE</b>	<b>AVERAGE TURNOVER \$</b>	<b>TURNOVER PER \$ STAFF</b>	<b>TURNOVER PER FULL TIME EQUIVALENT EMPLOYEE</b>	<b>TURNOVER PER SQ M SHOP SPACE</b>	<b>RENT \$ PER SQ M SHOP SPACE</b>
UNDER \$1,000,000	634,857	7.74	414,703	10,318	357
\$1,000,000 - \$1,500,000	1,261,498	8.56	361,767	12,587	543
\$1,500,000 - \$2,000,000	1,733,381	9.51	366,119	15,090	502
\$2,000,000 - \$3,000,000	2,472,550	9.45	498,540	17,521	687
\$3,000,000 - \$4,000,000	3,443,848	9.55	599,655	16,946	603
\$4,000,000 - \$5,000,000	4,483,014	9.02	490,956	17,855	811
\$5,000,000 - \$7,000,000	5,864,390	9.08	581,514	18,598	916
OVER \$7,000,000	9,485,084	9.78	630,631	26,348	1,156
<b>AUSTRALIA</b>					
ALL PHARMACIES WEIGHTED	2,916,586	9.16	498,605	16,579	682
METROPOLITAN	3,173,435	9.00	525,747	16,811	695
COUNTRY	2,912,281	8.66	398,790	13,976	282



# USER'S GUIDE TO THE GUILD DIGEST

Management decisions require more than general and vague impressions of an operation's financial structure. The Guild Digest presents a snapshot of pharmacy operations in Australia for the preceding financial year and is designed to be used as a resource when making management decisions. The Digest's primary purpose is to serve as a financial benchmarking tool, allowing community pharmacy owners, managers and financial advisers to make valuable comparisons of their financial performance against others in the industry.

The purpose of this section is to provide a better understanding of the financial data presented. It provides readers with background information on the Digest's structure as well as an understanding of financial terms and concepts and how they can be applied when analysing your business.

## BALANCE SHEET

The Balance Sheet is a statement of financial position at a given point in time. . A snapshot of what a business owns (assets), what a business owes (liabilities), and the amount invested by owners (net worth), it is expressed as:

$$\text{Assets} = \text{Liabilities} + \text{Owners Equity (Net Worth)}$$

The Balance Sheet allows you to quickly see the financial strengths and capabilities of your business, as well as compare the increase and decrease in value of your business over time.

## Assets

An asset is anything of value that can be converted into cash. It is a resource held by a business from which future economic benefits are expected to flow.

Current Assets are assets that can usually be converted into cash at short notice.

Fixed Assets, on the other hand, are assets with a long term life which are needed to carry out the normal activities of the business. They also have a depreciable life and are shown at cost less depreciation written off to date.

Goodwill is the price paid to take over the clientele when purchasing a business, less amounts written off over a designated period.

## Liabilities

Current Liabilities include all debts which are due within one year from the date of the balance sheet. The main components are normally accounts payable, accrued expenses, overdrafts and provision for tax.

Long Term Liabilities are those which are payable over a number of financial years. They include loans, mortgages and long term provisions such as Long Service Leave.



## Net Worth

Net Worth is the amount assets exceed liabilities. Use the following formula to calculate Net Worth:

$$\text{Net Worth} = \text{Total Assets} - \text{Total Liabilities}$$

Net Worth is a key measure of how much an entity is worth. A consistent increase in Net Worth indicates the entity is in good financial health.

## OPERATING PERIOD

Extreme movements may be experienced in individual businesses from period to period but as a general rule, unless there are exceptional economic factors, industry movements are small from period to period.

The Digest can therefore be useful to identify short term trends, such as adverse margins or high inventory levels at any time during the current period. In addition comparisons of digest results can be made at any time after 30 June 2013 to identify any long term problems such as inappropriate locations.

## DIGEST FORMAT

For the purposes of financial management, two major areas are presented:

- a) Operating results for the twelve month period summarised into various charts and tables according to turnover ranges, location and volume of prescription business;
- b) Financial position of the business at a specific point in time, ie 30 June 2013, after the year's trading has been taken into account.

## OPERATING RESULTS

Often referred to as the Profit and Loss Account, the operating results present, in a single format, revenue derived from the sale of merchandise and expenses incurred to produce those sales.

All income statement data are reported as percentage of Total Revenue to allow the comparison of each item in its relationship to the total operation.



## FINANCIAL RATIOS

From an investor's point of view, the pharmacy proprietor must review the balance sheet in order to relate the income produced from the venture to the funds invested in it. The owner must also be prepared to justify the level of expenditure incurred in earning both the income and the return on funds invested. Thus a sound management policy dictates that the proprietor should review both the income and expense statement for an evaluation of operations and the balance sheet for an assessment of financial position and solvency.

The proprietor can judge how effectively the assets are being utilised by relating the asset and liability position to sales and profit figures.

Balance sheet information can be developed into ratios that measure asset usage (return on asset investment); the liquidity of the business, or its ability to meet current obligations (current ratio); and the general solvency of the firm (debt/equity ratio).

It should be noted that the ratios calculated from the financial information are not inflexible determinants of success or failure, but rather, represent indicators of performance at one point in time. It is suggested that these ratios be considered as a group rather than separately.

### *Liquidity or Short-Term Capitalisation*

Liquidity measures the pharmacy's ability to meet its current obligations and reflects the relationship between the business' short-term financial obligations (current liabilities) and the sources of funds available to meet those requirements (current assets).

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Also known as Working Capital Ratio, a ratio of around 2 to 1 for most businesses enables the business to relatively easily meet current obligations. In most cases a ratio higher than this would indicate that the manager is not utilising funds in the most productive way.

### *Profitability*

Profitability is the measuring stick used to evaluate how effective the manager has been in increasing the owner's equity.

$$\text{Net profit on annual sale} = \frac{\text{Net Profit (before tax)}}{\text{Annual Sales}}$$

Year to year comparisons can be made to determine the change in net profit in relation to the change in sales. This measure of profitability is most useful in connection with another standard ratio – return on investment.

$$\text{Return on Investment (or return on Equity)} = \frac{\text{Net Profit (before tax)}}{\text{Net Worth}}$$

Net worth is the amount of owner's equity and is the difference between total assets and total liabilities. The resulting figure is then divided into net profit (before taxes).



Often a more accurate indicator of investment return can be found in the return on total investment.

$$\text{Return on Total Investment} = \frac{\text{Net Profit (before tax)}}{\text{Owner's Equity + Long Term Liabilities}}$$

Net profit on total investment expresses income in relation to the total of the permanent funds invested in the business. It makes no distinction between owner's equity and borrowed capital. The Return on Total Investment ratio is a measure of how well management has used all these permanent funds.

### ***Solvency or Long-Term Capitalisation***

Solvency is calculated by lenders in estimating the borrowing potential of a firm. Solvency refers to the ability of a pharmacy to meet the repayment schedule on long-term obligations.

$$\text{Debt Equity Ratio (or gearing)} = \frac{\text{Total Liabilities}}{\text{Net Worth}}$$

A pharmacy in which the total debt exceeds the owner's equity is quite vulnerable if external changes cause a prolonged drop in sales or an unpredictable increase in expenses such as those caused by interest rate rises. When the debt/equity ratio is low in comparison with that in similar operations the pharmacy may not be leveraged to best advantage.

### ***Net Sales to Net Worth***

This ratio examines the productivity of equity in terms of generating sales. A high ratio may imply inadequate owner's capitalisation. When the ratio is low, the operation is not obtaining full use of its funds.

### ***Funded Debt to Net Working Capital***

A business' ability to borrow is obtained by dividing funded debts, mortgages etc by working capital. When the ratio is low there is less reliance on funded debt for working capital and the owner is in a better financial position to borrow funds.

### ***Age of Debtors***

$$\text{Average Payable Period} = \frac{\text{Outstanding Accounts Payable} \times 365}{\text{Annual Purchases}}$$

This ratio expresses the number of days outstanding in accounts payable and measures the extent to which a business is operating on suppliers' capital. A higher-than-average value may imply that the pharmacy is not taking suppliers' cash discounts.



Chart 6

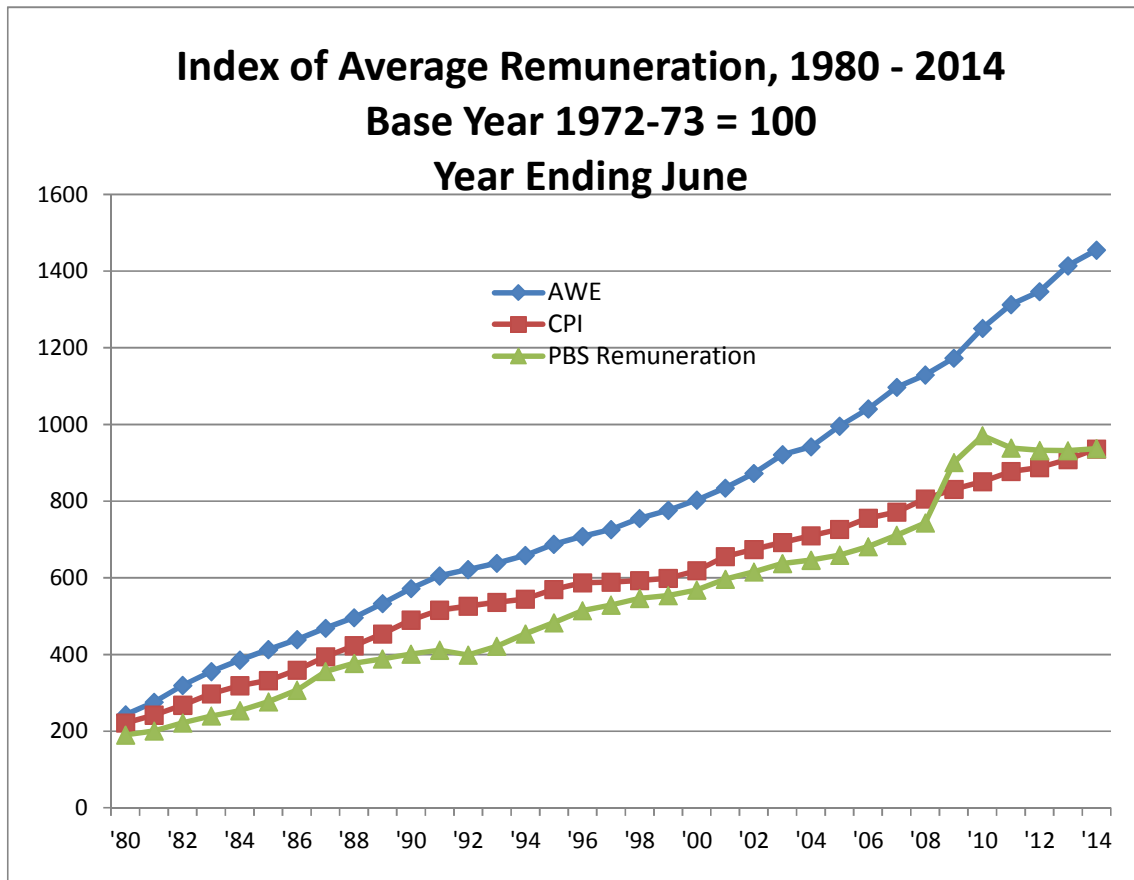
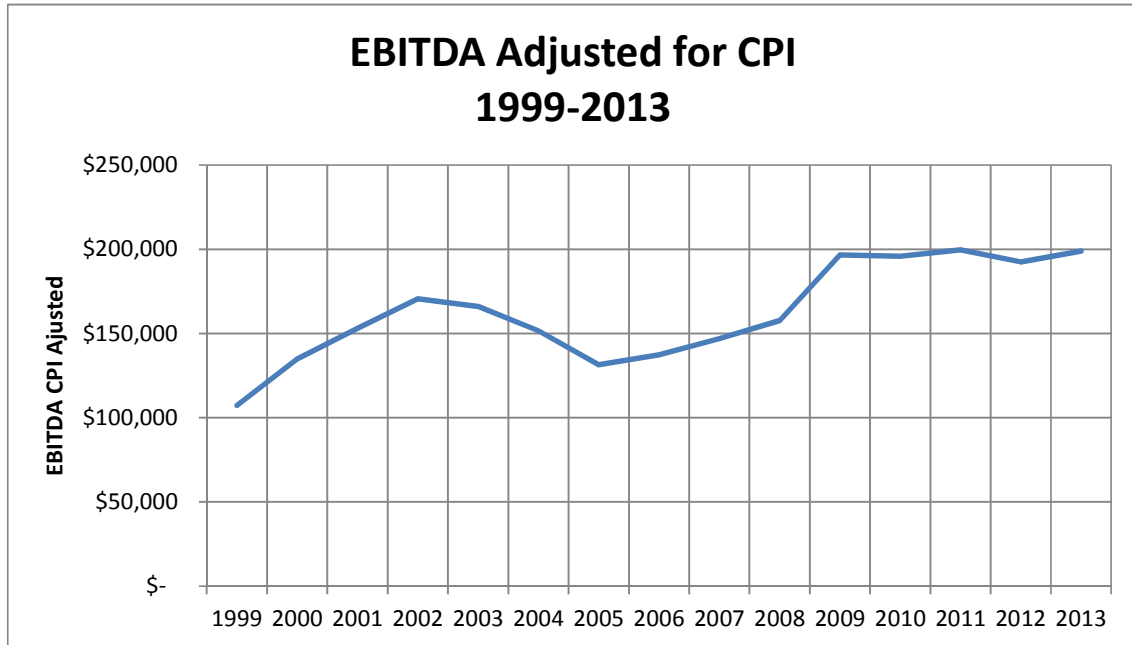


Chart 7



**Australian Pharmacies - 2012-13**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 6**

	Up to \$1,000,000		\$1,000,000 to \$1,500,000		\$1,500,000 to \$2,000,000		\$2,000,000 to \$3,000,000	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>625,004</b>		<b>1,236,828</b>		<b>1,686,202</b>		<b>2,435,795</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>347,757</b>	<b>55.64</b>	<b>766,030</b>	<b>61.94</b>	<b>1,006,459</b>	<b>59.69</b>	<b>1,500,201</b>	<b>61.59</b>
<b>GROSS MARGIN (3)</b>	<b>277,247</b>	<b>44.36</b>	<b>470,799</b>	<b>38.06</b>	<b>679,742</b>	<b>40.31</b>	<b>935,595</b>	<b>38.41</b>
Other Income	9,853		24,670		47,179		36,755	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>287,100</b>		<b>495,468</b>		<b>726,922</b>		<b>972,349</b>	
<b>TOTAL REVENUE</b>	<b>634,857</b>		<b>1,261,498</b>		<b>1,733,381</b>		<b>2,472,550</b>	
<b>EXPENSES</b>								
Salaries and Wages	93,139	14.67	171,092	13.56	204,076	11.77	290,086	11.73
Rent Paid	22,433	3.53	59,602	4.72	53,052	3.06	110,475	4.47
Outgoings - Rental & Rates	1,657	0.26	3,175	0.25	1,602	0.09	4,126	0.17
Accounting	5,663	0.89	8,811	0.70	11,370	0.66	9,884	0.40
Advertising	2,435	0.38	7,772	0.62	12,213	0.70	22,839	0.92
Bank Charges	1,441	0.23	4,651	0.37	3,993	0.23	6,831	0.28
Computer Expenses	6,302	0.99	11,843	0.94	9,726	0.56	13,172	0.53
Depreciation	7,563	1.19	16,560	1.31	20,273	1.17	25,045	1.01
Electricity, Water, Heating	1,988	0.31	7,092	0.56	6,473	0.37	11,657	0.47
Insurance	3,457	0.54	5,152	0.41	7,227	0.42	9,065	0.37
Interest Paid	20,112	3.17	40,605	3.22	53,914	3.11	65,823	2.66
Leasing Expenses	1,203	0.19	1,952	0.15	199	0.01	617	0.02
Motor Vehicle Expenses	3,939	0.62	2,533	0.20	5,180	0.30	3,498	0.14
Postage, Freight, Printing	1,761	0.28	3,744	0.30	5,357	0.31	6,901	0.28
Repairs, Maintenance, Service	660	0.10	2,101	0.17	2,593	0.15	3,928	0.16
Subs and Registrations	4,747	0.75	11,957	0.95	13,116	0.76	17,103	0.69
Superannuation	8,074	1.27	15,606	1.24	20,399	1.18	29,490	1.19
Telephone	2,647	0.42	4,172	0.33	4,533	0.26	5,045	0.20
Training	523	0.08	1,497	0.12	1,718	0.10	1,728	0.07
Abnormal Expenses	4,064	0.64	1,478	0.12	312	0.02	2,242	0.09
Payroll Tax	1,826	0.29	1,274	0.10	3,268	0.19	4,474	0.18
Workers' Compensation	417	0.07	1,032	0.08	1,980	0.11	1,896	0.08
Other Expenses	20,870	3.29	38,411	3.04	50,667	2.92	77,485	3.13
<b>TOTAL EXPENSES</b>	<b>216,921</b>	<b>34.17</b>	<b>422,114</b>	<b>33.46</b>	<b>493,241</b>	<b>28.46</b>	<b>723,412</b>	<b>29.26</b>
<b>TOTAL INCOME</b>	<b>59,824</b>	<b>9.42</b>	<b>78,704</b>	<b>6.24</b>	<b>230,096</b>	<b>13.27</b>	<b>229,215</b>	<b>9.27</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	110,165 0.82	17.35	142,573 1.06	11.30	117,916 0.88	6.80	131,970 0.98	5.34
<b>NET PROFIT/LOSS</b>	<b>-50,340</b>	<b>-7.93</b>	<b>-63,868</b>	<b>-5.06</b>	<b>112,180</b>	<b>6.47</b>	<b>97,245</b>	<b>3.93</b>
<b>EBITDA</b>	<b>-22,666</b>	<b>-3.57</b>	<b>-6,703</b>	<b>-0.53</b>	<b>186,367</b>	<b>10.75</b>	<b>188,113</b>	<b>7.61</b>
<b>SALES ANALYSIS</b>								
Prescriptions (3)	476,660	76.27	942,105	76.17	1,335,134	79.18	1,748,508	71.78
Other Sales (3)	148,344	23.73	294,210	23.79	350,476	20.78	676,703	27.78
<b>INVENTORY ANALYSIS</b>								
Prescription	39,553	6.23	43,551	3.45	69,059	3.98	76,388	3.09
Other	26,224	4.13	80,551	6.39	80,497	4.64	122,412	4.95
<b>STOCK CARRIED (Total)</b>	<b>65,777</b>	<b>10.36</b>	<b>124,103</b>	<b>9.84</b>	<b>149,555</b>	<b>8.63</b>	<b>198,799</b>	<b>8.04</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>5.29</b>		<b>6.17</b>		<b>6.73</b>		<b>7.55</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	12.05		21.63		19.33		22.89	
Other	5.66		3.65		4.35		5.53	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	102		134		130		176	
PRESCRIPTIONS DISPENSED (Total)	14,152		28,110		37,058		51,954	
PRESCRIPTIONS DISPENSED WEEKLY	272		541		713		999	
TOTAL HOURS OPEN per WEEK	48		58		54		66	
AV HRS WORKED BY PROPRIETORS/WEEK	31		40		33		37	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>45,326</b>	<b>7.14</b>	<b>-1,333</b>	<b>-0.11</b>	<b>117,429.94</b>	<b>6.77</b>	<b>109,355</b>	<b>4.42</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**Australian Pharmacies - 2012-13**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 6**

	\$3,000,000 to \$4,000,000		\$4,000,000 to \$5,000,000		\$5,000,000 to \$7,000,000		Over \$7,000,000	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,412,202</b>		<b>4,412,469</b>		<b>5,790,703</b>		<b>9,634,265</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>2,111,245</b>	<b>61.87</b>	<b>2,789,117</b>	<b>63.21</b>	<b>3,749,855</b>	<b>64.76</b>	<b>6,393,856</b>	<b>66.37</b>
<b>GROSS MARGIN (3)</b>	<b>1,300,956</b>	<b>38.13</b>	<b>1,628,738</b>	<b>36.91</b>	<b>2,038,585</b>	<b>35.20</b>	<b>3,164,271</b>	<b>32.84</b>
Other Income	31,646		70,544		73,687		55,896	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,332,603</b>		<b>1,699,283</b>		<b>2,112,272</b>		<b>3,220,167</b>	
<b>TOTAL REVENUE</b>	<b>3,443,848</b>		<b>4,483,014</b>		<b>5,864,390</b>		<b>9,485,084</b>	
<b>EXPENSES</b>								
Salaries and Wages	385,467	11.19	519,230	11.58	667,597	11.38	981,435	10.35
Rent Paid	135,697	3.94	228,536	5.10	310,017	5.29	475,907	5.02
Outgoings - Rental & Rates	10,225	0.30	11,367	0.25	10,277	0.18	12,507	0.13
Accounting	10,943	0.32	18,145	0.40	19,456	0.33	23,705	0.25
Advertising	39,438	1.15	69,597	1.55	64,447	1.10	100,554	1.06
Bank Charges	9,734	0.28	11,527	0.26	15,583	0.27	25,908	0.27
Computer Expenses	14,653	0.43	15,706	0.35	15,986	0.27	18,968	0.20
Depreciation	29,746	0.86	52,458	1.17	40,577	0.69	106,971	1.13
Electricity, Water, Heating	15,507	0.45	21,752	0.49	24,268	0.41	32,249	0.34
Insurance	8,704	0.25	10,743	0.24	14,606	0.25	18,998	0.20
Interest Paid	87,726	2.55	86,654	1.93	146,323	2.50	179,765	1.90
Leasing Expenses	3,069	0.09	1,669	0.04	11,483	0.20	20,753	0.22
Motor Vehicle Expenses	2,335	0.07	3,167	0.07	2,334	0.04	9,828	0.10
Postage, Freight, Printing	10,892	0.32	13,846	0.31	19,947	0.34	31,728	0.33
Repairs, Maintenance, Service	5,330	0.15	5,525	0.12	7,343	0.13	8,064	0.09
Subs and Registrations	20,546	0.60	15,249	0.34	21,595	0.37	26,044	0.27
Superannuation	34,873	1.01	45,143	1.01	60,086	1.02	83,249	0.88
Telephone	5,772	0.17	6,456	0.14	6,970	0.12	10,188	0.11
Training	2,393	0.07	3,222	0.07	3,845	0.07	8,936	0.09
Abnormal Expenses	438	0.01	909	0.02	6,281	0.11	10,561	0.11
Payroll Tax	2,528	0.07	9,003	0.20	15,098	0.26	29,203	0.31
Workers' Compensation	3,103	0.09	4,291	0.10	4,130	0.07	10,037	0.11
Other Expenses	105,151	3.05	145,524	3.25	168,874	2.88	227,134	2.39
<b>TOTAL EXPENSES</b>	<b>948,711</b>	<b>27.55</b>	<b>1,294,544</b>	<b>28.88</b>	<b>1,660,315</b>	<b>28.31</b>	<b>2,416,317</b>	<b>25.47</b>
<b>TOTAL INCOME</b>	<b>388,386</b>	<b>11.28</b>	<b>405,275</b>	<b>9.04</b>	<b>440,445</b>	<b>7.51</b>	<b>803,850</b>	<b>8.47</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	152,807 1.14	4.44	167,566 1.25	3.74	130,471 0.97	2.22	275,779 2.05	2.91
<b>NET PROFIT/LOSS</b>	<b>235,579</b>	<b>6.84</b>	<b>237,709</b>	<b>5.30</b>	<b>309,974</b>	<b>5.29</b>	<b>528,071</b>	<b>5.57</b>
<b>EBITDA</b>	<b>353,051</b>	<b>10.25</b>	<b>376,821</b>	<b>8.41</b>	<b>496,874</b>	<b>8.47</b>	<b>814,808</b>	<b>8.59</b>
<b>SALES ANALYSIS</b>								
Prescriptions	2,360,103	69.17	2,825,532	64.04	3,614,441	62.42	5,721,604	59.39
Other Sales	1,027,032	30.10	1,580,615	35.82	2,175,516	37.57	3,707,521	38.48
<b>INVENTORY ANALYSIS</b>								
Prescription	95,312	2.77	92,265	2.06	144,735	2.47	534,041	5.63
Other	196,371	5.70	289,316	6.45	359,359	6.13	1,141,863	12.04
<b>STOCK CARRIED (Total)</b>	<b>291,683</b>	<b>8.47</b>	<b>381,581</b>	<b>8.51</b>	<b>504,095</b>	<b>8.60</b>	<b>1,675,904</b>	<b>17.67</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.24</b>		<b>7.31</b>		<b>7.44</b>		<b>3.82</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	24.76		30.62		24.97		10.71	
Other	5.23		5.46		6.05		3.25	
<b>STATISTICS</b>								
<b>PHARMACY SIZE (square metres)</b>	<b>223</b>		<b>295</b>		<b>369</b>		<b>453</b>	
<b>PRESCRIPTIONS DISPENSED (Total)</b>	<b>65,201</b>		<b>81,130</b>		<b>98,455</b>		<b>155,161</b>	
<b>PRESCRIPTIONS DISPENSED WEEKLY</b>	<b>1,254</b>		<b>1,560</b>		<b>1,893</b>		<b>2,984</b>	
<b>TOTAL HOURS OPEN per WEEK</b>	<b>69</b>		<b>74</b>		<b>72</b>		<b>73</b>	
<b>AV HRS WORKED BY PROPRIETORS/WEEK</b>	<b>43</b>		<b>47</b>		<b>37</b>		<b>78</b>	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>75,967</b>	<b>2.21</b>	<b>106,921.75</b>	<b>2.39</b>	<b>105,840</b>	<b>1.80</b>	<b>305,858</b>	<b>3.22</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**COMPARISON OF PERFORMANCE -  
(Based on 12 Months of Trading to 30/06/2013)**

**Table 7**

	Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,133,254</b>		<b>2,844,344</b>		<b>3,900,517</b>		<b>2,467,887</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>1,969,614</b>	<b>62.86</b>	<b>1,825,919</b>	<b>64.19</b>	<b>2,460,392</b>	<b>63.08</b>	<b>1,608,560</b>	<b>65.18</b>
<b>GROSS MARGIN (3)</b>	<b>1,163,641</b>	<b>37.14</b>	<b>1,018,425</b>	<b>35.81</b>	<b>1,440,125</b>	<b>36.92</b>	<b>859,327</b>	<b>34.82</b>
Other Income	40,180		36,298		54,058		45,636	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,203,821</b>		<b>1,054,724</b>		<b>1,494,183</b>		<b>904,963</b>	
<b>TOTAL REVENUE</b>	<b>3,173,435</b>		<b>2,880,642</b>		<b>3,954,576</b>		<b>2,513,522</b>	
<b>EXPENSES</b>								
Salaries and Wages	368,646	11.62	347,302	12.06	466,386	11.79	293,727	11.69
Rent Paid	142,685	4.50	94,132	3.27	201,474	5.09	87,927	3.50
Outgoings - Rental & Rates	10,400	0.33	3,333	0.12	9,453	0.24	2,434	0.10
Accounting	13,573	0.43	7,971	0.28	13,309	0.34	15,692	0.62
Advertising	34,217	1.08	31,832	1.11	50,682	1.28	14,003	0.56
Bank Charges	7,930	0.25	6,278	0.22	11,873	0.30	6,722	0.27
Computer Expenses	13,972	0.44	11,897	0.41	14,450	0.37	9,255	0.37
Depreciation	29,732	0.94	27,634	0.96	40,270	1.02	21,533	0.86
Electricity, Water, Heating	15,175	0.48	11,533	0.40	18,681	0.47	9,265	0.37
Insurance	7,823	0.25	9,383	0.33	10,728	0.27	8,531	0.34
Interest Paid	76,747	2.42	68,251	2.37	106,234	2.69	78,539	3.12
Leasing Expenses	872	0.03	236	0.01	5,414	0.14	1,695	0.07
Motor Vehicle Expenses	2,417	0.08	5,318	0.18	3,220	0.08	3,976	0.16
Postage, Freight, Printing	10,283	0.32	9,019	0.31	15,167	0.38	9,092	0.36
Repairs, Maintenance, Service	4,453	0.14	5,082	0.18	5,568	0.14	3,740	0.15
Subs and Registrations	20,367	0.64	11,577	0.40	18,454	0.47	9,316	0.37
Superannuation	33,420	1.05	34,494	1.20	42,680	1.08	27,273	1.09
Telephone	5,499	0.17	5,629	0.20	5,089	0.13	4,920	0.20
Training	2,883	0.09	2,614	0.09	2,913	0.07	1,601	0.06
Abnormal Expenses	2,522	0.08	1,922	0.07	3,378	0.09	1,335	0.05
Payroll Tax	5,473	0.17	3,729	0.13	10,931	0.28	3,911	0.16
Workers' Compensation	2,677	0.08	2,524	0.09	3,319	0.08	2,680	0.11
Other Expenses	102,103	3.22	56,084	1.95	125,088	3.16	47,415	1.89
<b>TOTAL EXPENSES</b>	<b>913,868</b>	<b>28.80</b>	<b>757,772</b>	<b>26.31</b>	<b>1,184,762</b>	<b>29.96</b>	<b>664,583</b>	<b>26.44</b>
<b>TOTAL INCOME</b>	<b>289,953</b>	<b>9.14</b>	<b>296,951</b>	<b>10.31</b>	<b>309,421</b>	<b>7.82</b>	<b>240,380</b>	<b>9.56</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	134,573 1.00	4.24	169,719 1.26	5.89	146,620 1.09	3.71	142,246 1.06	5.66
<b>NET PROFIT/LOSS</b>	<b>155,380</b>	<b>4.90</b>	<b>127,232</b>	<b>4.42</b>	<b>162,801</b>	<b>4.12</b>	<b>98,133</b>	<b>3.90</b>
<b>EBITDA</b>	<b>261,860</b>	<b>8.25</b>	<b>223,116</b>	<b>7.75</b>	<b>309,304</b>	<b>7.82</b>	<b>198,206</b>	<b>7.89</b>
<b>SALES ANALYSIS</b>								
Prescriptions (3)	2,182,951	69.67	2,069,266	72.75	2,391,210	61.30	1,912,583	77.50
Other Sales (3)	938,722	29.96	774,993	27.25	1,494,365	38.31	555,267	22.50
<b>INVENTORY ANALYSIS</b>								
Prescription	108,506	3.42	82,705	2.87	96,790	2.45	122,351	4.87
Other	227,242	7.16	149,044	5.17	224,722	5.68	194,245	7.73
<b>STOCK CARRIED (Total)</b>	<b>335,748</b>	<b>10.58</b>	<b>231,748</b>	<b>8.05</b>	<b>321,511</b>	<b>8.13</b>	<b>316,595</b>	<b>12.60</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>5.87</b>		<b>7.88</b>		<b>7.65</b>		<b>5.08</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	20.12		25.02		24.71		15.63	
Other	4.13		5.20		6.65		2.86	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	216		224		272		175	
PRESCRIPTIONS DISPENSED (Total)	62,472		60,104		67,512		51,585	
PRESCRIPTIONS DISPENSED WEEKLY	1,150		1,389		1,288		1,367	
TOTAL HOURS OPEN per WEEK	67		53		67		59	
AV HRS WORKED BY PROPRIETORS/WEEK	38.0		48.0		41.5		40.2	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>97,549</b>	<b>3.07</b>	<b>203,882</b>	<b>7.08</b>	<b>91,159</b>	<b>2.31</b>	<b>110,028</b>	<b>4.38</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**COMPARISON OF PERFORMANCE - LOCATION AND TYPE OF PHARMACY**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 8**

	Shopping Centre		Strip or Isolated		Medical Centre		Servicing Nursing Homes (50+ beds)	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>4,617,641</b>		<b>2,746,940</b>		<b>2,191,894</b>		<b>4,220,805</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>3,023,943</b>	<b>65.49</b>	<b>1,700,145</b>	<b>61.89</b>	<b>1,339,348</b>	<b>61.10</b>	<b>2,850,017</b>	<b>67.52</b>
<b>GROSS MARGIN (3)</b>	<b>1,593,698</b>	<b>34.51</b>	<b>1,046,796</b>	<b>38.11</b>	<b>852,546</b>	<b>38.90</b>	<b>1,370,787</b>	<b>32.48</b>
Other Income	62,016		46,966		30,835		71,903	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,655,715</b>		<b>1,093,762</b>		<b>883,381</b>		<b>1,442,690</b>	
<b>TOTAL REVENUE</b>	<b>4,679,658</b>		<b>2,793,907</b>		<b>2,222,729</b>		<b>4,292,707</b>	
<b>EXPENSES</b>								
Salaries and Wages	513,641	10.98	333,315	11.93	314,200	14.14	539,121	12.56
Rent Paid	287,654	6.15	81,357	2.91	111,498	5.02	76,091	1.77
Outgoings - Rental & Rates	13,098	0.28	3,712	0.13	4,833	0.22	3,283	0.08
Accounting	19,681	0.42	12,460	0.45	4,701	0.21	16,275	0.38
Advertising	58,012	1.24	28,643	1.03	15,029	0.68	52,748	1.23
Bank Charges	14,449	0.31	7,735	0.28	5,726	0.26	9,608	0.22
Computer Expenses	13,418	0.29	11,667	0.42	13,850	0.62	12,178	0.28
Depreciation	48,276	1.03	26,433	0.95	13,455	0.61	41,853	0.97
Electricity, Water, Heating	18,970	0.41	12,828	0.46	13,946	0.63	13,169	0.31
Insurance	10,791	0.23	9,022	0.32	5,830	0.26	12,664	0.30
Interest Paid	6,936	0.15	2,611	0.09	1,023	0.05	393	0.01
Leasing Expenses	6,936	0.15	2,611	0.09	1,023	0.05	393	0.01
Motor Vehicle Expenses	3,789	0.08	3,285	0.12	1,801	0.08	7,195	0.17
Postage, Freight, Printing	17,808	0.38	10,605	0.38	7,790	0.35	22,687	0.53
Repairs, Maintenance, Service	4,418	0.09	5,333	0.19	3,948	0.18	6,182	0.14
Subs and Registrations	15,814	0.34	14,146	0.51	24,175	1.09	14,175	0.33
Superannuation	47,468	1.01	31,324	1.12	27,748	1.25	50,218	1.17
Telephone	5,371	0.11	4,666	0.17	4,495	0.20	6,338	0.15
Training	2,309	0.05	2,607	0.09	1,366	0.06	4,293	0.10
Abnormal Expenses	4,598	0.10	2,076	0.07	531	0.02	2,424	0.06
Payroll Tax	12,230	0.26	5,482	0.20	6,573	0.30	16,005	0.37
Workers' Compensation	3,953	0.08	2,840	0.10	1,730	0.08	4,523	0.11
Other Expenses	147,448	3.15	68,285	2.44	74,523	3.35	58,104	1.35
<b>TOTAL EXPENSES</b>	<b>1,277,067</b>	<b>27.29</b>	<b>683,041</b>	<b>24.45</b>	<b>659,792</b>	<b>29.68</b>	<b>969,918</b>	<b>22.59</b>
<b>TOTAL INCOME</b>	<b>378,648</b>	<b>8.09</b>	<b>410,721</b>	<b>14.70</b>	<b>223,589</b>	<b>10.06</b>	<b>472,772</b>	<b>11.01</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	140,794 1.05	3.01	146,182 1.09	5.23	146,718 1.09	6.60	155,578 1.16	3.62
<b>NET PROFIT/LOSS</b>	<b>237,854</b>	<b>5.08</b>	<b>264,539</b>	<b>9.47</b>	<b>76,871</b>	<b>3.46</b>	<b>317,194</b>	<b>7.39</b>
<b>EBITDA</b>	<b>293,066</b>	<b>6.26</b>	<b>293,583</b>	<b>10.51</b>	<b>91,349</b>	<b>4.11</b>	<b>359,440</b>	<b>8.37</b>
<b>SALES ANALYSIS</b>								
Prescriptions (3)	2,695,155	58.37	1,954,501	71.15	1,722,413	78.58	3,122,734	73.98
Other Sales (3)	1,897,072	41.08	790,717	28.79	469,456	21.42	1,084,736	25.70
<b>INVENTORY ANALYSIS</b>								
Prescription	142,717	3.05	86,659	3.10	76,459	3.44	270,628	6.30
Other	357,075	7.63	151,261	5.41	93,698	4.22	518,333	12.07
<b>STOCK CARRIED (Total)</b>	<b>499,792</b>	<b>10.68</b>	<b>237,921</b>	<b>8.52</b>	<b>170,157</b>	<b>7.66</b>	<b>788,960</b>	<b>18.38</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>6.05</b>		<b>7.15</b>		<b>7.87</b>		<b>3.61</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	18.88		22.55		22.53		11.54	
Other	5.31		5.23		5.01		2.09	
<b>STATISTICS</b>								
<b>PHARMACY SIZE (square metres)</b>	<b>286</b>		<b>211</b>		<b>138</b>		<b>241</b>	
<b>PRESCRIPTIONS DISPENSED (Total)</b>	<b>73,464</b>		<b>53,841</b>		<b>59,075</b>		<b>88,730</b>	
<b>PRESCRIPTIONS DISPENSED WEEKLY</b>	<b>1,150</b>		<b>1,150</b>		<b>1,150</b>		<b>1,150</b>	
<b>TOTAL HOURS OPEN per WEEK</b>	<b>66</b>		<b>62</b>		<b>73</b>		<b>57</b>	
<b>AV HRS WORKED BY PROPRIETORS/WEEK</b>	<b>39.8</b>		<b>41.3</b>		<b>41.5</b>		<b>44.0</b>	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>83,297</b>	<b>1.78</b>	<b>132,369</b>	<b>4.74</b>	<b>51,005</b>	<b>2.29</b>	<b>257,615</b>	<b>6.00</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**NSW PHARMACIES - SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 9**

	State Averages		Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,487,058</b>		<b>3,215,222</b>		<b>2,540,124</b>		<b>4,896,078</b>		<b>2,604,282</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>2,278,139</b>	<b>65.33</b>	<b>2,070,457</b>	<b>64.40</b>	<b>1,670,489</b>	<b>65.76</b>	<b>3,174,963</b>	<b>64.85</b>	<b>1,682,292</b>	<b>64.60</b>
<b>GROSS MARGIN (3)</b>	<b>1,208,919</b>	<b>34.67</b>	<b>1,144,766</b>	<b>35.60</b>	<b>869,635</b>	<b>34.24</b>	<b>1,721,115</b>	<b>35.15</b>	<b>921,990</b>	<b>35.40</b>
Other Income	45,027		29,048		10,514		30,938		62,993	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,253,946</b>		<b>1,173,814</b>		<b>880,148</b>		<b>1,752,053</b>		<b>984,982</b>	
<b>TOTAL REVENUE</b>	<b>3,532,085</b>		<b>3,244,271</b>		<b>2,550,638</b>		<b>4,927,016</b>		<b>2,667,275</b>	
<b>EXPENSES</b>										
Salaries and Wages	392,058	11.10	392,295	12.09	331,317	12.99	544,843	11.06	290,357	10.89
Rent Paid	193,414	5.48	106,217	3.27	151,060	5.92	310,657	6.31	94,880	3.56
Outgoings - Rental & Rates	1,338	0.04	3,370	0.10	2,449	0.10	2,522	0.05	323	0.01
Accounting	13,294	0.38	16,059	0.49	8,510	0.33	13,331	0.27	14,687	0.55
Advertising	39,471	1.12	24,721	0.76	19,955	0.78	73,805	1.50	11,439	0.43
Bank Charges	12,044	0.34	7,380	0.23	6,974	0.27	17,226	0.35	8,441	0.32
Computer Expenses	11,765	0.33	10,333	0.32	15,448	0.61	14,619	0.30	8,999	0.34
Depreciation	36,305	1.03	18,337	0.57	26,021	1.02	53,947	1.09	21,262	0.80
Electricity, Water, Heating	14,234	0.40	10,854	0.33	14,337	0.56	19,163	0.39	9,451	0.35
Insurance	12,070	0.34	9,185	0.28	11,098	0.44	14,590	0.30	10,510	0.39
Interest Paid	89,078	2.52	107,569	3.32	31,461	1.23	102,250	2.08	83,766	3.14
Leasing Expenses	11,012	0.31	1,762	0.05	10	0.00	19,790	0.40	3,488	0.13
Motor Vehicle Expenses	5,120	0.14	4,140	0.13	7,117	0.28	4,977	0.10	5,938	0.22
Postage, Freight, Printing	11,967	0.34	15,112	0.47	5,252	0.21	16,539	0.34	9,984	0.37
Repairs, Maintenance, Service	4,431	0.13	5,762	0.18	4,731	0.19	5,365	0.11	3,976	0.15
Subs and Registrations	9,483	0.27	9,745	0.30	12,901	0.51	8,050	0.16	10,063	0.38
Superannuation	37,379	1.06	35,465	1.09	37,023	1.45	49,920	1.01	28,459	1.07
Telephone	5,330	0.15	4,181	0.13	5,514	0.22	5,412	0.11	5,433	0.20
Training	2,145	0.06	3,101	0.10	2,537	0.10	2,905	0.06	1,354	0.05
Abnormal Expenses	3,194	0.09	1,809	0.06	19	0.00	5,687	0.12	1,056	0.04
Payroll Tax	9,834	0.28	7,747	0.24	1,911	0.07	18,851	0.38	3,791	0.14
Workers' Compensation	3,961	0.11	4,653	0.14	3,078	0.12	5,487	0.11	3,020	0.11
Other Expenses	88,190	2.50	35,327	1.09	63,707	2.50	126,773	2.57	54,304	2.04
<b>TOTAL EXPENSES</b>	<b>1,007,115</b>	<b>28.51</b>	<b>835,124</b>	<b>25.74</b>	<b>762,431</b>	<b>29.89</b>	<b>1,436,708</b>	<b>29.16</b>	<b>684,980</b>	<b>25.68</b>
<b>TOTAL INCOME</b>	<b>246,831</b>	<b>6.99</b>	<b>338,690</b>	<b>10.44</b>	<b>117,717</b>	<b>4.62</b>	<b>315,345</b>	<b>6.40</b>	<b>300,003</b>	<b>11.25</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	166,462 1.24	4.71	147,611 1.10	4.55	203,569 1.51	7.98	162,287 1.21	3.29	168,739 1.26	6.33
<b>NET PROFIT/LOSS</b>	<b>80,369</b>	<b>2.28</b>	<b>191,079</b>	<b>5.89</b>	<b>-85,852</b>	<b>-3.37</b>	<b>153,059</b>	<b>3.11</b>	<b>131,264</b>	<b>4.92</b>
<b>EBITDA</b>	<b>205,751</b>	<b>5.83</b>	<b>316,985</b>	<b>9.77</b>	<b>-28,369</b>	<b>-1.11</b>	<b>309,256</b>	<b>6.28</b>	<b>236,292</b>	<b>8.86</b>
<b>SALES ANALYSIS</b>										
Prescriptions (3)	2,121,776	60.85	2,415,965	75.14	1,691,371	66.59	2,310,368	47.19	2,070,296	79.50
Other Sales (3)	1,354,099	38.83	759,319	23.62	848,753	33.41	2,557,754	52.24	533,986	20.50
<b>INVENTORY ANALYSIS</b>										
Prescription	159,712	4.52	177,003	5.46	77,584	3.04	107,971	2.19	199,514	7.48
Other	251,747	7.13	287,523	8.86	81,807	3.21	157,521	3.20	324,228	12.16
<b>STOCK CARRIED (Total)</b>	<b>411,459</b>	<b>11.65</b>	<b>464,526</b>	<b>14.32</b>	<b>159,391</b>	<b>6.25</b>	<b>265,491</b>	<b>5.39</b>	<b>523,742</b>	<b>19.64</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>5.54</b>		<b>4.46</b>		<b>10.48</b>		<b>11.96</b>		<b>3.21</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	13.28		13.65		21.80		21.40		10.38	
Other	5.38		2.64		10.38		16.24		1.65	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	179		205		215		242		136	
PRESCRIPTIONS DISPENSED (Total)	56,036		65,411		49,395		61,377		53,801	
PRESCRIPTIONS DISPENSED WEEKLY	1,078		1,258		950		1,180		1,035	
TOTAL HOURS OPEN per WEEK	60		56		61		63		57	
AV HRS WORKED BY PROPRIETORS/WEEK	47.1		42		58		46		48	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>110,980</b>	<b>3.14</b>	<b>200,961</b>	<b>6.19</b>	<b>134,909</b>	<b>5.29</b>	<b>122,662</b>	<b>2.49</b>	<b>101,825</b>	<b>3.82</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**VICTORIAN PHARMACIES - SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 10**

	State Averages		Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,167,446</b>		<b>2,446,095</b>		<b>Insufficient sample to publish</b>		<b>1,601,276</b>		<b>Insufficient sample to publish</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>1,377,573</b>	<b>63.56</b>	<b>1,588,797</b>	<b>64.95</b>			<b>988,799</b>	<b>61.75</b>		
<b>GROSS MARGIN (3)</b>	<b>789,873</b>	<b>36.44</b>	<b>857,298</b>	<b>35.05</b>			<b>612,477</b>	<b>38.25</b>		
Other Income	32,327		31,127				25,567			
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>822,200</b>		<b>888,425</b>				<b>638,044</b>			
<b>TOTAL REVENUE</b>	<b>2,199,773</b>		<b>2,477,222</b>				<b>1,626,843</b>			
<b>EXPENSES</b>										
Salaries and Wages	289,785	13.17	321,137	12.96			211,170	12.98		
Rent Paid	70,741	3.22	61,350	2.48			71,846	4.42		
Outgoings - Rental & Rates	2,473	0.11	4,196	0.17			1,480	0.09		
Accounting	9,899	0.45	11,242	0.45			6,902	0.42		
Advertising	17,016	0.77	11,672	0.47			18,260	1.12		
Bank Charges	4,301	0.20	4,928	0.20			2,905	0.18		
Computer Expenses	13,568	0.62	19,994	0.81			4,664	0.29		
Depreciation	26,665	1.21	33,637	1.36			13,685	0.84		
Electricity, Water, Heating	6,911	0.31	7,303	0.29			6,346	0.39		
Insurance	9,300	0.42	11,422	0.46			4,719	0.29		
Interest Paid	57,856	2.63	59,865	2.42			55,138	3.39		
Leasing Expenses	1	0.00	1	0.00			1	0.00		
Motor Vehicle Expenses	10,682	0.49	17,804	0.72			792	0.05		
Postage, Freight, Printing	4,306	0.20	2,362	0.10			4,589	0.28		
Repairs, Maintenance, Service	3,135	0.14	2,665	0.11			2,798	0.17		
Subs and Registrations	7,444	0.34	11,224	0.45			5,732	0.35		
Superannuation	34,258	1.56	41,132	1.66			20,235	1.24		
Telephone	6,418	0.29	9,321	0.38			2,107	0.13		
Training	2,674	0.12	4,020	0.16			782	0.05		
Abnormal Expenses	150	0.01	270	0.01			169	0.01		
Payroll Tax	6,142	0.28	3,267	0.13			7,677	0.47		
Workers' Compensation	2,029	0.09	2,035	0.08			1,652	0.10		
Other Expenses	55,280	2.51	62,356	2.52			44,421	2.73		
<b>TOTAL EXPENSES</b>	<b>641,035</b>	<b>29.14</b>	<b>703,205</b>	<b>28.39</b>			<b>488,071</b>	<b>30.00</b>		
<b>TOTAL INCOME</b>	<b>181,165</b>	<b>8.24</b>	<b>185,219</b>	<b>7.48</b>			<b>149,973</b>	<b>9.22</b>		
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	113,932 0.85	5.18	115,622 0.86	4.67			106,990 0.80	6.58		
<b>NET PROFIT/LOSS</b>	<b>67,233</b>	<b>3.06</b>	<b>69,598</b>	<b>2.81</b>			<b>42,983</b>	<b>2.64</b>		
<b>EBITDA</b>	<b>151,755</b>	<b>6.90</b>	<b>163,100</b>	<b>6.58</b>			<b>111,806</b>	<b>6.87</b>		
<b>SALES ANALYSIS</b>										
Prescriptions (3)	1,550,979	71.56	1,740,065	71.14			1,203,330	75.15		
Other Sales (3)	592,481	27.34	664,911	27.18			369,329	23.06		
<b>INVENTORY ANALYSIS</b>										
Prescription	46,049	2.09	45,341	1.83			43,460	2.67		
Other	82,658	3.76	75,888	3.06			77,697	4.78		
<b>STOCK CARRIED (Total)</b>	<b>128,707</b>	<b>5.85</b>	<b>121,229</b>	<b>4.89</b>			<b>121,157</b>	<b>7.45</b>		
<b>STOCK TURN (On Total Inventory)</b>	<b>10.70</b>		<b>13.11</b>				<b>8.16</b>			
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	33.68		38.38				27.69			
Other	7.17		8.76				4.75			
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	162		151				181			
PRESCRIPTIONS DISPENSED (Total)	46,847		54,600				35,331			
PRESCRIPTIONS DISPENSED WEEKLY	901		1,050				679			
TOTAL HOURS OPEN per WEEK	49		60				38			
AV HRS WORKED BY PROPRIETORS/WEEK	32.2		33				30			
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>61,027</b>	<b>2.77</b>	<b>93,909</b>	<b>3.79</b>			<b>22,886</b>	<b>1.41</b>		

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**QUEENSLAND PHARMACIES - SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/2013)

**Table11**

	State Averages		Metro		Country		Banner		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>2,446,675</b>		<b>2,484,627</b>		<b>2,445,608</b>		<b>2,578,995</b>		<b>1,976,119</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>1,529,590</b>	<b>62.52</b>	<b>1,563,694</b>	<b>62.93</b>	<b>1,576,324</b>	<b>64.46</b>	<b>1,639,034</b>	<b>63.55</b>	<b>1,226,210</b>	<b>62.05</b>
<b>GROSS MARGIN (3)</b>	<b>917,084</b>	<b>37.48</b>	<b>920,933</b>	<b>37.07</b>	<b>869,284</b>	<b>35.54</b>	<b>939,961</b>	<b>36.45</b>	<b>749,909</b>	<b>37.95</b>
Other Income	30,718		28,754		46,721		51,833		37,802	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>947,803</b>		<b>949,687</b>		<b>916,004</b>		<b>991,794</b>		<b>787,711</b>	
<b>TOTAL REVENUE</b>	<b>2,477,393</b>		<b>2,513,381</b>		<b>2,492,328</b>		<b>2,630,828</b>		<b>2,013,921</b>	
<b>EXPENSES</b>										
Salaries and Wages	286,227	11.55	291,620	11.60	297,810	11.95	338,625	12.87	262,647	13.04
Rent Paid	106,677	4.31	115,964	4.61	74,606	2.99	106,995	4.07	68,846	3.42
Outgoings - Rental & Rates	4,749	0.19	5,266	0.21	4,123	0.17	2,954	0.11	6,885	0.34
Accounting	10,926	0.44	11,218	0.45	9,413	0.38	15,107	0.57	13,375	0.66
Advertising	26,099	1.05	26,681	1.06	31,851	1.28	28,454	1.08	11,033	0.55
Bank Charges	5,530	0.22	5,177	0.21	5,017	0.20	7,315	0.28	4,428	0.22
Computer Expenses	13,512	0.55	14,001	0.56	9,870	0.40	11,640	0.44	9,364	0.46
Depreciation	24,971	1.01	25,819	1.03	21,647	0.87	22,600	0.86	17,669	0.88
Electricity, Water, Heating	10,605	0.43	11,291	0.45	8,377	0.34	11,483	0.44	8,087	0.40
Insurance	6,412	0.26	6,265	0.25	6,204	0.25	5,889	0.22	5,897	0.29
Interest Paid	60,602	2.45	53,411	2.13	74,641	2.99	106,948	4.07	66,851	3.32
Leasing Expenses	1,071	0.04	1,158	0.05	656	0.03	1,118	0.04	519	0.03
Motor Vehicle Expenses	3,555	0.14	2,225	0.09	5,902	0.24	3,488	0.13	2,598	0.13
Postage, Freight, Printing	4,893	0.20	5,119	0.20	5,248	0.21	10,169	0.39	6,477	0.32
Repairs, Maintenance, Service	3,091	0.12	3,258	0.13	2,514	0.10	3,848	0.15	3,517	0.17
Subs and Registrations	17,481	0.71	19,808	0.79	7,364	0.30	13,416	0.51	10,296	0.51
Superannuation	25,307	1.02	26,120	1.04	24,880	1.00	29,146	1.11	23,429	1.16
Telephone	6,080	0.25	6,444	0.26	5,391	0.22	4,196	0.16	4,869	0.24
Training	2,450	0.10	2,681	0.11	1,723	0.07	2,137	0.08	1,857	0.09
Abnormal Expenses	1,914	0.08	1,235	0.05	6,220	0.25	1,286	0.05	2,661	0.13
Payroll Tax	3,625	0.15	4,316	0.17	1,895	0.08	10,708	0.41	2,974	0.15
Workers' Compensation	1,942	0.08	2,153	0.09	1,341	0.05	1,900	0.07	1,523	0.08
Other Expenses	79,246	3.20	83,575	3.33	47,437	1.90	61,671	2.34	38,955	1.93
<b>TOTAL EXPENSES</b>	<b>706,964</b>	<b>28.54</b>	<b>724,808</b>	<b>28.84</b>	<b>654,127</b>	<b>26.25</b>	<b>801,095</b>	<b>30.45</b>	<b>574,757</b>	<b>28.54</b>
<b>TOTAL INCOME</b>	<b>240,839</b>	<b>9.72</b>	<b>224,879</b>	<b>8.95</b>	<b>261,877</b>	<b>10.51</b>	<b>190,699</b>	<b>7.25</b>	<b>212,953</b>	<b>10.57</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	135,852 1.01	5.48	138,543 1.03	5.51	117,555 0.87	4.72	136,985 1.02	5.21	134,529 1.00	6.68
<b>NET PROFIT/LOSS</b>	<b>104,987</b>	<b>4.24</b>	<b>86,337</b>	<b>3.44</b>	<b>144,322</b>	<b>5.79</b>	<b>53,713</b>	<b>2.04</b>	<b>78,424</b>	<b>3.89</b>
<b>EBITDA</b>	<b>190,560</b>	<b>7.69</b>	<b>165,567</b>	<b>6.59</b>	<b>240,609</b>	<b>9.65</b>	<b>183,261</b>	<b>6.97</b>	<b>162,944</b>	<b>8.09</b>
<b>SALES ANALYSIS</b>										
Prescriptions (3)	1,809,299	73.95	1,843,468	74.19	1,758,202	71.89	1,861,911	72.20	1,527,907	77.32
Other Sales (3)	637,178	26.04	640,951	25.80	687,155	28.10	716,380	27.78	448,212	22.68
<b>INVENTORY ANALYSIS</b>										
Prescription	74,549	3.01	75,696	3.01	67,003	2.69	76,933	2.92	71,634	3.56
Other	134,597	5.43	133,192	5.30	148,142	5.94	166,759	6.34	95,287	4.73
<b>STOCK CARRIED (Total)</b>	<b>209,145</b>	<b>8.44</b>	<b>208,888</b>	<b>8.31</b>	<b>215,145</b>	<b>8.63</b>	<b>243,692</b>	<b>9.26</b>	<b>166,921</b>	<b>8.29</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.31</b>		<b>7.49</b>		<b>7.33</b>		<b>6.73</b>		<b>7.35</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	24.27		24.35		26.24		24.20		21.33	
Other	4.73		4.81		4.64		4.30		4.70	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	172		172		173		200		157	
PRESCRIPTIONS DISPENSED (Total)	51,917		53,268		48,977		52,169		44,592	
PRESCRIPTIONS DISPENSED WEEKLY	998		1,024		942		1,003		858	
TOTAL HOURS OPEN per WEEK	64		67		51		63		61	
AV HRS WORKED BY PROPRIETORS/WEEK	38.4		39		33		39		38	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>132,122</b>	<b>5.33</b>	<b>123,936</b>	<b>4.93</b>	<b>210,530</b>	<b>8.45</b>	<b>139,942</b>	<b>5.32</b>	<b>122,737</b>	<b>6.09</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**SOUTH AUSTRALIA PHARMACIES - SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 12**

	State Averages		Metro		Country	Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%		\$	%	\$	%
<b>SALES</b>	<b>2,885,592</b>		<b>2,880,942</b>		Insufficient sample to publish	<b>3,160,471</b>		<b>2,370,193</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>1,781,888</b>	<b>61.75</b>	<b>1,755,633</b>	<b>60.94</b>		<b>1,928,841</b>	<b>61.03</b>	<b>1,506,350</b>	<b>63.55</b>
<b>GROSS MARGIN (3)</b>	<b>1,103,704</b>	<b>38.25</b>	<b>1,125,309</b>	<b>39.06</b>		<b>1,231,630</b>	<b>38.97</b>	<b>863,843</b>	<b>36.45</b>
Other Income	102,130		93,397			119,545		69,477	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,205,835</b>		<b>1,218,706</b>			<b>1,351,175</b>		<b>933,320</b>	
<b>TOTAL REVENUE</b>	<b>2,987,722</b>		<b>2,974,339</b>			<b>3,280,016</b>		<b>2,439,671</b>	
<b>EXPENSES</b>									
Salaries and Wages	353,856	11.84	323,058	10.86		385,517	11.75	298,449	12.23
Rent Paid	133,374	4.46	128,488	4.32		154,706	4.72	96,042	3.94
Outgoings - Rental & Rates	35	0.00	0	0.00		55	0.00	0	0.00
Accounting	28,501	0.95	34,701	1.17		26,129	0.80	32,652	1.34
Advertising	48,665	1.63	47,829	1.61		62,630	1.91	24,225	0.99
Bank Charges	8,025	0.27	8,068	0.27		8,523	0.26	7,153	0.29
Computer Expenses	10,388	0.35	6,901	0.23		10,857	0.33	9,569	0.39
Depreciation	42,201	1.41	36,218	1.22		53,755	1.64	21,982	0.90
Electricity, Water, Heating	14,172	0.47	13,274	0.45		15,580	0.48	11,707	0.48
Insurance	7,433	0.25	4,960	0.17		7,292	0.22	7,680	0.31
Interest Paid	77,940	2.61	86,381	2.90		89,306	2.72	59,470	2.44
Leasing Expenses	160	0.01	132	0.00		160	0.00	161	0.01
Motor Vehicle Expenses	2,116	0.07	1,395	0.05		2,098	0.06	2,145	0.09
Postage, Freight, Printing	12,532	0.42	12,402	0.42		13,326	0.41	11,142	0.46
Repairs, Maintenance, Service	2,907	0.10	2,642	0.09		2,752	0.08	3,178	0.13
Subs and Registrations	9,533	0.32	9,311	0.31		9,473	0.29	9,638	0.40
Superannuation	30,419	1.02	27,945	0.94		32,957	1.00	25,977	1.06
Telephone	3,991	0.13	3,318	0.11		4,355	0.13	3,353	0.14
Training	1,971	0.07	1,933	0.06		1,942	0.06	2,022	0.08
Abnormal Expenses	627	0.02	623	0.02		682	0.02	532	0.02
Payroll Tax	9,475	0.32	10,592	0.36		10,060	0.31	8,451	0.35
Workers' Compensation	2,991	0.10	2,853	0.10		3,508	0.11	2,086	0.09
Other Expenses	97,766	3.27	116,975	3.93		119,505	3.64	59,723	2.45
<b>TOTAL EXPENSES</b>	<b>899,079</b>	<b>30.09</b>	<b>880,001</b>	<b>29.59</b>		<b>1,015,172</b>	<b>30.95</b>	<b>697,336</b>	<b>28.58</b>
<b>TOTAL INCOME</b>	<b>306,756</b>	<b>10.27</b>	<b>338,705</b>	<b>11.39</b>		<b>336,004</b>	<b>10.24</b>	<b>235,984</b>	<b>9.67</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	155,153 1.15	5.19	112,927 0.84	3.80		149,852 1.11	4.57	169,732 1.26	6.96
<b>NET PROFIT/LOSS</b>	<b>151,603</b>	<b>5.07</b>	<b>225,778</b>	<b>7.59</b>		<b>186,152</b>	<b>5.68</b>	<b>66,252</b>	<b>2.72</b>
<b>EBITDA</b>	<b>271,744</b>	<b>9.10</b>	<b>348,377</b>	<b>11.71</b>		<b>329,214</b>	<b>10.04</b>	<b>147,704</b>	<b>6.05</b>
<b>SALES ANALYSIS</b>									
Prescriptions (3)	1,990,284	68.97	1,966,320	68.25		2,113,078	66.86	1,760,043	74.26
Other Sales (3)	887,505	30.76	904,064	31.38		1,035,428	32.76	610,150	25.74
<b>INVENTORY ANALYSIS</b>									
Prescription	77,622	2.60	75,331	2.53		81,776	2.49	68,622	2.81
Other	196,989	6.59	199,682	6.71		213,385	6.51	164,196	6.73
STOCK CARRIED (Total)	274,611	9.19	275,013	9.25		295,161	9.00	232,818	9.54
STOCK TURN (On Total Inventory)	6.49		6.38			6.53		6.47	
<b>SALES PER INVENTORY DOLLAR</b>									
Prescription	25.64		26.10			25.84		25.65	
Other	4.51		4.53			4.85		3.72	
<b>STATISTICS</b>									
PHARMACY SIZE (square metres)	182		185			181		183	
PRESCRIPTIONS DISPENSED (Total)	53,500		51,143			56,458		47,954	
PRESCRIPTIONS DISPENSED WEEKLY	1,029		984			1,086		922	
TOTAL HOURS OPEN per WEEK	64		65			62		68	
AV HRS WORKED BY PROPRIETORS/WEEK	43.9		32			42		48	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>34,283</b>	<b>1.15</b>	<b>29,558</b>	<b>0.99</b>		<b>7,121</b>	<b>0.22</b>	<b>81,815</b>	<b>3.35</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**WESTERN AUSTRALIA PHARMACIES - SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 13**

	State Averages		Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,036,986</b>		<b>3,019,962</b>		<b>Insufficient sample to publish</b>		<b>3,173,106</b>		<b>1,866,353</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>1,901,452</b>	<b>62.61</b>	<b>1,904,129</b>	<b>63.05</b>			<b>1,988,880</b>	<b>62.68</b>	<b>1,167,064</b>	<b>62.53</b>
<b>GROSS MARGIN (3)</b>	<b>1,135,533</b>	<b>37.39</b>	<b>1,115,832</b>	<b>36.95</b>			<b>1,184,226</b>	<b>37.32</b>	<b>699,289</b>	<b>37.47</b>
Other Income	34,729		34,252				37,598		10,056	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,170,263</b>		<b>1,150,085</b>				<b>1,221,825</b>		<b>709,345</b>	
<b>TOTAL REVENUE</b>	<b>3,071,715</b>		<b>3,054,214</b>				<b>3,210,704</b>		<b>1,876,408</b>	
<b>EXPENSES</b>										
Salaries and Wages	353,477	11.51	346,922	11.36			363,814	11.33	264,575	14.10
Rent Paid	159,051	5.18	167,753	5.49			169,472	5.28	71,508	3.81
Outgoings - Rental & Rates	19,167	0.62	20,410	0.67			20,484	0.64	5,339	0.28
Accounting	5,353	0.17	5,495	0.18			5,251	0.16	6,424	0.34
Advertising	30,944	1.01	31,962	1.05			33,178	1.03	7,496	0.40
Bank Charges	9,402	0.31	9,820	0.32			9,736	0.30	5,897	0.31
Computer Expenses	15,740	0.51	15,819	0.52			15,583	0.49	17,396	0.93
Depreciation	29,331	0.95	29,111	0.95			30,639	0.95	15,929	0.85
Electricity, Water, Heating	18,402	0.60	18,996	0.62			19,052	0.59	11,579	0.62
Insurance	8,613	0.28	8,398	0.27			8,616	0.27	8,576	0.46
Interest Paid	74,229	2.42	69,728	2.28			73,971	2.30	77,842	4.15
Leasing Expenses	546	0.02	586	0.02			597	0.02	6	0.00
Motor Vehicle Expenses	1,196	0.04	1,278	0.04			1,131	0.04	1,879	0.10
Postage, Freight, Printing	12,632	0.41	11,847	0.39			13,201	0.41	6,652	0.35
Repairs, Maintenance, Service	5,420	0.18	5,324	0.17			5,451	0.17	5,103	0.27
Subs and Registrations	24,099	0.78	24,589	0.81			25,578	0.80	8,573	0.46
Superannuation	34,660	1.13	33,506	1.10			35,846	1.12	22,212	1.18
Telephone	4,228	0.14	4,119	0.13			4,255	0.13	3,947	0.21
Training	2,481	0.08	2,422	0.08			2,664	0.08	565	0.03
Abnormal Expenses	4,462	0.15	4,887	0.16			4,887	0.15	0	0.00
Payroll Tax	2,722	0.09	2,373	0.08			2,333	0.07	6,800	0.36
Workers' Compensation	1,402	0.05	1,259	0.04			1,397	0.04	1,444	0.08
Other Expenses	121,485	3.95	122,196	4.00			129,884	4.05	33,296	1.77
<b>TOTAL EXPENSES</b>	<b>939,042</b>	<b>30.57</b>	<b>938,798</b>	<b>30.74</b>			<b>977,019</b>	<b>30.43</b>	<b>583,039</b>	<b>31.07</b>
<b>TOTAL INCOME</b>	<b>231,221</b>	<b>7.53</b>	<b>211,286</b>	<b>6.92</b>			<b>244,805</b>	<b>7.62</b>	<b>126,305</b>	<b>6.73</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	133,535 0.99	4.35	131,925 0.98	4.32			130,544 0.97	4.07	146,825 1.09	7.82
<b>NET PROFIT/LOSS</b>	<b>97,686</b>	<b>3.18</b>	<b>79,362</b>	<b>2.60</b>			<b>114,261</b>	<b>3.56</b>	<b>-20,520</b>	<b>-1.09</b>
<b>EBITDA</b>	<b>201,247</b>	<b>6.55</b>	<b>178,200</b>	<b>5.83</b>			<b>218,872</b>	<b>6.82</b>	<b>73,251</b>	<b>3.90</b>
<b>SALES ANALYSIS</b>										
Prescriptions (3)	1,882,416	61.98	1,842,712	61.02			1,944,932	61.29	1,344,778	72.05
Other Sales (3)	1,152,385	37.95	1,174,873	38.90			1,225,735	38.63	521,575	27.95
<b>INVENTORY ANALYSIS</b>										
Prescription	99,660	3.24	98,140	3.21			97,089	3.02	135,654	7.23
Other	233,321	7.60	237,545	7.78			242,096	7.54	110,472	5.89
<b>STOCK CARRIED (Total)</b>	<b>332,981</b>	<b>10.84</b>	<b>335,686</b>	<b>10.99</b>			<b>339,185</b>	<b>10.56</b>	<b>246,126</b>	<b>13.12</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>5.71</b>		<b>5.67</b>				<b>5.86</b>		<b>4.74</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	18.89		18.78				20.03		9.91	
Other	4.94		4.95				5.06		4.72	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	225		224				240		156	
PRESCRIPTIONS DISPENSED (Total)	53,974		52,808				55,927		37,173	
PRESCRIPTIONS DISPENSED WEEKLY	1,038		1,016				1,076		715	
TOTAL HOURS OPEN per WEEK	70		70				69		77	
AV HRS WORKED BY PROPRIETORS/WEEK	37.8		37				37		42	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>39,747</b>	<b>1.29</b>	<b>20,591</b>	<b>0.67</b>			<b>32,281</b>	<b>1.01</b>	<b>102,459</b>	<b>5.46</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**TASMANIAN PHARMACIES - SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 14**

	State Averages		Metro		Country		Banner		Insufficient data to calculate No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>1,780,912</b>		Insufficient sample to publish		<b>2,185,298</b>		<b>2,517,959</b>		Insufficient sample to publish	
<b>COST OF GOODS SOLD (3)</b>	<b>1,111,855</b>	<b>62.43</b>			<b>1,548,538</b>	<b>70.86</b>	<b>1,472,255</b>	<b>58.47</b>		
<b>GROSS MARGIN (3)</b>	<b>669,057</b>	<b>37.57</b>			<b>636,760</b>	<b>29.14</b>	<b>1,045,704</b>	<b>41.53</b>		
Other Income	8,241				10,650		6,924			
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>677,298</b>				<b>647,410</b>		<b>1,052,628</b>			
<b>TOTAL REVENUE</b>	<b>1,789,152</b>				<b>2,195,948</b>		<b>2,524,883</b>			
<b>EXPENSES</b>										
Salaries and Wages	178,905	10.00			210,202	9.57	266,135	10.54		
Rent Paid	23,813	1.33			26,685	1.22	34,923	1.38		
Outgoings - Rental & Rates	2,073	0.12			2,740	0.12	3,106	0.12		
Accounting	3,677	0.21			4,151	0.19	2,718	0.11		
Advertising	18,665	1.04			25,764	1.17	31,838	1.26		
Bank Charges	3,972	0.22			4,803	0.22	6,577	0.26		
Computer Expenses	4,690	0.26			5,128	0.23	6,452	0.26		
Depreciation	13,177	0.74			21,111	0.96	16,335	0.65		
Electricity, Water, Heating	8,396	0.47			9,130	0.42	10,034	0.40		
Insurance	6,130	0.34			6,560	0.30	9,526	0.38		
Interest Paid	62,625	3.50			115,116	5.24	80,033	3.17		
Leasing Expenses	103	0.01			0	0.00	155	0.01		
Motor Vehicle Expenses	3,493	0.20			3,365	0.15	5,009	0.20		
Postage, Freight, Printing	9,454	0.53			12,041	0.55	13,472	0.53		
Repairs, Maintenance, Service	3,896	0.22			5,500	0.25	5,676	0.22		
Subs and Registrations	10,387	0.58			11,047	0.50	13,969	0.55		
Superannuation	20,677	1.16			23,852	1.09	28,196	1.12		
Telephone	4,473	0.25			4,566	0.21	5,610	0.22		
Training	1,885	0.11			2,828	0.13	2,828	0.11		
Abnormal Expenses	233	0.01			117	0.01	233	0.01		
Payroll Tax	0	0.00			0	0.00	0	0.00		
Workers' Compensation	1,169	0.07			1,453	0.07	1,754	0.07		
Other Expenses	12,736	0.71			12,191	0.56	17,299	0.69		
<b>TOTAL EXPENSES</b>	<b>394,629</b>	<b>22.06</b>			<b>508,348</b>	<b>23.15</b>	<b>561,878</b>	<b>22.25</b>		
<b>TOTAL INCOME</b>	<b>282,669</b>	<b>15.80</b>			<b>139,063</b>	<b>6.33</b>	<b>490,750</b>	<b>19.44</b>		
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	153,866 1.14	8.60			156,421 1.16	7.12	152,985 1.14	6.06		
<b>NET PROFIT/LOSS</b>	<b>128,803</b>	<b>7.20</b>			<b>-17,359</b>	<b>-0.79</b>	<b>337,765</b>	<b>13.38</b>		
<b>EBITDA</b>	<b>204,605</b>	<b>11.44</b>			<b>118,868</b>	<b>5.41</b>	<b>434,134</b>	<b>17.19</b>		
<b>SALES ANALYSIS</b>										
Prescriptions (3)	1,424,385	79.98			1,718,810	78.65	2,014,967	80.02		
Other Sales (3)	356,527	20.02			466,488	21.35	502,992	19.98		
<b>INVENTORY ANALYSIS</b>										
Prescription	50,653	2.83			53,114	2.42	55,036	2.18		
Other	94,353	5.27			124,252	5.66	111,307	4.41		
<b>STOCK CARRIED (Total)</b>	<b>145,006</b>	<b>8.10</b>			<b>177,366</b>	<b>8.08</b>	<b>166,343</b>	<b>6.59</b>		
<b>STOCK TURN (On Total Inventory)</b>	<b>7.67</b>				<b>8.73</b>		<b>8.85</b>			
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	28.12				32.36		36.61			
Other	3.78				3.75		4.52			
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	173				204		195			
PRESCRIPTIONS DISPENSED (Total)	37,292				45,907		53,104			
PRESCRIPTIONS DISPENSED WEEKLY	717				883		1,021			
TOTAL HOURS OPEN per WEEK	51				50		53			
AV HRS WORKED BY PROPRIETORS/WEEK	43.5				44		43			
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>298,410</b>	<b>16.68</b>			<b>311,801</b>	<b>14.20</b>	<b>396,040</b>	<b>15.69</b>		

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**SUMMARY OF MANAGER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 15**

	AUSTRALIA Manager Operated		NEW SOUTH WALES		VICTORIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,968,687</b>		<b>4,680,354</b>		<b>3,028,187</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>2,549,531</b>	<b>64.24</b>	<b>3,068,507</b>	<b>65.56</b>	<b>1,779,486</b>	<b>58.76</b>
<b>GROSS MARGIN (3)</b>	<b>1,419,156</b>	<b>35.76</b>	<b>1,611,847</b>	<b>34.44</b>	<b>1,248,701</b>	<b>41.24</b>
Other Income	62,284		50,067		32,389	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,481,440</b>		<b>1,661,915</b>		<b>1,281,090</b>	
<b>TOTAL REVENUE</b>	<b>4,030,972</b>		<b>4,730,421</b>		<b>3,060,576</b>	
<b>EXPENSES</b>						
Salaries and Wages	470,734	11.68	510,192	10.79	412,162	13.47
Rent Paid	216,628	5.37	274,877	5.81	147,868	4.83
Outgoings - Rental & Rates	6,837	0.17	1,318	0.03	8,133	0.27
Accounting	17,680	0.44	13,358	0.28	14,153	0.46
Advertising	51,326	1.27	68,951	1.46	20,925	0.68
Bank Charges	11,935	0.30	15,059	0.32	6,967	0.23
Computer Expenses	14,105	0.35	14,755	0.31	12,228	0.40
Depreciation	45,472	1.13	58,350	1.23	22,112	0.72
Electricity, Water, Heating	18,558	0.46	16,592	0.35	16,344	0.53
Insurance	8,904	0.22	10,387	0.22	8,540	0.28
Interest Paid	4,459	0.11	102,539	2.17	144,096	4.71
Leasing Expenses	4,459	0.11	10,769	0.23	3	0.00
Motor Vehicle Expenses	1,882	0.05	2,480	0.05	3,625	0.12
Postage, Freight, Printing	16,886	0.42	18,572	0.39	3,893	0.13
Repairs, Maintenance, Service	4,540	0.11	3,928	0.08	4,207	0.14
Subs and Registrations	15,600	0.39	7,404	0.16	24,591	0.80
Superannuation	42,684	1.06	48,291	1.02	35,398	1.16
Telephone	4,933	0.12	5,201	0.11	4,512	0.15
Training	1,690	0.04	1,423	0.03	746	0.02
Abnormal Expenses	664	0.02	651	0.01	800	0.03
Payroll Tax	13,437	0.33	20,241	0.43	9,203	0.30
Workers' Compensation	3,803	0.09	5,598	0.12	2,903	0.09
Other Expenses	124,956	3.10	107,529	2.27	167,116	5.46
<b>TOTAL EXPENSES</b>	<b>1,102,172</b>	<b>27.34</b>	<b>1,318,469</b>	<b>27.87</b>	<b>1,070,527</b>	<b>34.98</b>
<b>TOTAL INCOME</b>	<b>379,269</b>	<b>9.41</b>	<b>343,446</b>	<b>7.26</b>	<b>210,563</b>	<b>6.88</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	90,697 0.67	2.25	101,689 0.76	2.15	114,735 0.85	3.75
<b>NET PROFIT/LOSS</b>	<b>288,571</b>	<b>7.16</b>	<b>241,756</b>	<b>5.11</b>	<b>95,828</b>	<b>3.13</b>
<b>EBITDA</b>	<b>338,503</b>	<b>8.40</b>	<b>402,646</b>	<b>8.51</b>	<b>262,036</b>	<b>8.56</b>
<b>SALES ANALYSIS</b>						
Prescriptions (3)	2,410,237	60.73	2,467,961	52.73	2,404,706	79.41
Other Sales (3)	1,548,278	39.01	2,212,394	47.27	494,163	16.32
<b>INVENTORY ANALYSIS</b>						
Prescription	134,714	3.34	287,943	6.09	78,206	2.56
Other	298,708	7.41	548,861	11.60	145,606	4.76
<b>STOCK CARRIED (Total)</b>	<b>433,422</b>	<b>10.75</b>	<b>836,803</b>	<b>17.69</b>	<b>223,812</b>	<b>7.31</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>5.88</b>		<b>3.67</b>		<b>7.95</b>	
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	17.89		8.57		30.75	
Other	5.18		4.03		3.39	
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	268		298		256	
PRESCRIPTIONS DISPENSED (Total)	68,175		67,547		78,561	
PRESCRIPTIONS DISPENSED WEEKLY	1,150		1,299		1,511	
TOTAL HOURS OPEN per WEEK	68		61		65	
AV HRS WORKED BY PROPRIETORS/WEEK	25.6		29		32	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>91,190</b>	<b>2.26</b>	<b>138,351</b>	<b>2.92</b>	<b>125,493</b>	<b>4.10</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**SUMMARY OF MANAGER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 15**

	QUEENSLAND		SOUTH AUSTRALIA		WESTERN AUSTRALIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,141,628</b>		<b>3,408,981</b>		<b>4,089,138</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>1,944,074</b>	<b>61.88</b>	<b>2,195,378</b>	<b>64.40</b>	<b>2,603,559</b>	<b>63.67</b>
<b>GROSS MARGIN (3)</b>	<b>1,197,554</b>	<b>38.12</b>	<b>1,213,602</b>	<b>35.60</b>	<b>1,485,579</b>	<b>36.33</b>
Other Income	61,778		126,538		46,190	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,259,333</b>		<b>1,340,141</b>		<b>1,531,770</b>	
<b>TOTAL REVENUE</b>	<b>3,203,407</b>		<b>3,535,519</b>		<b>4,135,329</b>	
<b>EXPENSES</b>						
Salaries and Wages	421,887	13.17	417,958	11.82	495,353	11.98
Rent Paid	148,743	4.64	179,175	5.07	212,865	5.15
Outgoings - Rental & Rates	4,688	0.15	0	0.00	28,345	0.69
Accounting	24,893	0.78	35,239	1.00	3,531	0.09
Advertising	20,157	0.63	60,922	1.72	47,966	1.16
Bank Charges	8,570	0.27	9,461	0.27	12,360	0.30
Computer Expenses	12,515	0.39	8,871	0.25	19,840	0.48
Depreciation	22,209	0.69	53,011	1.50	44,505	1.08
Electricity, Water, Heating	11,732	0.37	18,300	0.52	31,736	0.77
Insurance	6,723	0.21	5,590	0.16	11,298	0.27
Interest Paid	149,376	4.66	99,723	2.82	83,757	2.03
Leasing Expenses	180	0.01	196	0.01	108	0.00
Motor Vehicle Expenses	1,263	0.04	1,617	0.05	1,067	0.03
Postage, Freight, Printing	10,616	0.33	18,021	0.51	22,995	0.56
Repairs, Maintenance, Service	2,831	0.09	3,858	0.11	8,814	0.21
Subs and Registrations	15,953	0.50	10,288	0.29	36,906	0.89
Superannuation	35,573	1.11	38,050	1.08	44,556	1.08
Telephone	3,989	0.12	4,331	0.12	6,144	0.15
Training	1,816	0.06	1,629	0.05	2,447	0.06
Abnormal Expenses	326	0.01	489	0.01	1,242	0.03
Payroll Tax	11,904	0.37	10,584	0.30	3,154	0.08
Workers' Compensation	2,485	0.08	3,699	0.10	1,581	0.04
Other Expenses	81,848	2.56	111,652	3.16	221,160	5.35
<b>TOTAL EXPENSES</b>	<b>1,000,275</b>	<b>31.23</b>	<b>1,092,665</b>	<b>30.91</b>	<b>1,341,728</b>	<b>32.45</b>
<b>TOTAL INCOME</b>	<b>259,058</b>	<b>8.09</b>	<b>247,476</b>	<b>7.00</b>	<b>190,042</b>	<b>4.60</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	100,216 0.75	3.13	30,654 0.23	0.87	89,382 0.67	2.16
<b>NET PROFIT/LOSS</b>	<b>158,842</b>	<b>4.96</b>	<b>216,822</b>	<b>6.13</b>	<b>100,660</b>	<b>2.43</b>
<b>EBITDA</b>	<b>330,427</b>	<b>10.31</b>	<b>369,556</b>	<b>10.45</b>	<b>228,922</b>	<b>5.54</b>
<b>SALES ANALYSIS</b>						
Prescriptions (3)	2,324,562	73.99	2,341,922	68.70	2,437,716	59.61
Other Sales (3)	817,048	26.01	1,051,924	30.86	1,647,239	40.28
<b>INVENTORY ANALYSIS</b>						
Prescription	89,894	2.81	71,530	2.02	116,888	2.83
Other	179,561	5.61	213,117	6.03	305,162	7.38
STOCK CARRIED (Total)	269,455	8.41	284,647	8.05	422,049	10.21
STOCK TURN (On Total Inventory)	7.21		7.71		6.17	
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	25.86		32.74		20.86	
Other	4.55		4.94		5.40	
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	203		213		336	
PRESCRIPTIONS DISPENSED (Total)	68,229		61,842		71,428	
PRESCRIPTIONS DISPENSED WEEKLY	1,312		1,189		1,374	
TOTAL HOURS OPEN per WEEK	72		71		79	
AV HRS WORKED BY PROPRIETORS/WEEK	28		9		25	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>105,337</b>	<b>3.29</b>	<b>76,662</b>	<b>2.17</b>	<b>-11,774</b>	<b>0.28</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**SUMMARY OF OWNER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 16**

	AUSTRALIA Owner Operated		NEW SOUTH WALES		VICTORIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,053,050</b>		<b>3,216,477</b>		Insufficient sample to publish	
<b>COST OF GOODS SOLD (3)</b>	<b>1,932,739</b>	<b>63.31</b>	<b>2,097,691</b>	<b>65.22</b>		
<b>GROSS MARGIN (3)</b>	<b>1,120,311</b>	<b>36.69</b>	<b>1,118,786</b>	<b>34.78</b>		
Other Income	44,979		46,505			
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,165,289</b>		<b>1,165,291</b>			
<b>TOTAL REVENUE</b>	<b>3,098,028</b>		<b>3,262,982</b>			
<b>EXPENSES</b>						
Salaries and Wages	363,591	11.74	373,035	11.43		
Rent Paid	126,433	4.08	144,451	4.43		
Outgoings - Rental & Rates	6,813	0.22	1,554	0.05		
Accounting	12,460	0.40	15,209	0.47		
Advertising	29,406	0.95	21,094	0.65		
Bank Charges	8,934	0.29	11,086	0.34		
Computer Expenses	11,669	0.38	9,817	0.30		
Depreciation	27,246	0.88	24,017	0.74		
Electricity, Water, Heating	13,649	0.44	13,571	0.42		
Insurance	10,495	0.34	15,045	0.46		
Interest Paid	3,821	0.12	93,626	2.87		
Leasing Expenses	3,821	0.12	10,950	0.34		
Motor Vehicle Expenses	4,403	0.14	7,796	0.24		
Postage, Freight, Printing	10,845	0.35	10,795	0.33		
Repairs, Maintenance, Service	5,092	0.16	5,304	0.16		
Subs and Registrations	14,848	0.48	10,917	0.33		
Superannuation	34,058	1.10	35,128	1.08		
Telephone	5,109	0.16	5,978	0.18		
Training	2,837	0.09	3,089	0.09		
Abnormal Expenses	3,697	0.12	5,182	0.16		
Payroll Tax	5,638	0.18	5,040	0.15		
Workers' Compensation	2,736	0.09	3,675	0.11		
Other Expenses	81,602	2.63	78,859	2.42		
<b>TOTAL EXPENSES</b>	<b>789,206</b>	<b>25.47</b>	<b>905,219</b>	<b>27.74</b>		
<b>TOTAL INCOME</b>	<b>316,059</b>	<b>10.20</b>	<b>260,071</b>	<b>7.97</b>		
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	156,930 1.17	5.07	173,286 1.29	5.31		
<b>NET PROFIT/LOSS</b>	<b>159,130</b>	<b>5.14</b>	<b>86,785</b>	<b>2.66</b>		
<b>EBITDA</b>	<b>190,197</b>	<b>6.14</b>	<b>204,429</b>	<b>6.27</b>		
<b>SALES ANALYSIS</b>						
Prescriptions (3)	2,116,309	69.32	2,276,812	70.79		
Other Sales (3)	927,786	30.39	912,995	28.38		
<b>INVENTORY ANALYSIS</b>						
Prescription	88,950	2.87	96,868	2.97		
Other	171,295	5.53	90,712	2.78		
STOCK CARRIED (Total)	260,245	8.40	187,580	5.75		
STOCK TURN (On Total Inventory)	7.43		11.18			
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	23.79		23.50			
Other	5.42		10.06			
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	220		199			
PRESCRIPTIONS DISPENSED (Total)	58,221		58,732			
PRESCRIPTIONS DISPENSED WEEKLY	1,150		1,129			
TOTAL HOURS OPEN per WEEK	62		59			
AV HRS WORKED BY PROPRIETORS/WEEK	44.4		49			
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>108,389</b>	<b>3.50</b>	<b>99,368</b>	<b>3.05</b>		

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**SUMMARY OF OWNER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 16**

	QUEENSLAND		SOUTH AUSTRALIA		WESTERN AUSTRALIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,184,681</b>		<b>3,138,358</b>		<b>3,399,077</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>1,401,315</b>	<b>64.14</b>	<b>1,762,124</b>	<b>56.15</b>	<b>2,094,548</b>	<b>61.62</b>
<b>GROSS MARGIN (3)</b>	<b>783,366</b>	<b>35.86</b>	<b>1,376,234</b>	<b>43.85</b>	<b>1,304,529</b>	<b>38.38</b>
Other Income	41,831		71,452		40,722	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>825,198</b>		<b>1,447,686</b>		<b>1,345,251</b>	
<b>TOTAL REVENUE</b>	<b>2,226,513</b>		<b>3,209,810</b>		<b>3,439,799</b>	
<b>EXPENSES</b>						
Salaries and Wages	278,802	12.52	345,440	10.76	382,165	11.11
Rent Paid	72,852	3.27	88,376	2.75	177,203	5.15
Outgoings - Rental & Rates	4,784	0.21	82	0.00	19,227	0.56
Accounting	10,215	0.46	25,115	0.78	5,611	0.16
Advertising	23,777	1.07	41,325	1.29	34,101	0.99
Bank Charges	5,352	0.24	8,242	0.26	10,649	0.31
Computer Expenses	10,306	0.46	11,438	0.36	15,879	0.46
Depreciation	20,762	0.93	30,280	0.94	31,377	0.91
Electricity, Water, Heating	10,033	0.45	10,763	0.34	18,696	0.54
Insurance	5,780	0.26	9,335	0.29	8,965	0.26
Interest Paid	72,442	3.25	79,718	2.48	87,259	2.54
Leasing Expenses	1,131	0.05	71	0.00	826	0.02
Motor Vehicle Expenses	4,127	0.19	2,549	0.08	1,168	0.03
Postage, Freight, Printing	8,019	0.36	9,823	0.31	12,802	0.37
Repairs, Maintenance, Service	4,394	0.20	2,825	0.09	5,290	0.15
Subs and Registrations	10,664	0.48	9,426	0.29	27,706	0.81
Superannuation	24,666	1.11	27,114	0.84	37,168	1.08
Telephone	4,818	0.22	4,209	0.13	4,081	0.12
Training	2,137	0.10	2,522	0.08	3,193	0.09
Abnormal Expenses	2,586	0.12	831	0.03	5,782	0.17
Payroll Tax	6,220	0.28	10,480	0.33	2,510	0.07
Workers' Compensation	1,492	0.07	2,980	0.09	1,655	0.05
Other Expenses	40,137	1.80	105,312	3.28	124,214	3.61
<b>TOTAL EXPENSES</b>	<b>625,496</b>	<b>28.09</b>	<b>828,257</b>	<b>25.80</b>	<b>1,017,527</b>	<b>29.58</b>
<b>TOTAL INCOME</b>	<b>199,701</b>	<b>8.97</b>	<b>619,429</b>	<b>19.30</b>	<b>327,724</b>	<b>9.53</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	136,163 1.01	6.12	199,547 1.48	6.22	144,835 1.08	4.21
<b>NET PROFIT/LOSS</b>	<b>63,538</b>	<b>2.85</b>	<b>419,882</b>	<b>13.08</b>	<b>182,889</b>	<b>5.32</b>
<b>EBITDA</b>	<b>156,742</b>	<b>7.04</b>	<b>529,880</b>	<b>16.51</b>	<b>301,526</b>	<b>8.77</b>
<b>SALES ANALYSIS</b>						
Prescriptions (3)	1,612,497	73.81	2,243,379	71.48	2,110,089	62.08
Other Sales (3)	571,634	26.17	888,949	28.33	1,286,438	37.85
<b>INVENTORY ANALYSIS</b>						
Prescription	68,275	3.07	95,855	2.99	100,204	2.91
Other	125,553	5.64	208,383	6.49	239,500	6.96
<b>STOCK CARRIED (Total)</b>	<b>193,828</b>	<b>8.71</b>	<b>304,238</b>	<b>9.48</b>	<b>339,704</b>	<b>9.88</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.23</b>		<b>5.79</b>		<b>6.17</b>	
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	23.62		23.40		21.06	
Other	4.55		4.27		5.37	
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	196		207		238	
PRESCRIPTIONS DISPENSED (Total)	45,640		65,092		61,964	
PRESCRIPTIONS DISPENSED WEEKLY	878		1,252		1,192	
TOTAL HOURS OPEN per WEEK	60		63		71	
AV HRS WORKED BY PROPRIETORS/WEEK	38		56		41	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>147,049</b>	<b>6.60</b>	<b>27,807</b>	<b>0.87</b>	<b>48,371</b>	<b>1.41</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

# Table 17

## AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED (Based on 12 Months of Trading to 30/06/2013)

EMPLOYEES	STATE AVERAGES						
	NSW	VIC	QLD	SA	WA	TAS	AUST
<b>PROPRIETORS :</b>							
Full Time	0.4	0.3	0.4	0.6	0.5	0.8	0.5
Part Time & Casual	0.3	0.7	0.4	0.4	0.7	0.3	0.5
Hours worked per week	20.9	28.4	25.3	28.1	34.0	34.8	28.3
<b>MANAGERS :</b>							
Full Time	0.2	0.3	0.3	0.4	0.4	-	0.3
Part Time & Casual	-	0.1	0.1	0.2	0.0	0.3	0.1
Hours worked per week	8.8	12.2	15.0	20.8	17.1	7.8	14.0
<b>PHARMACISTS IN CHARGE :</b>							
Full Time	0.4	0.5	0.4	-	0.4	0.3	0.4
Part Time & Casual	0.4	0.6	0.7	0.8	0.5	0.5	0.6
Hours worked per week	20.9	30.1	27.9	18.8	25.0	16.8	25.4
<b>OTHER QUALIFIED :</b>							
Full Time	0.1	0.3	0.2	0.1	0.1	-	0.2
Part Time & Casual	0.1	0.5	0.4	0.2	0.5	0.4	0.4
Hours worked per week	7.6	17.6	13.5	8.0	19.4	4.1	12.7
<b>PHARMACY ASSISTANTS :</b>							
Full Time	0.3	0.6	0.4	0.4	0.8	0.7	0.5
Part Time & Casual	0.3	1.2	0.4	-	1.5	0.7	0.7
Hours worked per week	16.4	46.9	22.6	14.2	60.5	39.5	32.0
<b>SALES &amp; OTHER STAFF :</b>							
Full Time	0.8	0.8	1.3	2.4	0.4	0.4	1.1
Part Time & Casual	3.2	2.9	4.0	5.0	1.3	4.0	3.3
Hours worked per week	80.4	83.1	119.6	195.0	37.2	76.1	97.2
<b>TOTAL STAFF :</b>							
Full Time	2.2	2.8	3.0	3.9	2.6	2.1	2.8
Part Time & Casual	4.3	5.9	6.0	6.6	4.6	6.2	5.5
Hours worked per week	155.1	218.2	224.0	284.8	193.3	179.1	209.6

# Table 18

## AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED (Based on 12 Months of Trading to 30/06/2013)

EMPLOYEES	BY TURNOVER CATEGORY (\$)							
	Up to \$1,000,000	\$1,000,000 to \$1,500,000	\$1,500,000 to \$2,000,000	\$2,000,000 to \$3,000,000	\$3,000,000 to \$4,000,000	\$4,000,000 to \$5,000,000	\$5,000,000 to \$7,000,000	Over \$7,000,000
<b>PROPRIETORS :</b>								
Full Time	1.0	1.0	1.1	1.1	1.2	1.4	1.0	3.0
Part Time & Casual	1.0	1.2	1.4	1.1	1.2	1.4	1.5	2.0
Hours worked per week	31.1	40.3	33.3	37.3	43.2	47.4	36.9	78.0
<b>MANAGERS :</b>								
Full Time	1.0	1.0	1.0	1.1	1.0	1.1	1.2	1.7
Part Time & Casual		1.0			1.0	1.5	1.0	
Hours worked per week	42.5	39.0	39.3	48.1	37.0	42.8	51.8	83.8
<b>PHARMACISTS IN CHARGE :</b>								
Full Time	1.0	1.0	1.0	1.3	1.1	2.3	1.8	2.5
Part Time & Casual	1.0	1.3	1.3	1.5	1.8	2.4	1.6	3.0
Hours worked per week	28.5	29.4	31.1	41.6	41.6	57.5	71.2	100.4
<b>OTHER QUALIFIED :</b>								
Full Time	1.0	1.0	1.0	1.1	1.2	1.3	1.7	2.0
Part Time & Casual	1.0	1.8	1.5	1.3	1.7	2.3	2.3	1.7
Hours worked per week	42.5	22.2	25.3	34.5	32.0	50.3	86.1	49.2
<b>PHARMACY ASSISTANTS :</b>								
Full Time		1.0	1.4	1.4	1.3	1.6	2.5	1.5
Part Time & Casual	2.0	1.8	1.0	2.4	2.1	2.7	1.7	5.5
Hours worked per week	56.2	40.7	48.3	62.9	60.5	65.3	106.2	148.8
<b>SALES &amp; OTHER STAFF :</b>								
Full Time		1.0	1.1	2.4	2.7	2.9	3.4	6.3
Part Time & Casual	2.3	2.3	3.8	3.5	5.5	9.8	9.9	18.2
Hours worked per week	47.8	45.0	87.7	107.3	197.2	253.8	258.5	520.1
<b>TOTAL STAFF :</b>								
Full Time	4.0	6.0	6.6	8.4	8.6	10.6	11.5	16.9
Part Time & Casual	7.3	9.4	9.0	9.7	13.2	20.1	17.9	30.4
Hours worked per week	248.6	216.5	265.0	331.7	411.7	517.2	610.8	980.1

**AUSTRALIAN PHARMACIES - WEEKLY PRESCRIPTION VOLUME**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 19**

	Up to 400		401-600		601-800		801-1,000	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>854,646</b>		<b>1,357,100</b>		<b>1,751,087</b>		<b>2,466,856</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>529,032</b>	<b>61.90</b>	<b>855,457</b>	<b>63.04</b>	<b>1,077,459</b>	<b>61.53</b>	<b>1,500,305</b>	<b>60.82</b>
<b>GROSS MARGIN (3)</b>	<b>325,614</b>	<b>38.10</b>	<b>501,643</b>	<b>36.96</b>	<b>673,628</b>	<b>38.47</b>	<b>966,551</b>	<b>39.18</b>
Other Income	15,514		55,558		31,138		22,946	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>341,127</b>		<b>557,200</b>		<b>704,766</b>		<b>989,497</b>	
<b>TOTAL REVENUE</b>	<b>870,160</b>		<b>1,412,658</b>		<b>1,782,225</b>		<b>2,489,802</b>	
<b>EXPENSES</b>								
Salaries and Wages	136,508	15.69	170,402	12.06	206,522	11.59	292,690	11.76
Rent Paid	40,303	4.63	75,270	5.33	74,854	4.20	118,701	4.77
Outgoings - Rental & Rates	3,131	0.36	1,948	0.14	2,635	0.15	5,887	0.24
Accounting	6,698	0.77	10,796	0.76	9,167	0.51	10,408	0.42
Advertising	5,985	0.69	18,738	1.33	13,587	0.76	23,759	0.95
Bank Charges	1,992	0.23	5,951	0.42	5,232	0.29	6,570	0.26
Computer Expenses	9,689	1.11	11,259	0.80	9,725	0.55	13,444	0.54
Depreciation	17,031	1.96	22,635	1.60	21,604	1.21	27,545	1.11
Electricity, Water, Heating	5,631	0.65	7,737	0.55	7,316	0.41	10,443	0.42
Insurance	3,889	0.45	5,901	0.42	7,033	0.39	7,932	0.32
Interest Paid	27,913	3.21	31,044	2.20	52,582	2.95	68,304	2.74
Leasing Expenses	824	0.09	3,099	0.22	1,326	0.07	2,102	0.08
Motor Vehicle Expenses	1,723	0.20	3,395	0.24	4,716	0.26	3,184	0.13
Postage, Freight, Printing	2,973	0.34	6,052	0.43	4,251	0.24	7,367	0.30
Repairs, Maintenance, Service	1,574	0.18	1,814	0.13	3,185	0.18	2,825	0.11
Subs and Registrations	8,715	1.00	9,334	0.66	10,753	0.60	15,686	0.63
Superannuation	13,990	1.61	15,559	1.10	21,761	1.22	27,684	1.11
Telephone	2,915	0.34	4,302	0.30	4,657	0.26	5,151	0.21
Training	1,030	0.12	754	0.05	1,573	0.09	1,248	0.05
Abnormal Expenses	1,336	0.15	3,145	0.22	321	0.02	977	0.04
Payroll Tax	3,336	0.38	3,790	0.27	1,489	0.08	2,802	0.11
Workers' Compensation	480	0.06	1,092	0.08	2,004	0.11	2,496	0.10
Other Expenses	24,986	2.87	43,787	3.10	47,108	2.64	89,922	3.61
<b>TOTAL EXPENSES</b>	<b>322,651</b>	<b>37.08</b>	<b>457,806</b>	<b>32.41</b>	<b>513,402</b>	<b>28.81</b>	<b>747,126</b>	<b>30.01</b>
<b>TOTAL INCOME</b>	<b>18,476</b>	<b>2.12</b>	<b>99,394</b>	<b>7.04</b>	<b>191,364</b>	<b>10.74</b>	<b>242,371</b>	<b>9.73</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	109,097 0.81	12.54	155,532 1.16	11.01	134,902 1.00	7.57	133,966 1.00	5.38
<b>NET PROFIT/LOSS</b>	<b>-90,620</b>	<b>-10.41</b>	<b>-56,138</b>	<b>-3.97</b>	<b>56,462</b>	<b>3.17</b>	<b>108,405</b>	<b>4.35</b>
<b>EBITDA</b>	<b>-45,676</b>	<b>- 5.25</b>	<b>-2,459</b>	<b>- 0.17</b>	<b>130,648</b>	<b>7.33</b>	<b>204,254</b>	<b>8.20</b>
<b>SALES ANALYSIS</b>								
Prescriptions (3)	470,747	55.08	912,743	67.26	1,302,097	74.36	1,716,280	69.57
Other Sales (3)	383,198	44.84	444,204	32.73	448,548	25.62	750,558	30.43
<b>INVENTORY ANALYSIS</b>								
Prescription	44,048	5.06	44,430	3.15	64,416	3.61	74,540	2.99
Other	81,452	9.36	61,485	4.35	92,548	5.19	129,302	5.19
STOCK CARRIED (Total)	125,500	14.42	105,915	7.50	156,964	8.81	203,842	8.19
STOCK TURN (On Total Inventory)	4.22		8.08		6.86		7.36	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	10.69		20.54		20.21		23.02	
Other	4.70		7.22		4.85		5.80	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	169		117		131		171	
PRESCRIPTIONS DISPENSED (Total)	12,792		26,049		36,027		46,490	
PRESCRIPTIONS DISPENSED WEEKLY	246		501		693		894	
TOTAL HOURS OPEN per WEEK	53		53		58		62	
AV HRS WORKED BY PROPRIETORS/WEEK	31		44		38		38	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>40,227</b>	<b>4.62</b>	<b>37,601</b>	<b>2.66</b>	<b>91,311</b>	<b>5.12</b>	<b>105,340</b>	<b>4.23</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**AUSTRALIAN PHARMACIES - WEEKLY PRESCRIPTION VOLUME**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 19**

	1,001-1,200		1,201-1,400		1,401-2,000		Over 2,000	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,237,384</b>		<b>3,779,385</b>		<b>4,615,295</b>		<b>7,015,164</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>2,068,612</b>	<b>63.90</b>	<b>2,427,450</b>	<b>64.23</b>	<b>2,919,426</b>	<b>63.26</b>	<b>4,683,656</b>	<b>66.76</b>
<b>GROSS MARGIN (3)</b>	<b>1,168,772</b>	<b>36.10</b>	<b>1,351,936</b>	<b>35.77</b>	<b>1,695,869</b>	<b>36.74</b>	<b>2,331,508</b>	<b>33.24</b>
Other Income	62,882		37,918		49,192		72,913	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,231,654</b>		<b>1,389,853</b>		<b>1,745,061</b>		<b>2,404,421</b>	
<b>TOTAL REVENUE</b>	<b>3,300,266</b>		<b>3,817,303</b>		<b>4,664,487</b>		<b>7,088,076</b>	
<b>EXPENSES</b>								
Salaries and Wages	373,564	11.32	446,688	11.70	531,839	11.40	806,451	11.38
Rent Paid	176,776	5.36	175,224	4.59	220,739	4.73	306,306	4.32
Outgoings - Rental & Rates	10,046	0.30	8,843	0.23	9,654	0.21	10,617	0.15
Accounting	14,104	0.43	13,676	0.36	15,177	0.33	22,262	0.31
Advertising	43,593	1.32	50,605	1.33	51,373	1.10	73,362	1.04
Bank Charges	9,383	0.28	12,380	0.32	13,277	0.28	14,489	0.20
Computer Expenses	13,720	0.42	14,410	0.38	15,493	0.33	18,449	0.26
Depreciation	35,740	1.08	40,364	1.06	34,535	0.74	64,186	0.91
Electricity, Water, Heating	17,160	0.52	17,205	0.45	21,038	0.45	25,510	0.36
Insurance	11,031	0.33	8,238	0.22	12,370	0.27	15,220	0.21
Interest Paid	90,482	2.74	94,580	2.48	111,879	2.40	151,925	2.14
Leasing Expenses	6,575	0.20	5,039	0.13	6,002	0.13	5,633	0.08
Motor Vehicle Expenses	3,653	0.11	2,345	0.06	3,490	0.07	4,615	0.07
Postage, Freight, Printing	10,215	0.31	12,909	0.34	14,329	0.31	24,824	0.35
Repairs, Maintenance, Service	4,992	0.15	6,335	0.17	5,247	0.11	9,162	0.13
Subs and Registrations	16,330	0.49	23,856	0.62	19,975	0.43	28,034	0.40
Superannuation	33,856	1.03	39,436	1.03	46,666	1.00	71,904	1.01
Telephone	5,194	0.16	6,070	0.16	6,310	0.14	9,252	0.13
Training	2,773	0.08	2,772	0.07	3,480	0.07	6,762	0.10
Abnormal Expenses	6,392	0.19	856	0.02	2,308	0.05	7,402	0.10
Payroll Tax	5,808	0.18	10,135	0.27	9,239	0.20	17,041	0.24
Workers' Compensation	2,531	0.08	3,216	0.08	4,147	0.09	6,125	0.09
Other Expenses	122,905	3.72	76,775	2.01	155,618	3.34	174,718	2.46
<b>TOTAL EXPENSES</b>	<b>1,016,824</b>	<b>30.81</b>	<b>1,071,957</b>	<b>28.08</b>	<b>1,314,185</b>	<b>28.17</b>	<b>1,874,250</b>	<b>26.44</b>
<b>TOTAL INCOME</b>	<b>214,830</b>	<b>6.51</b>	<b>317,896</b>	<b>8.33</b>	<b>430,877</b>	<b>9.24</b>	<b>530,171</b>	<b>7.48</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	143,313 1.07	4.34	124,632 0.93	3.26	140,303 1.04	3.01	213,549 1.59	3.01
<b>NET PROFIT/LOSS</b>	<b>71,516</b>	<b>2.17</b>	<b>193,264</b>	<b>5.06</b>	<b>290,574</b>	<b>6.23</b>	<b>316,622</b>	<b>4.47</b>
<b>EBITDA</b>	<b>197,739</b>	<b>5.99</b>	<b>328,209</b>	<b>8.60</b>	<b>436,988</b>	<b>9.37</b>	<b>532,732</b>	<b>7.52</b>
<b>SALES ANALYSIS</b>								
Prescriptions (3)	2,032,779	62.79	2,338,667	61.88	3,047,910	66.04	5,058,176	72.10
Other Sales (3)	1,165,819	36.01	1,438,041	38.05	1,554,606	33.68	1,956,923	27.90
<b>INVENTORY ANALYSIS</b>								
Prescription	88,710	2.69	85,642	2.24	110,787	2.38	315,917	4.46
Other	215,605	6.53	214,688	5.62	261,688	5.61	616,314	8.70
STOCK CARRIED (Total)	304,315	9.22	300,328	7.87	372,475	7.99	932,231	13.15
STOCK TURN (On Total Inventory)	6.80		8.08		7.84		5.02	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	22.91		27.31		27.51		16.01	
Other	5.41		6.70		5.94		3.18	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	246		231		292		374	
PRESCRIPTIONS DISPENSED (Total)	57,450		67,477		86,161		142,785	
PRESCRIPTIONS DISPENSED WEEKLY	1,105		1,298		1,657		2,746	
TOTAL HOURS OPEN per WEEK	68		71		72		72	
AV HRS WORKED BY PROPRIETORS/WEEK	41		35		40		60	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>60,067</b>	<b>1.82</b>	<b>219,144</b>	<b>5.74</b>	<b>59,808</b>	<b>1.28</b>	<b>204,395</b>	<b>2.88</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**AUSTRALIAN PHARMACIES - PERCENTAGE PRESCRIPTION/ TOTAL SALES**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 20**

	Less Than 50%		50%-60%		60%-70%		70%-80%		Over 80%	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>5,126,794</b>		<b>3,650,769</b>		<b>3,759,025</b>		<b>3,091,617</b>		<b>2,286,167</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>3,338,246</b>	<b>65.11</b>	<b>2,358,220</b>	<b>64.60</b>	<b>2,379,716</b>	<b>63.31</b>	<b>1,921,466</b>	<b>62.15</b>	<b>1,461,518</b>	<b>63.93</b>
<b>GROSS MARGIN (3)</b>	<b>1,788,548</b>	<b>34.89</b>	<b>1,292,549</b>	<b>35.40</b>	<b>1,379,309</b>	<b>36.69</b>	<b>1,170,151</b>	<b>37.85</b>	<b>824,649</b>	<b>36.07</b>
Other Income	43,920		61,402		48,838		48,099		24,750	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,832,468</b>		<b>1,353,951</b>		<b>1,428,148</b>		<b>1,218,249</b>		<b>849,399</b>	
<b>TOTAL REVENUE</b>	<b>5,170,714</b>		<b>3,712,171</b>		<b>3,807,863</b>		<b>3,139,715</b>		<b>2,310,917</b>	
<b>EXPENSES</b>										
Salaries and Wages	572,779	11.08	439,759	11.85	460,947	12.11	362,471	11.54	253,635	10.98
Rent Paid	398,229	7.70	238,028	6.41	169,564	4.45	114,395	3.64	75,959	3.29
Outgoings - Rental & Rates	16,723	0.32	7,322	0.20	11,398	0.30	4,739	0.15	1,617	0.07
Accounting	8,371	0.16	15,968	0.43	11,542	0.30	13,397	0.43	13,471	0.58
Advertising	88,705	1.72	46,654	1.26	35,919	0.94	34,849	1.11	14,984	0.65
Bank Charges	18,777	0.36	11,690	0.31	10,527	0.28	8,144	0.26	4,810	0.21
Computer Expenses	18,376	0.36	13,690	0.37	13,455	0.35	13,969	0.44	11,036	0.48
Depreciation	73,665	1.42	36,593	0.99	33,059	0.87	27,423	0.87	22,549	0.98
Electricity, Water, Heating	27,134	0.52	18,608	0.50	18,355	0.48	12,494	0.40	8,803	0.38
Insurance	12,711	0.25	10,842	0.29	9,981	0.26	8,837	0.28	7,741	0.33
Interest Paid	103,766	2.01	92,643	2.50	97,410	2.56	80,201	2.55	65,048	2.81
Leasing Expenses	13,294	0.26	13,758	0.37	1,957	0.05	862	0.03	1,012	0.04
Motor Vehicle Expenses	3,566	0.07	3,415	0.09	4,072	0.11	3,323	0.11	3,542	0.15
Postage, Freight, Printing	19,558	0.38	8,296	0.22	13,947	0.37	8,880	0.28	8,043	0.35
Repairs, Maintenance, Service	5,292	0.10	5,192	0.14	5,810	0.15	4,426	0.14	2,986	0.13
Subs and Registrations	13,626	0.26	11,865	0.32	21,612	0.57	19,493	0.62	12,823	0.55
Superannuation	50,538	0.98	38,125	1.03	42,328	1.11	34,302	1.09	24,284	1.05
Telephone	6,455	0.12	5,363	0.14	5,208	0.14	6,331	0.20	4,627	0.20
Training	2,436	0.05	1,803	0.05	4,289	0.11	2,714	0.09	1,730	0.07
Abnormal Expenses	3,819	0.07	4,941	0.13	5,333	0.14	1,540	0.05	385	0.02
Payroll Tax	16,392	0.32	9,608	0.26	5,997	0.16	5,095	0.16	3,118	0.13
Workers' Compensation	4,023	0.08	3,171	0.09	3,769	0.10	2,540	0.08	2,316	0.10
Other Expenses	167,395	3.24	96,490	2.60	124,505	3.27	100,751	3.21	57,683	2.50
<b>TOTAL EXPENSES</b>	<b>1,645,630</b>	<b>31.83</b>	<b>1,133,822</b>	<b>30.54</b>	<b>1,110,982</b>	<b>29.18</b>	<b>871,178</b>	<b>27.75</b>	<b>602,204</b>	<b>26.06</b>
<b>TOTAL INCOME</b>	<b>186,838</b>	<b>3.61</b>	<b>220,129</b>	<b>5.93</b>	<b>317,166</b>	<b>8.33</b>	<b>347,072</b>	<b>11.05</b>	<b>247,195</b>	<b>10.70</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	117,165 0.87	2.27	149,534 1.11	4.03	131,957 0.98	3.47	143,241 1.07	4.56	152,905 1.14	6.62
<b>NET PROFIT/LOSS</b>	<b>69,673</b>	<b>1.35</b>	<b>70,595</b>	<b>1.90</b>	<b>185,209</b>	<b>4.86</b>	<b>203,830</b>	<b>6.49</b>	<b>94,290</b>	<b>4.08</b>
<b>EBITDA</b>	<b>247,104</b>	<b>4.78</b>	<b>199,830</b>	<b>5.38</b>	<b>315,678</b>	<b>8.29</b>	<b>311,454</b>	<b>9.92</b>	<b>181,887</b>	<b>7.87</b>
<b>SALES ANALYSIS</b>										
Prescriptions (3)	1,884,234	36.75	2,052,313	56.22	2,464,835	65.57	2,324,966	75.20	1,945,929	85.12
Other Sales (3)	3,240,961	63.22	1,562,460	42.80	1,290,484	34.33	759,162	24.56	339,948	14.87
<b>INVENTORY ANALYSIS</b>										
Prescription	91,779	1.77	92,955	2.50	107,717	2.83	93,287	2.97	128,134	5.54
Other	387,154	7.49	300,898	8.11	236,896	6.22	161,920	5.16	204,253	8.84
<b>STOCK CARRIED (Total)</b>	<b>478,934</b>	<b>9.26</b>	<b>393,853</b>	<b>10.61</b>	<b>344,613</b>	<b>9.05</b>	<b>255,207</b>	<b>8.13</b>	<b>332,387</b>	<b>14.38</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>6.97</b>		<b>5.99</b>		<b>6.91</b>		<b>7.53</b>		<b>4.40</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	20.53		22.08		22.88		24.92		15.19	
Other	8.37		5.19		5.45		4.69		1.66	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	434		263		247		203		144	
PRESCRIPTIONS DISPENSED (Total)	53,756		60,343		71,248		65,566		52,227	
PRESCRIPTIONS DISPENSED WEEKLY	1,034		1,160		1,370		1,261		1,004	
TOTAL HOURS OPEN per WEEK	67		68		74		64		58	
AV HRS WORKED BY PROPRIETORS/WEEK	33		42		37		40		43	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>55,079</b>	<b>1.07</b>	<b>136,378</b>	<b>3.67</b>	<b>94,400</b>	<b>2.48</b>	<b>118,072</b>	<b>3.76</b>	<b>54,551</b>	<b>2.36</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

**AUSTRALIAN PHARMACIES - WEEKLY HOURS OPEN**  
(Based on 12 Months of Trading to 30/06/2013)

**Table 21**

	Up to 50		51-60		61-70		Over 70	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,567,594</b>		<b>2,558,991</b>		<b>3,991,733</b>		<b>4,196,851</b>	
<b>COST OF GOODS SOLD (3)</b>	<b>950,064</b>	<b>60.61</b>	<b>1,660,701</b>	<b>64.90</b>	<b>2,527,396</b>	<b>63.32</b>	<b>2,628,268</b>	<b>62.62</b>
<b>GROSS MARGIN (3)</b>	<b>617,530</b>	<b>39.39</b>	<b>898,290</b>	<b>35.10</b>	<b>1,464,337</b>	<b>36.68</b>	<b>1,568,583</b>	<b>37.38</b>
Other Income	40,401		34,581		42,047		45,777	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>657,931</b>		<b>932,872</b>		<b>1,506,384</b>		<b>1,614,360</b>	
<b>TOTAL REVENUE</b>	<b>1,607,995</b>		<b>2,593,572</b>		<b>4,033,780</b>		<b>4,242,628</b>	
<b>EXPENSES</b>								
Salaries and Wages	194,761	12.11	296,560	11.43	442,320	10.97	496,102	11.69
Rent Paid	36,838	2.29	86,921	3.35	240,209	5.95	184,096	4.34
Outgoings - Rental & Rates	1,899	0.12	5,681	0.22	7,828	0.19	9,116	0.21
Accounting	8,243	0.51	11,929	0.46	14,310	0.35	13,538	0.32
Advertising	8,595	0.53	33,214	1.28	41,612	1.03	48,339	1.14
Bank Charges	3,954	0.25	7,113	0.27	9,871	0.24	12,900	0.30
Computer Expenses	8,995	0.56	11,907	0.46	15,925	0.39	15,120	0.36
Depreciation	15,413	0.96	25,901	1.00	36,865	0.91	43,162	1.02
Electricity, Water, Heating	5,248	0.33	11,623	0.45	15,659	0.39	22,092	0.52
Insurance	7,364	0.46	8,455	0.33	10,051	0.25	9,267	0.22
Interest Paid	43,327	2.69	61,758	2.38	100,520	2.49	95,472	2.25
Leasing Expenses	562	0.03	2,232	0.09	1,923	0.05	6,843	0.16
Motor Vehicle Expenses	4,114	0.26	6,026	0.23	2,705	0.07	1,655	0.04
Postage, Freight, Printing	4,877	0.30	8,531	0.33	10,689	0.26	15,231	0.36
Repairs, Maintenance, Service	3,103	0.19	4,424	0.17	3,914	0.10	5,967	0.14
Subs and Registrations	9,356	0.58	12,872	0.50	18,589	0.46	24,314	0.57
Superannuation	18,749	1.17	28,700	1.11	38,890	0.96	45,317	1.07
Telephone	4,169	0.26	5,333	0.21	6,827	0.17	5,603	0.13
Training	1,256	0.08	2,844	0.11	2,905	0.07	3,261	0.08
Abnormal Expenses	2,374	0.15	379	0.01	2,056	0.05	2,791	0.07
Payroll Tax	2,843	0.18	3,626	0.14	6,942	0.17	10,441	0.25
Workers' Compensation	1,820	0.11	2,077	0.08	3,369	0.08	4,212	0.10
Other Expenses	22,987	1.43	68,732	2.65	141,304	3.50	130,944	3.09
<b>TOTAL EXPENSES</b>	<b>410,848</b>	<b>25.55</b>	<b>706,838</b>	<b>27.25</b>	<b>1,175,284</b>	<b>29.14</b>	<b>1,205,781</b>	<b>28.42</b>
<b>TOTAL INCOME</b>	<b>247,083</b>	<b>15.37</b>	<b>226,033</b>	<b>8.72</b>	<b>331,100</b>	<b>8.21</b>	<b>408,578</b>	<b>9.63</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	133,290 0.99	8.29	135,724 1.01	5.23	171,572 1.28	4.25	145,756 1.08	3.44
<b>NET PROFIT/LOSS</b>	<b>113,793</b>	<b>7.08</b>	<b>90,309</b>	<b>3.48</b>	<b>159,528</b>	<b>3.95</b>	<b>262,822</b>	<b>6.19</b>
<b>EBITDA</b>	<b>172,533</b>	<b>10.73</b>	<b>177,969</b>	<b>6.86</b>	<b>296,913</b>	<b>7.36</b>	<b>401,456</b>	<b>9.46</b>
<b>SALES ANALYSIS</b>								
Prescriptions (3)	1,205,385	76.89	1,797,535	70.24	2,702,297	67.70	2,701,485	64.37
Other Sales (3)	362,129	23.10	752,701	29.41	1,272,911	31.89	1,490,056	35.50
<b>INVENTORY ANALYSIS</b>								
Prescription	62,006	3.86	75,936	2.93	174,789	4.33	104,884	2.47
Other	70,723	4.40	158,810	6.12	380,749	9.44	220,052	5.19
STOCK CARRIED (Total)	132,730	8.25	234,746	9.05	555,537	13.77	324,936	7.66
STOCK TURN (On Total Inventory)	7.16		7.07		4.55		8.09	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	19.44		23.67		15.46		25.76	
Other	5.12		4.74		3.34		6.77	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	149		198		252		261	
PRESCRIPTIONS DISPENSED (Total)	33,700		49,765		75,274		77,431	
PRESCRIPTIONS DISPENSED WEEKLY	648		957		1,448		1,489	
TOTAL HOURS OPEN per WEEK	46		55		65		87	
AV HRS WORKED BY PROPRIETORS/WEEK	38		38		49		41	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>122,440</b>	<b>7.61</b>	<b>151,885</b>	<b>5.86</b>	<b>16,815</b>	<b>0.42</b>	<b>126,992</b>	<b>2.99</b>

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

## AUSTRALIAN PHARMACIES - BALANCE SHEET 2012-13

### Table 22

	30-Jun-12 (308 Pharmacies)		30-Jun-13 (313 Pharmacies)		Amount and % of Change	
	\$	%	\$	%	\$	%
<b>Assets</b>	882,736	30%	795,938	27%	86,798	10%
<b>Liabilities</b>	1,424,850	48%	1,390,870	48%	33,980	2%
<b>Net Worth excluding Goodwill</b>	-542,114	-18%	-542,874	-19%	760	0%
<b>Total Revenue</b>	2,956,729	100%	2,916,586	100%	40,144	1%
<b>Trading Profit</b>	201,255	7%	196,267	7%	4,988	2%

**AUSTRALIAN PHARMACIES - BALANCE SHEET 2012-13  
BY TURNOVER GROUP**

**Table 23**

	Under \$1M		\$1.0M-\$1.5M		\$1.5M-\$2.0M		\$2.0M-\$3.0M	
	\$	%	\$	%	\$	%	\$	%
Assets including Goodwill	1,097,564	172.88	1,325,874	105.10	1,540,183	88.85	2,216,961	89.66
Liabilities	780,826	122.99	938,744	74.42	1,118,042	64.50	1,453,078	58.77
Net Worth	316,738	49.89	387,130	30.69	422,141	24.35	763,882	30.89
Total Revenue	634,857	100.00	1,261,498	100.00	1,733,381	100.00	2,472,550	100.00
Trading Profit	48,000	7.56	53,675	4.25	181,568	10.47	190,728	7.71

	\$3.0M-\$4.0M		\$4.0M-\$5.0M		\$5.0M-\$7.0M		Over \$7.0M	
	\$	%	\$	%	\$	%	\$	%
Assets including Goodwill	2,828,765	82.14	3,309,171	73.82	4,458,541	76.03	6,173,284	65.08
Liabilities	1,734,259	50.36	2,172,523	48.46	2,716,806	46.33	4,484,547	47.28
Net Worth	1,094,506	31.78	1,136,648	25.35	1,741,735	29.70	1,688,737	17.80
Total Revenue	3,443,848	100.00	4,483,014	100.00	5,864,390	100.00	9,485,084	100.00
Trading Profit	355,301	10.32	334,195	7.45	364,682	6.22	747,954	7.89

TABLE 24

**STRUCTURE OF PHARMACISTS' REMUNERATION  
PHARMACEUTICAL BENEFITS SCHEME**

From	To	RP ITEMS		EP ITEMS
		Professional Fee \$	Markup on Wholesale Price %	Professional Fee \$
1 January 1972	30 April 1972	0.39	33 1/3	0.64
1 May 1972	30 September 1972	0.42	33 1/3	0.64
1 October 1972	30 November 1972	0.44	33 1/3	0.64
1 December 1972	31 December 1972	0.45	33 1/3	0.64
1 January 1973	30 June 1973	0.50	33 1/3	0.72
1 July 1973	31 December 1973	0.61	33 1/3	0.83
1 January 1974	30 June 1974	0.68	33 1/3	0.90
1 July 1974	30 June 1975	0.84	33 1/3	1.06
1 July 1975	30 June 1976	0.90	33 1/3	1.12
1 July 1976	31 December 1976	1.02	33 1/3	1.24
1 January 1977	30 June 1977	1.07	33 1/3	1.29
1 July 1977	31 July 1978	1.21	33 1/3	1.43
1 August 1978	30 April 1980	1.35	25	1.95
1 May 1980	30 June 1980	1.31 *	25	1.91 *
1 July 1980	30 November 1980	1.31 1.39	25	1.91 1.99
1 December 1980	31 December 1980	1.26 1.34	25	1.89 1.97
1 January 1981	30 June 1981	1.26 1.44	25	1.89 2.07
1 July 1981	31 December 1981	1.51	25	2.14
1 January 1982	30 June 1982	1.66	25	2.29
1 July 1982	31 December 1983	1.73	25	2.54
1 January 1984	30 June 1984	1.98	25	2.89
1 July 1984	30 June 1985	2.13	25	3.09
1 July 1985	31 December 1985	2.30	25	3.33
1 January 1986	30 June 1986	2.35	25	3.40
1 July 1986	31 August 1986	2.40	25	3.47
1 September 1986	31 May 1987	2.46	25	3.56
1 June 1987	30 June 1988	2.50	25	3.62
1 July 1988	31 July 1988	2.59	25	3.76
1 August 1988	31 January 1989	2.64	25	3.83
1 February 1989	31 December 1989	2.59	25	3.76
1 January 1990	30 June 1990	2.54	25	3.68
1 July 1990	31 December 1990	2.57	25	3.72
1 January 1991	31 July 1992	3.43	10 **	4.96
1 August 1992	31 December 1992	3.57	10 **	5.16
1 January 1993	30 June 1993	3.69	10 **	5.34
1 July 1993	31 December 1993	3.75	10 **	5.43
1 January 1994	30 June 1994	3.83	10 **	5.55
1 July 1994	31 December 1994	3.98	10 **	5.77
1 January 1995	30 June 1995	4.06	10 **	5.89
1 July 1995	30 June 1996	4.27	10 **	6.10
1 July 1996	30 June 1997	4.29	10 **	6.13
1 July 1997	30 June 1998	4.34	10 **	6.20
1 July 1998	30 June 1999	4.34	10 **	6.20
1 July 1999	30 June 2000	4.39	10 **	6.27

TABLE 24 (continued)

From	To	RP ITEMS		EP ITEMS
		Professional Fee \$	Markup on Wholesale Price %	Professional Fee \$
1 July 2000	30 January 2001	4.40	10 ***	6.28
1 February 2001	30 June 2001	4.50	10 ***	6.38
1 July 2001	30 September 2001	4.53	10 ***	6.44
1 October 2001	30 January 2002	4.68	10 ***	6.59
1 February 2002	30 June 2002	4.58	10 ***	6.49
1 July 2002	30 June 2003	4.62	10 ***	6.56
1 July 2003	30 June 2004	4.66	10 ***	6.63
1 July 2004	30 June 2005	4.70	10 ***	6.70
1 July 2005	30 November 2005	4.75	10 ***	6.78
1 December 2005	30 June 2006	4.94	10 ***	6.97
1 July 2006	30 June 2007	5.15	10 ~	7.19
1 July 2007	31 July 2007	5.32	10 ~	7.36
1 August 2007	30 June 2008	5.44	10 ~	7.48
1 July 2008	31 July 2008	5.81	10 ~	7.85
1 August 2008	30 June 2009	5.99	~~	8.03
1 July 2009	30 June 2012	6.42	~~	8.46
1 July 2012	30 June 2013	6.52	~~	8.56
1 July 2013	30 June 2014	6.63	~~	8.67
1 July 2014		6.76	~~	8.80

\* Revised Fees as determined by the Pharmaceutical Benefits Remuneration Tribunal

\*\* 10% Mark-up applies to items with approved price to pharmacists of less than \$180.00  
 \$18.00 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$360.00  
 5% Mark-up applies to items with approved price to pharmacists of more than \$360.00

\*\*\* 10% Mark-up applies to items with approved price to pharmacists of less than \$180.00  
 \$18.00 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$450.00  
 4% Mark-up applies to items with approved price to pharmacists of more than \$450.00

~ As above, except for items with approved price to pharmacists of more than \$1000, to which a \$40 markup applies

~~ 15% Mark-up applied to items with approved price to pharmacists of less than \$30.00  
 \$4.50 Mark-up applies to items with approved price to pharmacists of between \$30.00 and \$45.00  
 10% Mark-up applies to items with approved price to pharmacists of between \$45.00 and \$180.00  
 \$18 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$450.00  
 4% Mark-up applies to items with approved price to pharmacists of between \$450.00 and \$1750.00  
 \$70 Mark-up applies to items with approved price to pharmacists of more than \$1750.00

Source: Commonwealth Department of Health

TABLE 25

## CHANGES IN THE LEVEL OF PATIENT CONTRIBUTION

Date of Change	Amount general	Percentage of average cost of a "general" benefit	Amount concessional	Percentage of average cost of a "concessional" benefit
March 1960	\$0.50	22 %		
November 1971	\$1.00	40 %		
September 1975	\$1.50	51 %		
March 1976	\$2.00	59 %		
July 1978	\$2.50	60 %		
September 1979	\$2.75	60 %		
December 1981	\$3.20	62 %		
January 1983	\$4.00	69 %	\$2.00	34 %
July 1985	\$5.00	73 %	\$2.00	32 %
July 1986	\$5.00	64 %	\$2.00	29 %
November 1986	MAX \$10.00	54 %	\$2.50	27 %
July 1988	MAX \$11.00	51 %	\$2.50	27 %
July 1989	MAX \$11.00	53 %	\$2.50	25 %
July 1990	MAX \$11.00	49 %	\$2.50	23 %
November 1990	MAX \$15.00	55 %	\$2.50	21 %
August 1991	MAX \$15.70	57 %	\$2.50	21 %
October 1991	MAX \$15.70	57 %	\$2.60	22 %
August 1992	MAX \$15.90	45 %	\$2.60	20 %
August 1993	MAX \$16.00	47 %	\$2.60	18 %
August 1994	MAX \$16.20	45 %	\$2.60	16 %
August 1995	MAX \$16.80	45 %	\$2.60	15 %
August 1996	MAX \$17.40	43 %	\$2.70	14 %
January 1997	MAX \$20.00	44 %	\$3.20	16 %
January 1999	MAX \$20.30	40 %	\$3.20	14 %
January 2000	MAX \$20.60	40 %	\$3.30	14 %
January 2001	MAX \$21.90	42 %	\$3.50	14 %
January 2002	MAX \$22.40	42 %	\$3.60	14 %
January 2003	MAX \$23.10	40 %	\$3.70	13 %
January 2004	MAX \$23.70	39 %	\$3.80	12 %
January 2005	MAX \$28.60	48 %	\$4.60	14 %
January 2006	MAX \$29.50	46 %	\$4.70	14 %
January 2007	MAX \$30.70	45 %	\$4.90	14 %
January 2008	MAX \$31.30	46 %	\$5.00	14 %
January 2009	MAX \$32.90	34 %	\$5.30	13 %
January 2010	MAX \$33.30	37 %	\$5.40	14 %
January 2011	MAX \$34.20	35 %	\$5.60	15 %
January 2012	MAX \$35.40	35 %	\$5.80	14 %
January 2013	MAX \$36.10	35 %	\$5.90	15 %
January 2014	MAX \$36.90	35 %	\$6.00	16 %

TABLE 26

## P B S REMUNERATION PER PRESCRIPTION

Year	Average Price per prescription \$	Mark-up*	Average professional fee \$	Average other fees*** \$	Total remuneration * \$	Remuneration as % of Ave. Price	Annual Volume of prescriptions (’000)
1970/71	2.21		0.48	0.34	0.82	37.10	71,487
1971/72	2.46		0.51	0.38	0.89	36.18	72,442
1972/73	2.64		0.56	0.47	1.01	38.26	74,676
1973/74	2.78		0.53	0.65	1.18	42.45	87,288
1974/75	2.99		0.54	0.83	1.37	45.82	97,674
1975/76	3.28		0.60	0.88	1.48	45.12	101,117
1976/77	3.71		0.66	1.04	1.70	45.82	89,705
1977/78	3.93		0.66	1.22	1.88	47.84	93,167
1978/79	4.16		0.59 **	1.35	1.94	46.63	92,963
1979/80	4.38		0.62	1.36	1.98	45.21	89,075
1980/81	4.53	4.65 @	0.66	1.30 1.42 @	1.96 2.08 @	43.27	94,397
1981/82	5.08		0.68	1.62	2.30	45.28	103,574
1982/83	5.61		0.77	1.77	2.54	45.28	105,540
1983/84	5.96		0.79	1.90	2.69	45.13	108,385
1984/85	6.32		0.80	2.14	2.94	46.52	120,829
1985/86	7.01		0.94	2.33	3.27	46.65	119,842
1986/87	8.79	@@	1.26	2.48	3.74	42.55	102,762
1987/88	10.37	@@	1.57	2.53	4.10	39.54	100,901
1988/89	11.51	@@	1.78	2.64	4.42	38.40	100,586
1989/90	12.54	@@	1.99	2.57	4.56	36.40	104,979
1990/91	13.82	@@	1.84	2.84	4.68	33.86	96,300
1991/92	15.46	@@	1.10 **	3.43	4.53	29.30	94,121
1992/93	16.78	@@	1.20	3.60	4.79	28.55	105,953
1993/94	18.18	@@	1.31	3.85	5.16	28.38	115,041
1994/95	19.71	@@	1.43	4.06	5.49	27.85	118,046
1995/96	21.49	@@	1.57	4.27	5.84	27.18	124,205
1996/97	23.19	@@	1.72	4.29	6.01	25.92	123,434
1997/98	24.88	@@	1.87	4.34	6.21	24.96	124,483
1998/99	26.38	@@	1.95	4.34	6.29	23.84	128,348
1999/00	27.82	@@	2.07	4.39	6.46	23.23	137,585
2000/01	30.86	@@	2.34	4.44	6.78	21.96	147,571
2001/02	32.32	@@	2.46	4.53	6.99	21.62	154,530
2002/03	34.28	@@	2.62	4.62	7.24	21.13	158,548
2003/04	35.84	@@	2.68	4.66	7.34	20.48	165,435
2004/05	37.30	@@	2.79	4.70	7.49	20.08	169,877
2005/06	38.75	@@	2.88	4.86	7.74	19.97	167,927
2006/07	39.35	@@	2.86	5.22	8.08	20.53	168,536
2007/08	41.54	@@	2.95	5.50	8.45	20.34	171,296
2008/09	43.37	@@	3.42 **	5.97	0.85	10.24	181,836
2009/10	45.47	@@	3.57	6.42	1.04	11.03	183,911
2010/11	46.18	@@	3.57	6.42	0.68	10.67	188,144
2011/12	45.59	@@	3.47	6.42	0.71	10.60	194,898
2012/13	42.90	@@	3.22	6.52	0.85	10.59	211,407
2013/14	41.68	@@	3.07	6.63	0.95	10.65	214,526

\* Excludes wholesalers' surcharges, discounts and rebates

\*\* Percentage mark-up changed.

\*\*\* PBS Online incentive (August 2008 to June 2010) and Premium-free Dispensing Incentive (August 2008 onwards)

@ Adjusted for retrospective payments.

@@ Not adjusted for General category items under the maximum patient contribution

Excludes Doctor's Bag items

TABLE 27

## POPULATION TO PHARMACY RATIOS IN AUSTRALIA

YEAR (30 JUNE)	POPULATION *	NUMBER OF PHARMACIES	POPULATION : PHARMACY RATIO
1970	12,663,469	5,876	2,155
1975	13,893,000	5,566	2,496
1980	14,695,400	5,417	2,713
1985	15,788,300	5,484	2,879
1986	16,018,400	5,549	2,887
1987	16,263,300	5,559	2,926
1988	16,532,200	5,609	2,947
1989	16,814,400	5,612	2,996
1990	17,065,100	5,625	3,034
1991	17,284,000	5,351	3,230
1992	17,489,100	5,091	3,435
1993	17,656,400	5,018	3,519
1994	17,847,400	4,980	3,584
1995	18,063,300	4,949	3,650
1996	18,310,714	4,953	3,697
1997	18,532,247	4,954	3,741
1998	18,730,359	4,952	3,782
1999	18,871,800	4,942	3,819
2000	19,080,200	4,925	3,874
2001	19,334,200	4,925	3,926
2002	19,657,400	4,926	3,991
2003	19,757,900	4,907	4,026
2004	20,009,000	4,910	4,075
2005	20,281,400	4,921	4,121
2006	20,551,500	4,951	4,151
2007	20,948,900	4,992	4,196
2008	21,282,600	5,005	4,252
2009	21,779,100	5,046	4,316
2010	22,271,900	5,088	4,377
2011	22,475,100	5,167	4,350
2012	22,485,340	5,240	4,291
2013	23,032,700	5,350	4,305
2014	23,319,400	5,456	4,274

\* Based on the most recent ABS estimates - Catalogue No. 3101.0

TABLE 28

## TRENDS IN POPULATION TO PHARMACY RATIOS

30 JUNE 2013				30 JUNE 2014			
STATE OR TERRITORY	POPULATION ('000)	NUMBER OF PHARMACIES	POPULATION/PHARMACY	POPULATION ('000)	NUMBER OF PHARMACIES	POPULATION/PHARMACY	% Change in Population to Pharmacy Ratios
<b>NSW</b>	7,381.1	1,794	4,114	7,465.5	1820	4,102	-0.3
<b>VIC</b>	5,713.0	1,247	4,581	5,791.0	1282	4,517	-1.4
<b>QLD</b>	4,638.1	1,070	4,335	4,690.9	1088	4,311	-0.5
<b>SA</b>	1,667.5	432	3,860	1,677.3	439	3,821	-1.0
<b>WA</b>	2,497.5	556	4,492	2,550.9	574	4,444	-1.1
<b>TAS</b>	512.9	146	3,513	514.0	148	3,473	-1.1
<b>NT</b>	237.8	33	7,206	242.6	33	7,352	2.0
<b>ACT</b>	381.7	72	5,301	384.1	72	5,335	0.6
<b>AUSTRALIA</b>	23,032.7	5,350	4,305	23,319.4	5,456	4,274	-0.7

Sources: Medicare Australia and Australian Bureau of Statistics

TABLE 29

PHARMACIES DISPENSING PHARMACEUTICAL BENEFITS  
STATES AND TERRITORIES 1997 TO 2014

(Number at 30 June)

STATE OR TERRITORY	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>NSW</b>	1,729	1,727	1,724	1,723	1,722	1,727	1,709	1,699	1,702	1,705	1,708	1,722	1,731	1,731	1,738	1762	1,794	1,820
<b>VIC</b>	1,190	1,181	1,169	1,159	1,161	1,159	1,160	1,160	1,165	1,166	1,170	1,161	1,170	1,184	1,204	1226	1,247	1,282
<b>QLD</b>	952	959	959	954	951	948	944	953	952	963	987	987	1,011	1,017	1,052	1048	1,070	1,088
<b>SA</b>	385	383	386	386	387	385	386	389	391	399	400	407	404	414	418	423	432	439
<b>WA</b>	470	474	477	478	479	480	484	489	492	502	509	508	508	516	521	540	556	574
<b>TAS</b>	144	143	140	140	140	140	139	135	134	131	133	132	131	133	139	141	146	148
<b>NT</b>	27	27	28	28	28	30	28	28	27	27	26	27	29	30	31	32	33	33
<b>ACT</b>	57	58	59	57	57	57	57	57	58	58	59	61	62	63	64	68	72	72
<b>AUSTRALIA</b>	4,954	4,952	4,942	4,925	4,925	4,926	4,907	4,910	4,921	4,951	4,992	5,005	5,046	5,088	5,167	5,240	5,350	5,456

Source: Medicare Australia

TABLE 30

## PRICING AND EARNING INDICES

YEAR	CONSUMER PRICE INDEX (a)				AVERAGE (b) WEEKLY EARNINGS	
	ALL GROUPS		PHARMACEUTICALS		\$ AMOUNT	% CHANGE
	INDEX	% CHANGE	INDEX	% CHANGE		
1980-81	100.0		100.0		281.40	
JUNE 82	114.5	14.5	116.7	16.7	316.00	12.3
JUNE 83	127.3	11.2	137.3	17.7	347.30	9.9
JUNE 84	132.3	3.9	146.6	6.7	383.80	10.5
JUNE 85	141.1	6.7	154.0	5.1	397.20	3.5
JUNE 86	153.0	8.4	177.0	14.9	425.50	7.1
JUNE 87	167.2	9.3	202.4	14.4	450.90	6.0
JUNE 88	179.0	7.1	221.4	9.4	481.70	6.8
JUNE 89	192.6	7.6	233.5	5.4	519.10	7.8
JUNE 90	207.4	7.7	246.4	5.6	555.80	7.1
JUNE 91	214.4	3.4	261.0	5.9	569.90	2.5
JUNE 92	217.0	1.2	267.7	2.6	597.40	4.8
JUNE 93	221.1	1.9	274.2	2.4	612.50	2.5
JUNE 94	224.9	1.7	279.8	2.0	625.10	2.1
JUNE 95	235.0	4.5	287.9	2.9	652.70	4.4
JUNE 96	242.3	3.1	297.2	3.2	671.50	2.9
JUNE 97	243.1	0.3	311.5	4.8	687.10	2.3
JUNE 98	244.7	0.7	313.8	0.7	714.50	4.0
JUNE 99	247.3	1.1	311.8	-0.7	735.10	2.6
JUNE 00	255.3	3.2	314.5	0.9	760.00	3.4
JUNE 01	270.6	6.0	327.7	4.2	789.40	3.9
JUNE 02	278.3	2.8	331.2	1.1	826.10	4.6
JUNE 03	285.8	2.7	341.1	3.0	872.10	5.6
JUNE 04	292.8	2.5	349.2	2.4	891.20	2.2
JUNE 05	300.1	2.5	367.1	5.1	942.70	5.8
JUNE 06	312.0	4.0	378.9	3.2	985.10	4.5
JUNE 07	318.5	2.1	384.4	1.5	1038.40	5.4
JUNE 08	332.9	4.5	389.5	1.3	1072.30	3.3
JUNE 09	337.7	1.5	400.9	2.9	1109.80	3.5
JUNE 10	348.4	3.2	389.8	-2.8	1183.40	6.6
JUNE 11	360.6	3.5	392.0	0.6	1241.80	4.9
JUNE 12	364.8	1.2	394.4	0.6	1273.80	2.6
JUNE 13	373.5	2.4	392.5	-0.5	1338.13	5.1
JUNE 14	384.8	3.0	398.3	1.5	1376.45	2.9

(a) Weighted average of eight capital cities. (1980-81 = 100.0)

(b) All Males.