



GuildDigest 2025

A Survey of Independent
Pharmacy Operations in Australia
for the Financial Year 2023-24



The Pharmacy
Guild of Australia

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Foreword

The Guild Digest 2025 provides a comprehensive snapshot of Australian pharmacy business conditions for the 2023–24 financial year.

For decades, community pharmacy has played a growing role in delivering primary health care services on behalf of the Government. In addition to their core functions—dispensing PBS and non-PBS medicines, supplying pharmacy-only, pharmacist-only and over-the-counter products, and providing medication management, vaccination and preventative care—community pharmacies continue to improve access to other health services through participation in pilot programs that support broader scope of practice.

Significant scope of practice advances were made during the 2023–24 period, most notably the announcement that treatment of conditions such as uncomplicated urinary tract infections, oral contraceptive resupply, selected skin conditions, asthma and other conditions would become permanent practice in community pharmacy following successful state and territory trials.

Community pharmacy also faced one of its greatest challenges during this period with the announcement of increased maximum dispensing quantities for more than 300 molecules under the Pharmaceutical Benefits Scheme. For these medicines, the prescribing of 60-day quantities effectively halves the number of prescriptions dispensed. As a result, the Eighth Community Pharmacy Agreement was negotiated 12 months earlier than planned, securing an additional \$3 billion in funding through the

Additional Community Supply Support Payment and a strengthened payment adjustment mechanism to ensure 8CPA funding is delivered in full.

Ultimately, community pharmacies help deliver the National Medicines Policy by ensuring patients have timely and equitable access to medicines. Pharmacists remain one of the most trusted and respected professions in Australia.

The Guild Digest 2025 provides valuable management information for pharmacy owners and managers and offers insight into this integral part of the broader health sector. This edition draws on data from a sample of 483 community pharmacies.

The Guild acknowledges the strong support of the pharmacy groups and accounting firms that contributed de-identified information on behalf of their clients. We extend our appreciation to the Capital Chemist Group, Holman Hodge, Peak Strategies, Pitcher Partners, Rose Partners, RSM, Yarra Lane, Attain, Petrus Advisory and Scaffidi Group. We also thank the National Secretariat staff for their dedication in preparing this edition.

TRENT TWOMEY
PRESIDENT

ANTHONY TASSONE
CHAIR, HEALTH
ECONOMICS AND POLICY

Executive summary

The 2025 Guild Digest is based on a sample of 483 community pharmacies, broadly representative of the Australian community pharmacy sector.

Industry snapshot for 2023–24

The Australian community pharmacy industry is a \$25.1 billion health sector comprising approximately 5,977 community pharmacies as of June 2024. It directly employs around 109,400 highly skilled staff, including pharmacy proprietors.

The average turnover per pharmacy in 2023–24 was \$4.2 million, with approximately 66% of revenue derived from prescriptions. The remaining 34% came from pharmacy professional services and programs, pharmacy medicines, pharmacist-only medicines and over-the-counter products.

The average gross profit (sales less cost of goods sold) for the year was \$1.42 million, and the average annual net profit (before tax) was around \$351,000. Rural and remote pharmacies accounted for 23% of all community pharmacies, and there was one pharmacy for every 4,552 Australians.

The rollout of the 60-day dispensing policy significantly slowed the growth of total prescriptions dispensed per pharmacy in 2023–24.

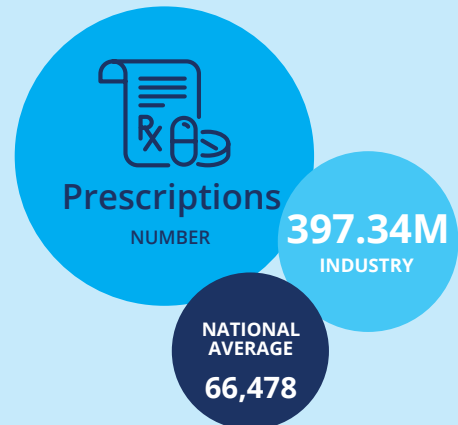
Community pharmacies remained highly accessible, opening an average of 59 hours per week, or 8.4 hours per day.

Financial performance in 2023–24

During the year:

- Average pharmacy sales were \$4.15 million, of which 66.5% came from prescriptions. The remaining 33.5% was derived from non-prescription sales and professional services and programs.
- Average gross profit as a percentage of turnover increased slightly to 33.7%, up from 33% in the previous year.
- Average revenue from other income as a percentage of turnover decreased to 1.4%, continuing the downward trend from 1.6% in 2022–23.
- Expenses (excluding cost of goods sold) as a percentage of turnover remained almost unchanged at 23.5%.

Industry snapshot



NATIONAL AVERAGE

INDUSTRY TOTAL

\$4.21M



\$25.15B

\$1.42M



\$8.46B

\$0.99M



\$5.91B

\$351,000



\$2.10B



The year in review

In 2023–24, gross profit and other income for the average community pharmacy increased by 4.2%.

Total expenses (excluding the cost of goods sold) remained largely unchanged, rising slightly by 1.1% from an average of \$0.98 million to \$0.99 million. Salaries and wages continued to represent the largest share of total expenses at 55%, while logistics expenses remained the smallest component at 1.3%.

After allowing for proprietors' salary, the average net profit of \$350,640 was 15.1% higher than in 2022–23.

The 2023–24 financial year marked the final year of the Seventh Community Pharmacy Agreement (7CPA) between the Federal Government and the Pharmacy Guild of Australia, following the early negotiation of the Eighth Community Pharmacy Agreement (8CPA).

This negotiation was brought forward in response to the Commonwealth Government's decision to increase maximum dispensing quantities—a change commonly referred to as "60-day dispensing".

Official data showed that PBS-subsidised prescription volumes grew by 1.5% in 2023–24, a slower rate than the 3.7% increase recorded the previous year. The Digest results reflect this trend, with prescription volumes per pharmacy increasing by only 1.6%, compared with 3.3% in 2022–23. This slower growth is consistent with the impact of the 60-day dispensing policy rollout.

The share of prescription sales as a proportion of total pharmacy sales remained stable at 66.5%.

What does it mean for **my pharmacy?**

Profitability improved: net profit up 15.1%.

Costs remained stable, with only a 1.1% rise in expenses.

Slower prescription growth (1.6%) underlines the growing need for pharmacies to diversify revenue through services and non-prescription activity.

Employment continues to be the major cost at 55% of expenses.



Financial performance

This section outlines the 2023–24 financial performance results after applying weightings to minimise distortion from the sample being skewed toward larger pharmacies.

Based on national averages, the key results for the 2023–24 financial year include:

- Average total pharmacy sales were \$4,147,125, with 66.5% of sales coming from prescriptions and 33.5% from non-prescription sales, professional services and programs.
- Average gross profit increased to 33.7% of turnover, up from 33% in 2022–23.
- Other income continued to decline, representing 1.4% of turnover, down from 1.6% in the previous year.
- Total expenses (excluding cost of goods sold) accounted for 23.5% of turnover, remaining almost unchanged from 23.8% in 2022–23.
- Salaries and wages remained stable at 12.9% of turnover.
- Rent accounted for 3.5% of turnover, slightly down from 3.6% in the previous year.
- Wages and rent together represented 70% of total expenses (excluding cost of goods sold).
- Proprietors' notional salary remained largely unchanged at 3.28% of total turnover.

National results

Table 1 – Turnover and profit (National).

The table below summarises the national average financial results for 2023–24, including turnover, margins, expenses and profitability measures.

MEASURES	2022-23	2023-24	DIFFERENCE %
TOTAL TURNOVER	4,102,849	4,207,824	2.6%
TOTAL GROSS PROFIT	1,352,121	1,416,035	4.7%
TOTAL GROSS PROFIT %	33.0%	33.7%	0.7%
OTHER INCOME	64,635	60,699	-6.1%
OTHER INCOME %	1.6%	1.4%	-0.2%
GROSS PROFIT & OTHER INCOME	1,416,755	1,476,734	4.2%
GROSS PROFIT & OTHER INCOME %	34.5%	35.1%	0.6%
DISPENSARY SALES	2,661,951	2,757,915	3.6%
DISPENSARY SALES %	64.9%	65.5%	0.7%
RETAIL/OTC SALES	1,263,378	1,277,291	1.1%
RETAIL/OTC SALES %	30.8%	30.4%	-0.4%
SERVICES AND PROGRAMS INCOME	112,884	111,918	-0.9%
SERVICES AND PROGRAMS INCOME %	2.8%	2.7%	-0.1%
TOTAL PHARMACY SALES	4,038,214	4,147,125	2.7%
TOTAL PHARMACY SALES %	98.4%	98.6%	0.1%
COST OF GOODS SOLD	2,686,093	2,731,090	1.7%
COST OF GOODS SOLD %	65.5%	64.9%	-0.6%
SALARIES AND WAGES	532,463	543,318	2.0%
SALARIES AND WAGES %	13.0%	12.9%	-0.1%
RENT	148,106	148,746	0.4%
RENT %	3.6%	3.5%	-0.1%
DEPRECIATION	25,787	16,539	-35.9%
DEPRECIATION %	0.6%	0.4%	-0.2%
INTEREST PAID	62,981	79,513	26.2%
INTEREST PAID %	1.5%	1.9%	0.4%
LOGISTIC EXPENSES	11,749	12,787	8.8%
LOGISTIC EXPENSES %	0.3%	0.3%	0.0%
TOTAL EXPENSES	977,914	988,204	1.1%
TOTAL EXPENSES %	23.8%	23.5%	-0.4%
TOTAL INCOME	438,842	488,529	11.3%
LESS PROPRIETORS SALARY	134,222	137,890	2.7%
NET PROFIT/LOSS (BEFORE TAX)	304,620	350,640	15.1%
EBITDA	393,388	446,692	13.5%
TOTAL ASSETS	2,635,327	2,718,766	3.2%
TOTAL LIABILITIES	1,541,753	1,566,018	1.6%
NET ASSETS	1,093,574	1,152,747	5.4%

All percentages are expressed as a percentage of total turnover.

National results cont.

Chart 1 – Other income as % of turnover

Other income continued its downward trend in 2023–24, reducing to 1.4% of turnover. Chart 1 illustrates this shift in the composition of pharmacy revenue.

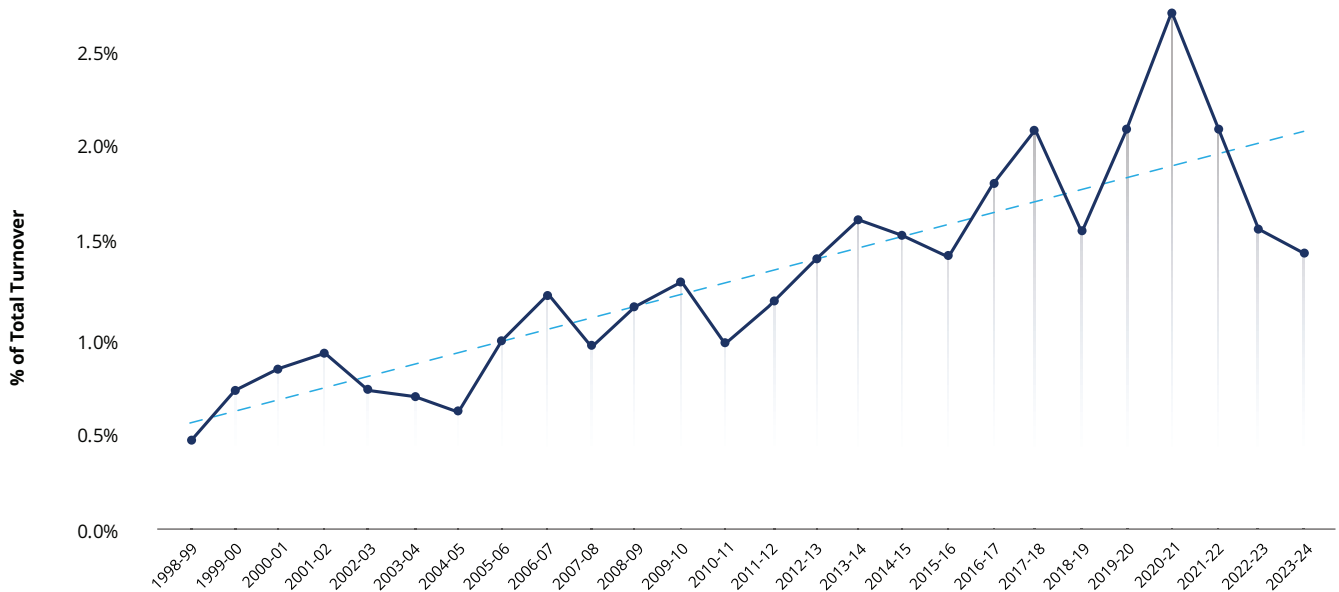
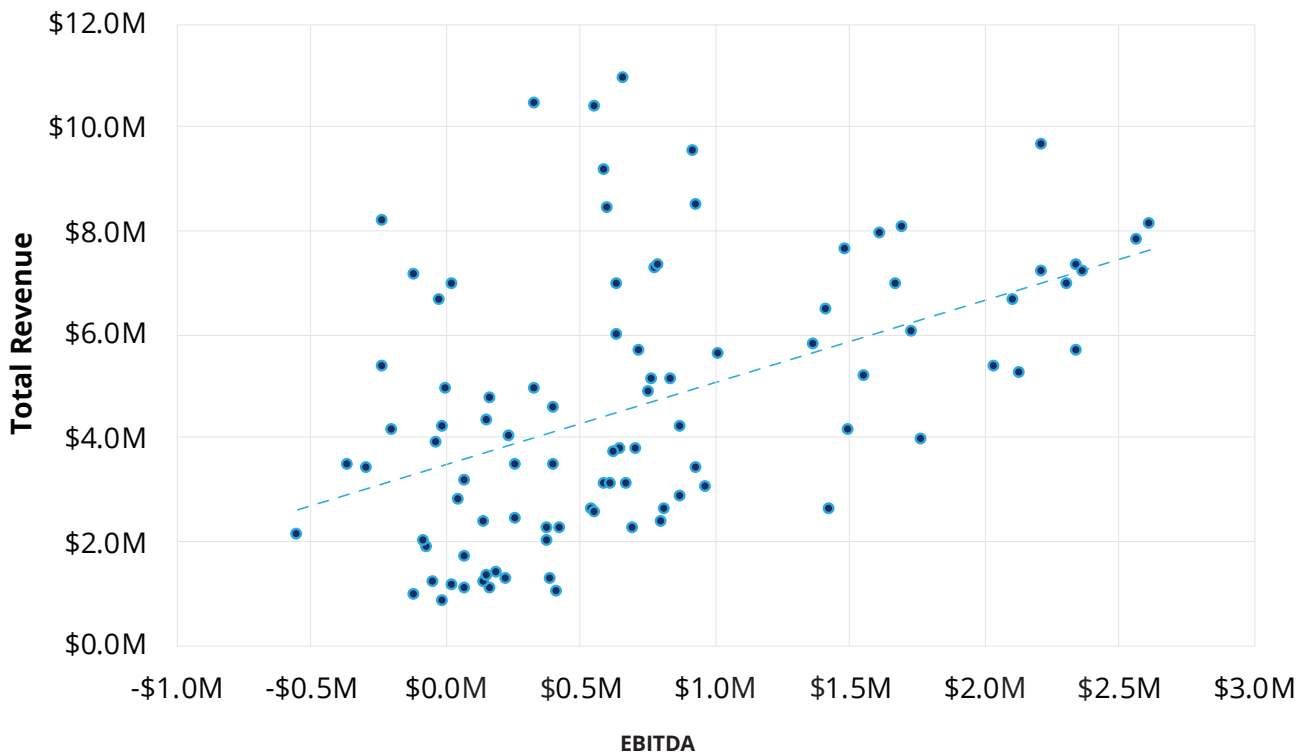


Chart 2 – EBITDA vs Total revenue

Despite modest growth in total turnover, EBITDA increased more strongly, reflecting improved operating performance.



Results by jurisdiction

Table 2 – Turnover and profit by State/Territory

While national averages provide a high-level picture of performance, results vary across jurisdictions. Table 2 outlines turnover, margin and expense measures by state and territory.

MEASURES	NSW	VIC	QLD	SA	WA	TAS	ACT
TOTAL TURNOVER	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
TOTAL GROSS PROFIT	36.2%	32.5%	33.3%	31.4%	28.9%	34.6%	35.9%
OTHER INCOME	1.1%	1.5%	2.1%	1.7%	1.2%	1.8%	0.2%
GROSS PROFIT & OTHER INCOME	37.3%	34.0%	35.5%	33.0%	30.0%	36.4%	36.1%
DISPENSARY SALES	63.8%	68.2%	60.0%	63.7%	69.5%	81.8%	74.6%
SERVICES & PROGRAMS INCOME	31.8%	28.3%	36.3%	32.6%	26.7%	12.9%	20.3%
RETAIL & OTC SALES	3.3%	2.1%	1.5%	2.1%	2.6%	3.5%	4.8%
TOTAL PHARMACY SALES	98.9%	98.5%	97.9%	98.3%	98.8%	98.2%	99.8%
SALARIES & WAGES	12.8%	12.3%	13.6%	13.6%	11.9%	14.3%	12.3%
RENT	4.1%	3.0%	4.5%	3.1%	3.4%	2.4%	2.4%
DEPRECIATION	0.5%	0.3%	0.4%	0.4%	0.5%	0.5%	0.3%
INTEREST PAID	2.1%	2.7%	1.3%	1.4%	0.8%	2.2%	1.5%
LOGISTIC EXPENSES	0.4%	0.5%	0.2%	n.a	0.1%	0.2%	0.3%
TOTAL EXPENSES	25.5%	20.2%	25.7%	24.0%	20.2%	22.8%	24.8%

Table 3 – Prescriptions dispensed per pharmacy by State/Territory

PBS-subsidised prescription volumes grew by 1.5% in 2023–24, a slower rate than in the previous year. At the pharmacy level, total prescription volume increased by 1.6%, reflecting the impact of 60-day dispensing on dispensing frequency. As shown in Table 3, annual prescription volumes vary considerably across states and territories.

STATE/TERRITORY	LOWER QUARTILE	AVERAGE	UPPER QUARTILE
NSW	36,048	65,664	80,316
VIC	37,605	67,662	90,352
QLD	46,190	67,075	79,339
SA	32,897	67,940	94,120
WA	24,072	56,599	74,627
TAS	23,673	69,889	103,637
ACT	38,326	62,002	73,864
Australia	36,655	66,478	88,156

Results by location

Chart 3 – Total turnover vs prescriptions dispensed, by Modified Monash Model (MMM) suburb and locality classification (1 = Urban, 7 = Very Remote)

Turnover and prescription volumes vary across locations. Chart 3 illustrates how both measures change across the Modified Monash Model classifications, highlighting the differing operating environments faced by pharmacies in metropolitan, regional and remote areas. In this chart, 1=Urban, 7=Very Remote).

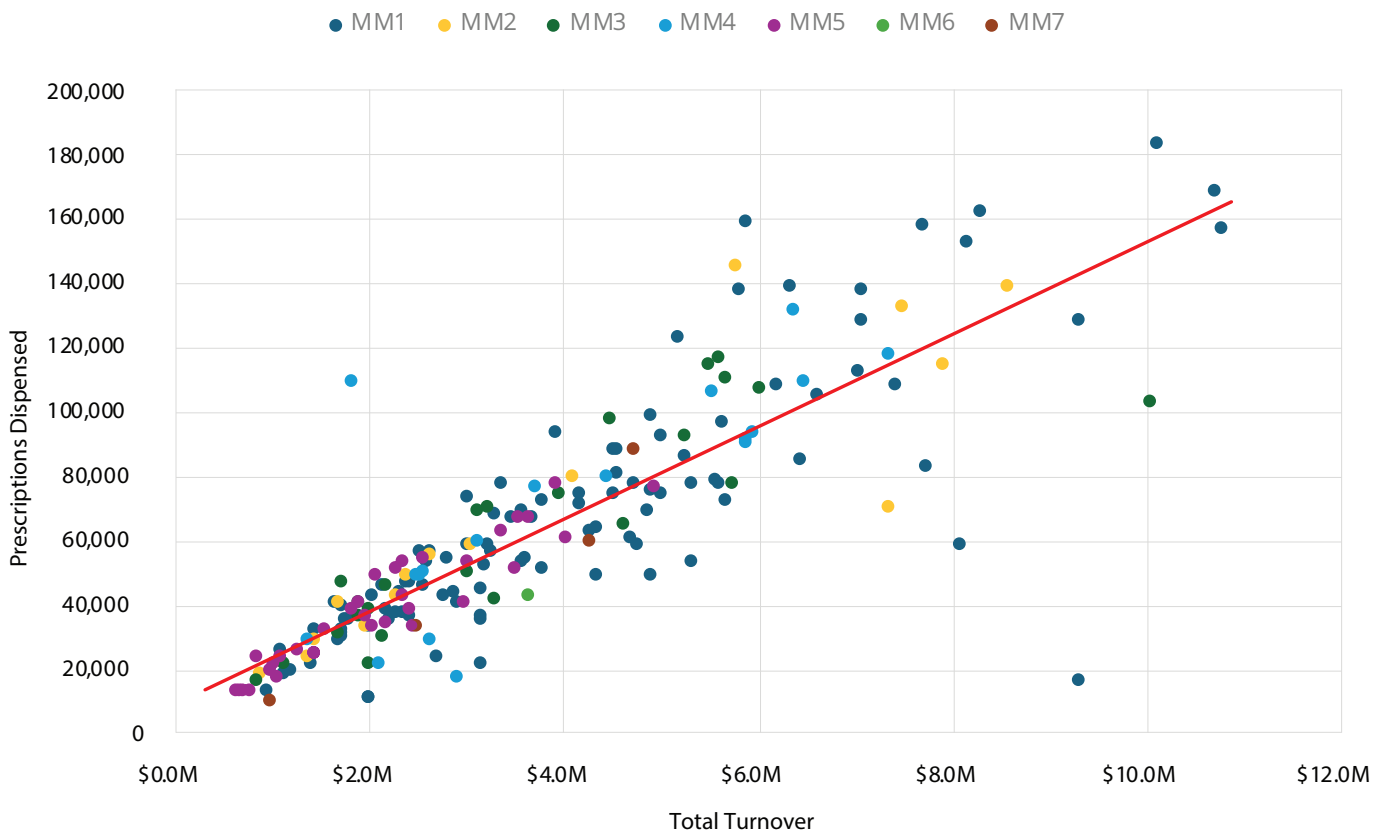


Table 4 – Turnover and profit by location

Pharmacy business models also differ by location type. Table 4 compares turnover, margins, expenses and profitability measures for pharmacies located in medical centres, shopping centres and shopping strips.

MEASURES	MEDICAL CENTRE	SHOPPING CENTRE	SHOPPING STRIP
TOTAL TURNOVER	3,242,529	4,900,341	3,396,488
TOTAL GROSS PROFIT	1,034,341	1,644,518	1,113,830
TOTAL GROSS PROFIT %	31.9%	33.6%	32.8%
OTHER INCOME	49,517	62,351	48,313
OTHER INCOME %	1.5%	1.3%	1.4%
GROSS PROFIT & OTHER INCOME	1,083,858	1,706,868	1,162,144
GROSS PROFIT & OTHER INCOME %	33.4%	34.8%	34.2%
DISPENSARY SALES	2,335,542	2,998,962	2,321,839
DISPENSARY SALES %	72.0%	61.2%	68.4%
RETAIL & OTC SALES	786,811	1,747,056	956,390
RETAIL & OTC SALES %	24.3%	35.7%	28.2%
SERVICES AND PROGRAMS INCOME %	70,659	91,972	69,945
SERVICES AND PROGRAMS INCOME %	2.2%	1.9%	2.1%
TOTAL PHARMACY SALES	3,193,012	4,837,991	3,348,175
TOTAL PHARMACY SALES %	98.5%	98.7%	98.6%
COST OF GOODS SOLD	2,158,671	3,193,473	2,234,345
COST OF GOODS SOLD %	66.6%	65.2%	65.8%
SALARIES AND WAGES	416,305	627,216	438,042
SALARIES AND WAGES %	12.8%	12.8%	12.9%
RENT	95,349	230,006	88,830
RENT %	2.9%	4.7%	2.6%
DEPRECIATION	8,186	21,556	13,221
DEPRECIATION %	0.3%	0.4%	0.4%
INTEREST PAID	32,886	77,812	87,082
INTEREST PAID %	1.0%	1.6%	2.6%
TOTAL EXPENSES	629,380	1,166,082	694,285
TOTAL EXPENSES %	19.4%	23.8%	20.4%
TOTAL INCOME	454,477	540,787	467,858
LESS PROPRIETORS SALARY	137,890	137,890	137,890
NET PROFIT/LOSS	316,587	402,897	329,968
EBITDA	357,660	502,264	430,272
TOTAL ASSETS	2,114,024	2,847,637	2,389,427
TOTAL LIABILITIES	880,750	2,048,139	1,555,658
NET ASSETS	1,233,274	799,498	833,769

All percentages expressed as a percentage of Total Pharmacy Turnover.

* Results for pharmacies in isolated locations and hospitals are unavailable due to low sample size

* Results for medical centres should be viewed with caution due to low sample size

* Results for programs income, other incomes, depreciation, and interest paid should be viewed with caution due to low sample size



Financial performance A closer look

Turnover

In 2023–24, total turnover per pharmacy (in real terms) continued the downward trend from the previous year, decreasing slightly by 1.2%. Dispensary sales remained the largest component of pharmacy

turnover, accounting for 65.5%, while retail and over-the-counter sales contributed 30.4%. The remaining 4.1% of turnover consisted of other income, including professional services.

Chart 4 — Total turnover in real terms, 1998–99 to 2023–24

Total pharmacy turnover has fluctuated over the past three decades. Chart 4 shows how turnover in real terms has trended over time, including the slight decline recorded in 2023–24.

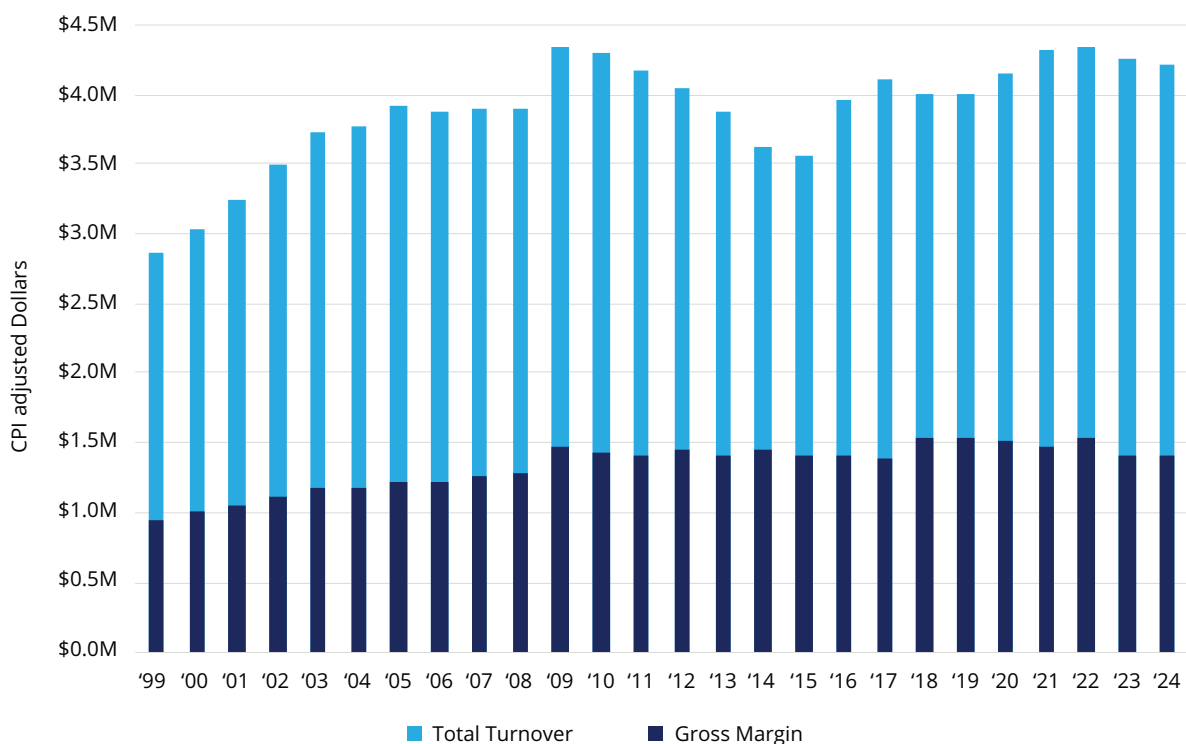


Chart 5 — Pharmacy turnover by category, 2023-24

Pharmacy turnover continues to be driven primarily by dispensary sales. Chart 5 illustrates the sales composition for 2023–24 across dispensary, retail/OTC and other income categories.

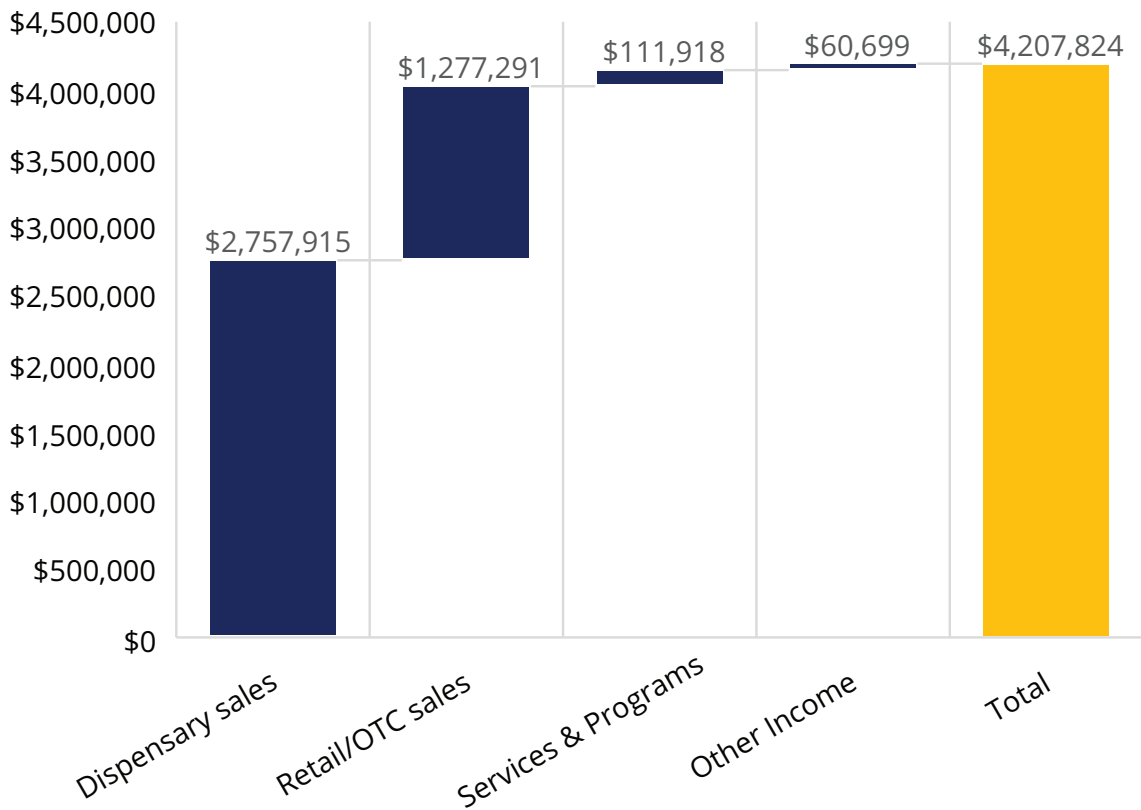
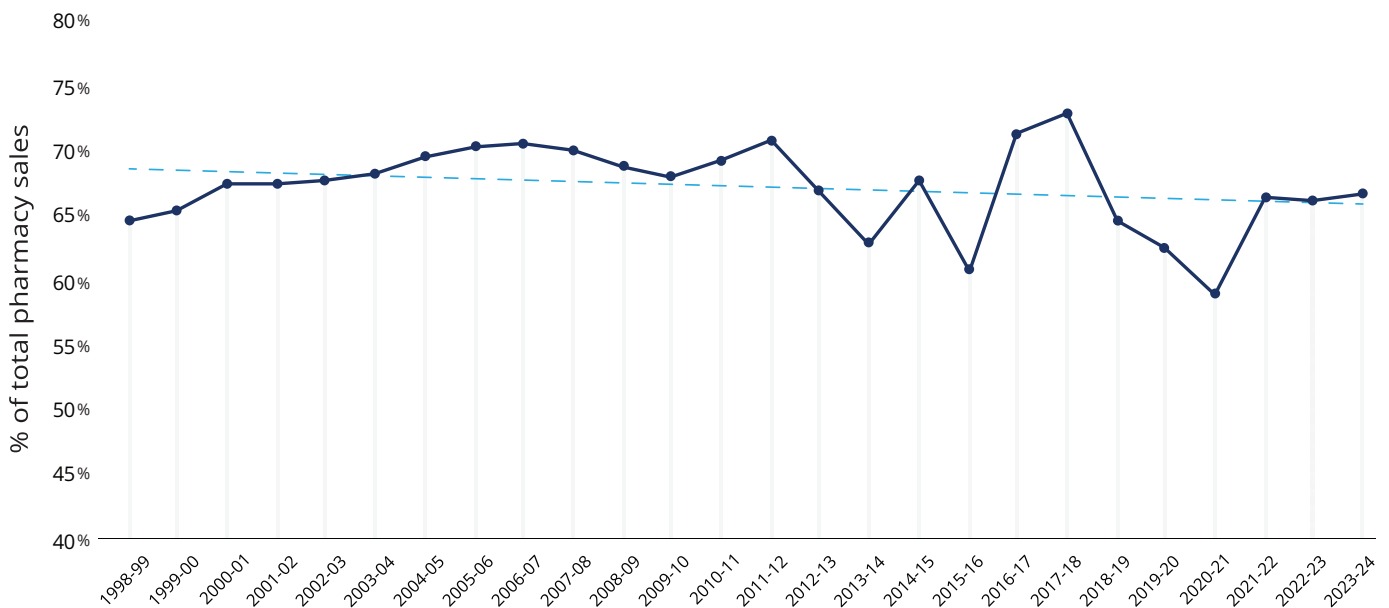


Chart 6 — Prescription sales as a % of total pharmacy sales

The share of turnover derived from prescriptions has remained relatively stable over recent years. Chart 6 shows the trend in prescription sales as a proportion of total pharmacy sales over time.



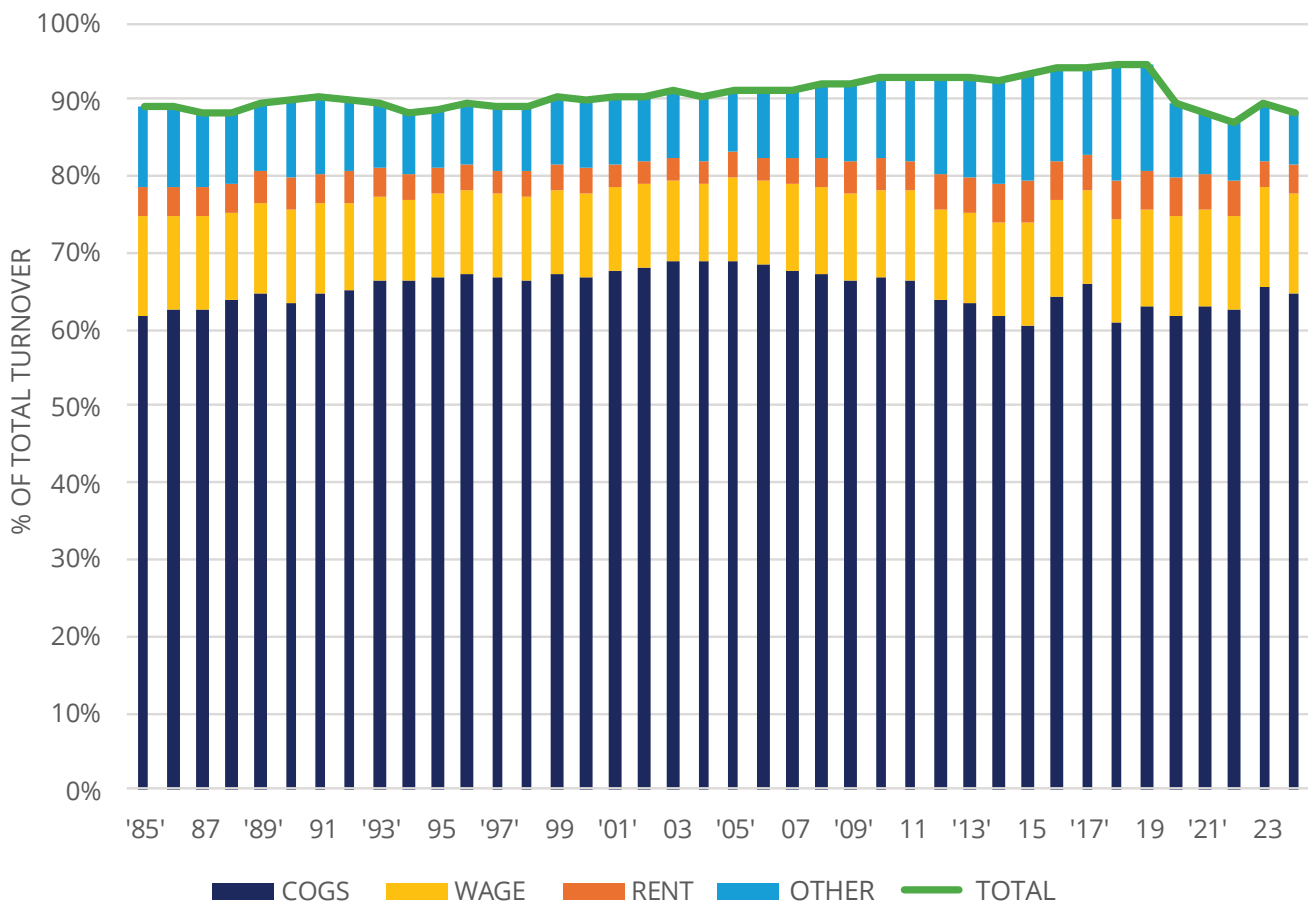
Expenses

In 2023–24, the cost of goods sold (COGS) remained the largest component of total expenses for community pharmacies, accounting for 64.9% of total turnover — slightly lower than the 65.5% recorded in 2022–23. Salaries and wages remained the second-largest expense category at 12.9% of total turnover,

consistent with the previous year. Rent accounted for 3.6% of turnover, also broadly unchanged from 2022–23. Logistics expenses continued to represent only a small proportion of turnover, at 0.3%.

Chart 7 — Expenses as % of total turnover

Expenses remained stable across major categories in 2023–24. Chart 7 shows the breakdown of key expense components as a proportion of total turnover.



Financial benchmarks

Profitability indicators continued their historical trend in 2023–24, with net profit (before tax) increasing to 8.46% of total pharmacy sales, up from 7.54% in 2022–23. Average remuneration per script also

increased, reflecting the return of 7CPA indexation to full CPI and contributing to stronger overall financial performance.

Chart 8 — Net profit/loss (before tax) as a percentage of total pharmacy sale

Net profit (before tax) increased in 2023–24, continuing the upward trend since 2018-19. Chart 8 presents net profit as a percentage of total pharmacy sale from 1990-91 to 2023-24.

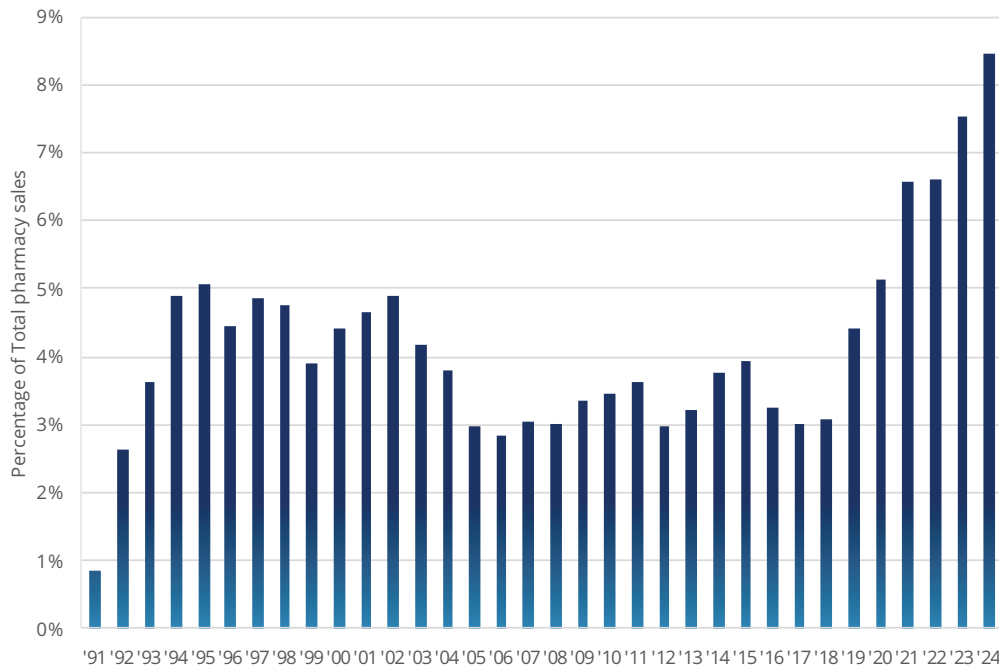
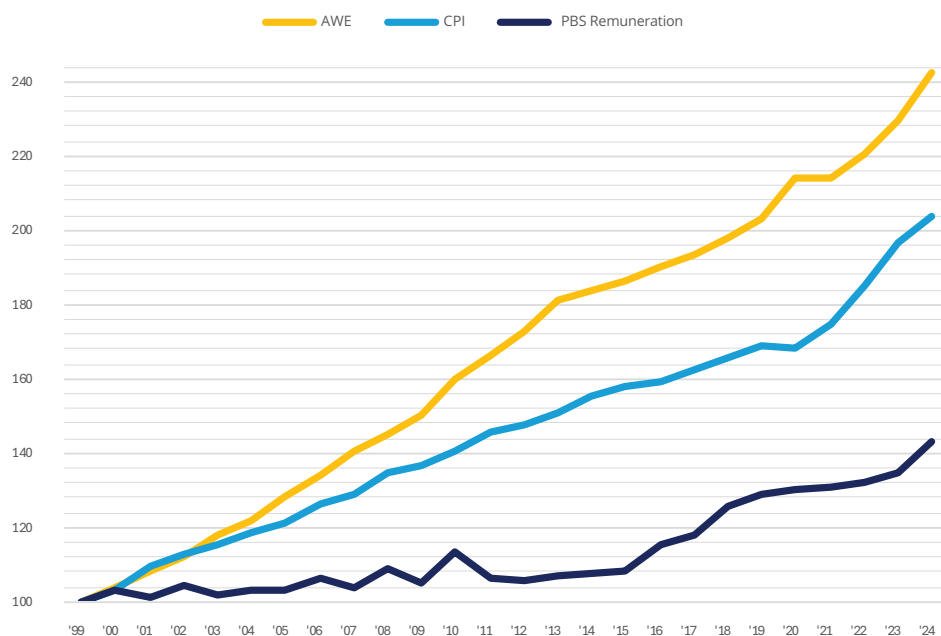


Chart 9 — Index of average remuneration

Average remuneration per script increased in 2023–24 following the return of full CPI indexation under 7CPA. Chart 9 illustrates remuneration trends over time.



Staffing and operating hours

Staffing levels and pharmacy operating hours influence resourcing, accessibility and overall business performance. The tables below summarise key staffing patterns and opening hours in 2023–24.

Table 5 — Pharmacy staff numbers and average weekly hours worked

Table 5 outlines the average staffing mix and hours worked across proprietors, pharmacists, managers and other staff.

STAFF TYPE	MEASURE	LOWER QUARTILE	AVERAGE	UPPER QUARTILE
PROPRIETORS	Number of staff	1.0	2.3	3.0
PROPRIETORS	Hours worked	18.8	25.3	32.8
MANAGERS	Number of staff	1.0	1.3	1.0
MANAGERS	Hours worked	35.3	37.9	40.0
PHARMACISTS	Number of staff	1.0	2.3	3.0
PHARMACISTS	Hours worked	21.3	29.1	34.3
OTHER STAFF	Number of staff	7.0	12.5	15.0
OTHER STAFF	Hours worked	19.5	28.0	37.9
TOTAL	Number of staff	10.0	18.3	22.0
TOTAL	Hours worked	21.2	28.5	36.8

* Includes Full-Time, Part-Time and Casual workers

* Due to rounding, some totals may not correspond with the sum of the figures in each column

* All results in this table should be viewed with caution due to low sample size

Table 6 — Pharmacy opening hours by State/Territory

Table 6 shows opening hours by jurisdiction, including lower quartile, average and upper quartile trading hours.

STATE/TERRITORY	LOWER QUARTILE	AVERAGE	UPPER QUARTILE
NSW	48.0	59.9	65.0
VIC	48.0	57.4	65.0
QLD	52.0	60.7	63.0
SA	50.0	59.4	64.0
WA	60.3	71.4	82.0
TAS	46.0	50.5	52.8
ACT	60.5	63.3	69.0
NATIONAL AVERAGE	49.0	59.0	66.0

* Results for NT is unavailable due to low sample size

Table 7 — Pharmacy opening hours by pharmacy location

Table 7 compares opening hours for pharmacies located in medical centres, shopping centres and shopping strips.

LOCATION	LOWER QUARTILE	AVERAGE	UPPER QUARTILE
MEDICAL CENTRE	49.3	62.9	66.5
SHOPPING CENTRE	57.0	63.5	67.0
SHOPPING STRIP	47.0	54.9	59.8
NATIONAL AVERAGE	49.0	59.0	66.0

* Results for pharmacies in isolated location and hospitals are unavailable due to low sample size

Financial performance: Trends over the past decade

This section outlines key financial trends over the past decade, highlighting how the operating environment for community pharmacies has evolved.

There have been ongoing changes in the pharmacy landscape over the past 10 years, driven by regulatory settings, remuneration structures and increasing competition. The sector has also seen steady growth in large banner group pharmacies and greater competitive pressure both within and outside the industry.

Industry turnover has grown at a compound annual growth rate (CAGR) of 4.16% over the past decade, with strong growth beginning in 2016 following a period of decline between 2011 and

2015. Historically, turnover grew at a CAGR of 4.79% between 2019 and 2024, significantly higher than the 3.54% recorded between 2014 and 2019.

Pharmacies continue to operate on relatively small margins, with the average net profit increasing to \$350,640 in 2023–24. However, over the past decade, industry net profit has shown strong momentum, growing at a CAGR of 12.57%.

Total expenses (excluding cost of goods sold) rose slightly to \$988,204 in 2023–24, following a sharp decline in the previous year.

Chart 10 — Historical trends in total turnover and gross profit

Chart 10 shows trends in total turnover and gross profit over the past decade, highlighting stronger growth from 2016 onwards.

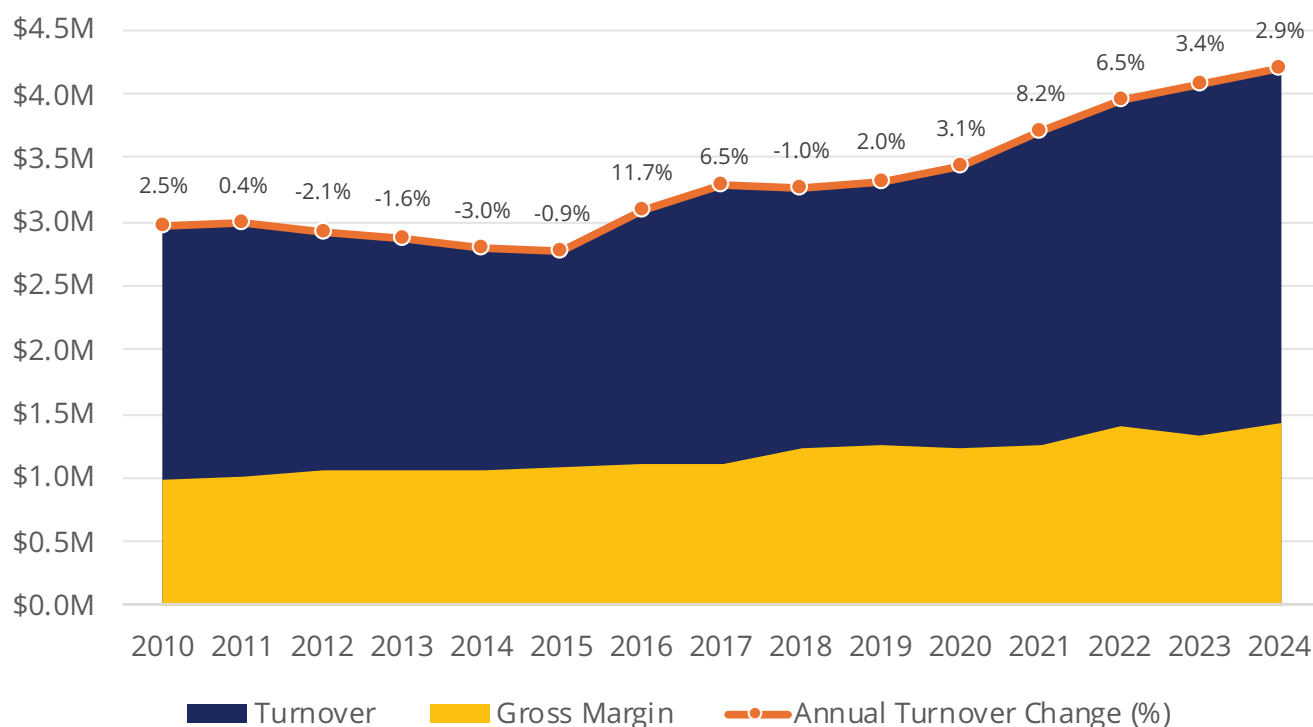


Chart 11 — Historical trend in net profit/loss (before tax)

Chart 11 illustrates changes in net profit (before tax) over time, reflecting both operational pressures and improvements in profitability.

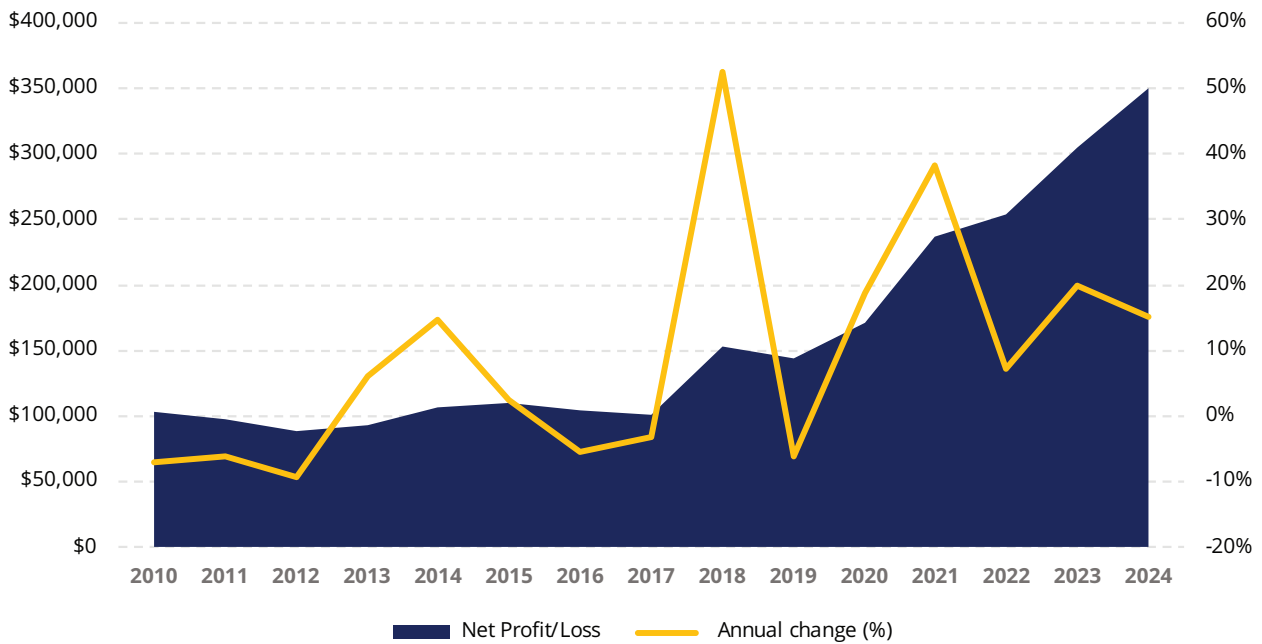
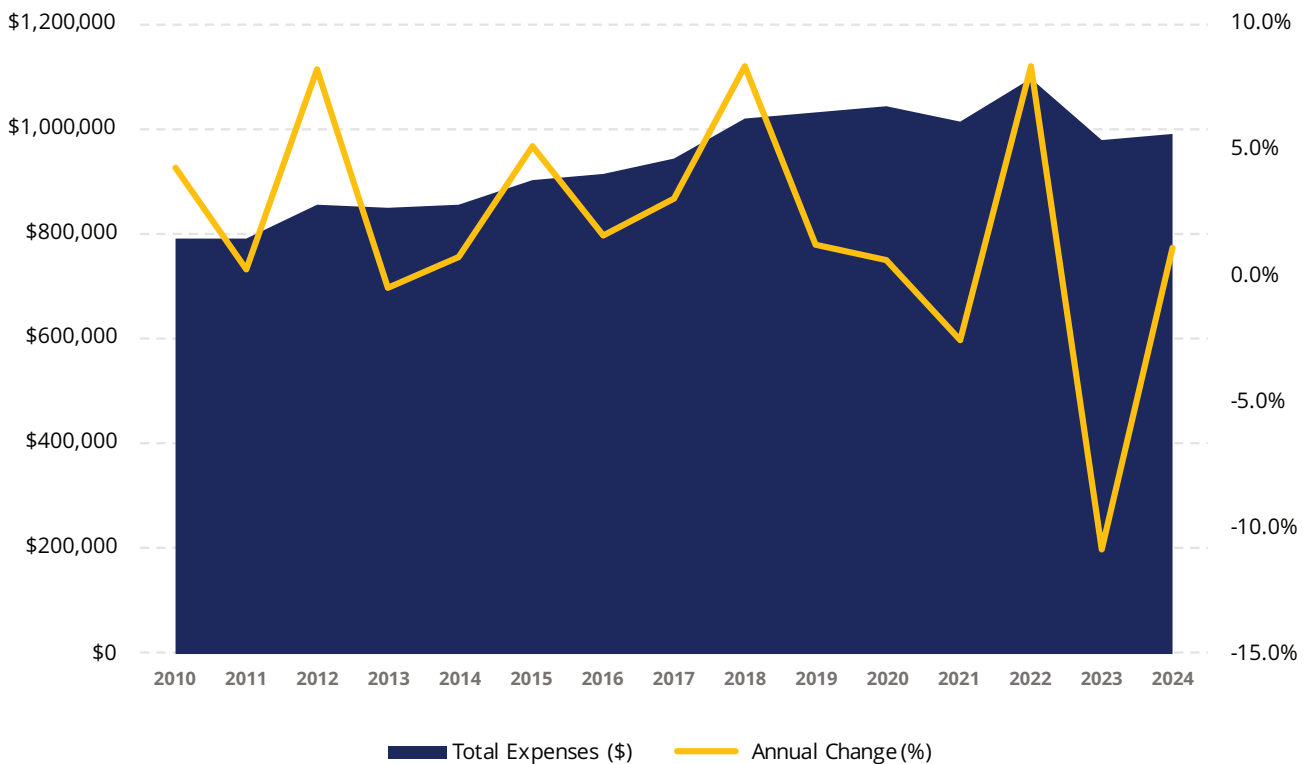


Chart 12 — Historical trend in expenses (excluding cost of goods sold)

Chart 12 shows trends in operating expenses (excluding COGS) over time, including the modest increase recorded in 2023–24.



Historical **statistics:** Structure of Pharmacists' remuneration

Table 8 — PBS Remuneration per prescription

From	To	Professional Fee (\$)	RP ITEMS (\$)	Markup on Wholesale Price (%)	Professional Fee (\$)	EP ITEMS (\$)
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	

Cont. Table 8 — PBS remuneration per prescription

From	To	Professional Fee (\$)	RP ITEMS (\$)	Markup on Wholesale Price (%)	Professional Fee (\$)	EP ITEMS (\$)
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	
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	30 June 2015	6.76		~~	8.80	
1 July 2015	30 June 2016	6.93		~~~	8.97	
1 July 2016	30 June 2017	7.02		~~~	9.06	
1 July 2017	30 June 2018	7.15		~~~	9.19	
1 July 2018	30 June 2019	7.29		~~~	9.33	
1 July 2019	30 June 2020	7.39		~~~	9.43	
1 July 2020	30 June 2021	7.74			9.78	
1 July 2021	30 June 2022	7.78			9.82	
1 July 2022	30 June 2023	7.82			9.86	
1 July 2023	30 June 2024	8.37			10.41	

* 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, 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

~~~ From 1 July 2015, the pharmacy mark-up component of remuneration was replaced by an Administration, Handling & Infrastructure fee.

Approved price to Pharmacist (wholesaler PBS list price) up to \$180.00: \$3.54 per prescription

Approved price to Pharmacist between \$180.00 and \$2,277.21: \$3.49 plus 3.5% of the amount by which the price exceeds \$180.00

Approved price to pharmacist is \$2,277.21 or above: \$70.00.

**Table 9 – Changes in the level of patient contribution**

| Date of Change | Amount general | Percentage of average cost of general above-co-payment prescription | Percentage of general prescriptions that are government-subsidised | Amount concessional | Percentage of average cost of concessional |
|----------------|----------------|---------------------------------------------------------------------|--------------------------------------------------------------------|---------------------|--------------------------------------------|
| 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                                                                  | 28                                                                 | \$5.90              | 15                                         |
| January 2014   | MAX \$36.90    | 35                                                                  | 23                                                                 | \$6.00              | 16                                         |
| January 2015   | MAX \$37.70    | 31                                                                  | 19                                                                 | \$6.10              | 17                                         |
| January 2016   | MAX \$38.30    | 21                                                                  | 17                                                                 | \$6.20              | 19                                         |
| January 2017   | MAX \$38.80    | 24                                                                  | 15                                                                 | \$6.30              | 16                                         |
| January 2018   | MAX \$39.50    | 25                                                                  | 16                                                                 | \$6.40              | 16                                         |
| January 2019   | MAX \$40.30    | 25                                                                  | 16                                                                 | \$6.50              | 17                                         |
| January 2020   | MAX \$41.30    | 24                                                                  | 16                                                                 | \$6.60              | 17                                         |
| January 2021   | MAX \$42.50    | 24                                                                  | 16                                                                 | \$6.80              | 17                                         |
| January 2022   | MAX \$42.50    | 22                                                                  | 17                                                                 | \$6.80              | 16                                         |
| January 2023   | MAX \$30.00    | 11                                                                  | 19                                                                 | \$7.30              | 13                                         |
| January 2024   | MAX \$31.60    | 11                                                                  | 20                                                                 | \$7.70              | 12                                         |

**Table 10. PBS remuneration per prescription**

| YEAR    | AVERAGE PRICE PER PRESCRIPTION (\$) |    | MARKUP* (\$) |    | AVERAGE PROFESSIONAL FEE (\$) | AVERAGE OTHER FEES*** (\$) | TOTAL REMUNERATION (\$) | REMUNERATION AS % OF AVERAGE PRICE | ANNUAL VOLUME OF PRESCRIPTIONS (000) |
|---------|-------------------------------------|----|--------------|----|-------------------------------|----------------------------|-------------------------|------------------------------------|--------------------------------------|
| 1987/88 | 10.37                               | ee | 1.57         |    | 2.53                          |                            | 4.10                    | 39.54                              | 100,901                              |
| 1988/89 | 11.51                               | ee | 1.78         |    | 2.64                          |                            | 4.42                    | 38.40                              | 100,586                              |
| 1989/90 | 12.54                               | ee | 1.99         |    | 2.57                          |                            | 4.56                    | 36.40                              | 104,979                              |
| 1990/91 | 13.82                               | ee | 1.84         |    | 2.84                          |                            | 4.68                    | 33.86                              | 96,300                               |
| 1991/92 | 15.46                               | ee | 1.10         | ** | 3.43                          |                            | 4.53                    | 29.30                              | 94,121                               |
| 1992/93 | 16.78                               | ee | 1.20         |    | 3.60                          |                            | 4.79                    | 28.55                              | 105,953                              |
| 1993/94 | 18.18                               | ee | 1.31         |    | 3.85                          |                            | 5.16                    | 28.38                              | 115,041                              |
| 1994/95 | 19.71                               | ee | 1.43         |    | 4.06                          |                            | 5.49                    | 27.85                              | 118,046                              |
| 1995/96 | 21.49                               | ee | 1.57         |    | 4.27                          |                            | 5.84                    | 27.18                              | 124,205                              |
| 1996/97 | 23.19                               | ee | 1.72         |    | 4.29                          |                            | 6.01                    | 25.92                              | 123,434                              |
| 1997/98 | 24.88                               | ee | 1.87         |    | 4.34                          |                            | 6.21                    | 24.96                              | 124,483                              |
| 1998/99 | 26.38                               | ee | 1.95         |    | 4.34                          |                            | 6.29                    | 23.84                              | 128,348                              |
| 1999/00 | 27.82                               | ee | 2.07         |    | 4.39                          |                            | 6.46                    | 23.23                              | 137,585                              |
| 2000/01 | 30.86                               | ee | 2.34         |    | 4.44                          |                            | 6.78                    | 21.96                              | 147,571                              |
| 2001/02 | 32.32                               | ee | 2.46         |    | 4.53                          |                            | 6.99                    | 21.62                              | 154,530                              |
| 2002/03 | 34.28                               | ee | 2.62         |    | 4.62                          |                            | 7.24                    | 21.13                              | 158,548                              |
| 2003/04 | 35.84                               | ee | 2.68         |    | 4.66                          |                            | 7.34                    | 20.48                              | 165,435                              |
| 2004/05 | 37.30                               | ee | 2.79         |    | 4.70                          |                            | 7.49                    | 20.08                              | 169,877                              |
| 2005/06 | 38.75                               | ee | 2.88         |    | 4.86                          |                            | 7.74                    | 19.97                              | 167,927                              |
| 2006/07 | 39.35                               | ee | 2.86         |    | 5.22                          |                            | 8.08                    | 20.53                              | 168,536                              |
| 2007/08 | 41.54                               | ee | 2.95         |    | 5.50                          |                            | 8.45                    | 20.34                              | 171,296                              |
| 2008/09 | 43.37                               | ee | 3.42         | ** | 5.97                          | 0.85                       | 10.30                   | 23.75                              | 181,836                              |
| 2009/10 | 45.47                               | ee | 3.57         |    | 6.42                          | 1.04                       | 11.10                   | 24.41                              | 183,911                              |
| 2010/11 | 46.18                               | ee | 3.57         |    | 6.42                          | 0.68                       | 10.74                   | 23.25                              | 188,144                              |
| 2011/12 | 45.59                               | ee | 3.47         |    | 6.42                          | 0.71                       | 10.68                   | 23.42                              | 194,898                              |
| 2012/13 | 42.90                               | ee | 3.22         |    | 6.52                          | 0.85                       | 10.67                   | 24.88                              | 211,407                              |
| 2013/14 | 41.68                               | ee | 3.07         |    | 6.63                          | 0.95                       | 10.74                   | 25.77                              | 214,526                              |
| 2014/15 | 40.05                               | ee | 2.75         |    | 6.76                          | 1.03                       | 10.64                   | 26.56                              | 215,406                              |
| 2015/16 | 37.75                               | ee | 3.82         |    | 6.93                          | 0.51                       | 11.37                   | 30.13                              | 214,384                              |
| 2016/17 | 40.68                               |    | 3.91         |    | 7.02                          | 0.59                       | 11.64                   | 28.62                              | 209,283                              |
| 2017/18 | 48.45                               |    | 4.47         |    | 7.15                          | 0.62                       | 12.36                   | 25.52                              | 210,388                              |
| 2018/19 | 47.22                               |    | 4.57         |    | 7.29                          | 0.72                       | 12.69                   | 26.88                              | 210,776                              |
| 2019/20 | 48.78                               |    | 4.42         |    | 7.39                          | 0.74                       | 12.67                   | 25.98                              | 208,051                              |
| 2020/21 | 49.91                               |    | 5.15         |    | 7.74                          | 0.00                       | 13.12                   | 26.29                              | 217,956                              |
| 2021/22 | 53.45                               |    | 5.24         |    | 7.78                          | 0.00                       | 13.21                   | 24.72                              | 218,972                              |
| 2022/23 | 80.94                               |    | 5.48         |    | 7.82                          | 0.00                       | 13.30                   | 16.43                              | 230,249                              |

\* 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.

ee® Not adjusted for General category items under the maximum patient contribution.

Excludes Doctor's Bag items.

# Population to pharmacy ratios

**Table 11.** 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                     |
| 2015           | 23,714,300   | 5,511                | 4,303                     |
| 2016           | 24,123,900   | 5,587                | 4,318                     |
| 2017           | 24,594,400   | 5,665                | 4,341                     |
| 2018           | 24,992,400   | 5,723                | 4,367                     |
| 2019           | 25,364,300   | 5,762                | 4,402                     |
| 2020           | 25,687,041   | 5,822                | 4,412                     |
| 2021           | 25,688,079   | 5,875                | 4,372                     |
| 2022           | 26,013,061   | 5,901                | 4,408                     |
| 2023           | 26,638,544   | 5,935                | 4,488                     |
| 2024           | 27,204,809   | 5,977                | 4,552                     |

**Table 12 – Population to pharmacy ratios by State or Territory**

| STATE OR TERRITORY | 30 JUNE 2023      |                      |                       | 30 JUNE 2024      |                      |                       | % CHANGE IN POPULATION TO PHARMACY RATIOS |
|--------------------|-------------------|----------------------|-----------------------|-------------------|----------------------|-----------------------|-------------------------------------------|
|                    | POPULATION ('000) | NUMBER OF PHARMACIES | POPULATION / PHARMACY | POPULATION ('000) | NUMBER OF PHARMACIES | POPULATION / PHARMACY |                                           |
| NSW                | 8,339             | 1,916                | 4,352                 | 8,484             | 1,917                | 4,426                 | 1.7%                                      |
| VIC                | 6,813             | 1,415                | 4,814                 | 6,981             | 1,425                | 4,899                 | 1.8%                                      |
| QLD                | 5,459             | 1,203                | 4,538                 | 5,586             | 1,222                | 4,571                 | 0.7%                                      |
| SA                 | 1,852             | 469                  | 3,948                 | 1,878             | 471                  | 3,987                 | 1.0%                                      |
| WA                 | 2,879             | 652                  | 4,415                 | 2,965             | 660                  | 4,493                 | 1.8%                                      |
| TAS                | 573               | 158                  | 3,625                 | 575               | 159                  | 3,619                 | -0.2%                                     |
| NT                 | 253               | 42                   | 6,012                 | 255               | 43                   | 5,933                 | -1.3%                                     |
| ACT                | 467               | 80                   | 5,835                 | 474               | 80                   | 5,926                 | 1.6%                                      |
| <b>AUS*</b>        | <b>26,639</b>     | <b>5,935</b>         | <b>4,488</b>          | <b>27,205</b>     | <b>5,977</b>         | <b>4,552</b>          | <b>1.7%</b>                               |

\*National population value includes Other Territories and will not equal the sum of state populations.  
Sources: PBS Expenditure and Prescriptions Report and Australian Bureau of Statistics

**Table 13 – Pharmacies dispensing pharmaceutical benefits by State and Territory 2013-2024**

| STATE OR TERRITORY | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022        | 2023         | 2024         |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|
| NSW                | 1,794        | 1,820        | 1,831        | 1,853        | 1,864        | 1,878        | 1,886        | 1,895        | 1,912        | 1916        | 1,916        | 1,917        |
| VIC                | 1,247        | 1,282        | 1,299        | 1,317        | 1,346        | 1,360        | 1,369        | 1,389        | 1,403        | 1407        | 1,415        | 1,425        |
| QLD                | 1,070        | 1,088        | 1,100        | 1,118        | 1,130        | 1,138        | 1,151        | 1,167        | 1,187        | 1191        | 1,203        | 1,222        |
| SA                 | 432          | 439          | 439          | 448          | 454          | 454          | 459          | 460          | 459          | 463         | 469          | 471          |
| WA                 | 556          | 574          | 584          | 591          | 611          | 623          | 626          | 636          | 639          | 647         | 652          | 660          |
| TAS                | 146          | 148          | 149          | 150          | 149          | 153          | 153          | 155          | 155          | 155         | 158          | 159          |
| NT                 | 33           | 33           | 34           | 35           | 36           | 39           | 40           | 40           | 40           | 42          | 42           | 43           |
| ACT                | 72           | 72           | 74           | 75           | 75           | 78           | 78           | 80           | 80           | 80          | 80           | 80           |
| <b>AUS</b>         | <b>5,350</b> | <b>5,456</b> | <b>5,510</b> | <b>5,587</b> | <b>5,665</b> | <b>5,723</b> | <b>5,762</b> | <b>5,822</b> | <b>5,875</b> | <b>5901</b> | <b>5,935</b> | <b>5,977</b> |

**Table 14 – Price and earning indices**

| YEAR    | CONSUMER PRICE INDEX (A) |          |                 |          | AVERAGE WEEKLY EARNINGS (B) |          |
|---------|--------------------------|----------|-----------------|----------|-----------------------------|----------|
|         | ALL GROUPS               |          | PHARMACEUTICALS |          | \$ AMOUNT                   | % CHANGE |
|         | INDEX                    | % CHANGE | INDEX           | % CHANGE |                             |          |
| JUNE 88 | 49.30                    | 7.17     | 56.00           | 9.38     | -                           |          |
| JUNE 89 | 53.00                    | 7.51     | 59.10           | 5.54     | -                           |          |
| JUNE 90 | 57.10                    | 7.74     | 62.30           | 5.41     | -                           |          |
| JUNE 91 | 59.00                    | 3.33     | 66.00           | 5.94     | -                           |          |
| JUNE 92 | 59.70                    | 1.19     | 67.70           | 2.58     | -                           |          |
| JUNE 93 | 60.80                    | 1.84     | 69.40           | 2.51     | -                           |          |
| JUNE 94 | 61.90                    | 1.81     | 70.80           | 2.02     | -                           |          |
| JUNE 95 | 64.70                    | 4.52     | 72.80           | 2.82     | 548.90                      |          |
| JUNE 96 | 66.70                    | 3.09     | 75.20           | 3.30     | 565.50                      | 3.02     |
| JUNE 97 | 66.90                    | 0.30     | 78.80           | 4.79     | 578.10                      | 2.23     |
| JUNE 98 | 67.40                    | 0.75     | 79.40           | 0.76     | 596.00                      | 3.10     |
| JUNE 99 | 68.10                    | 1.10     | 78.90           | -0.63    | 610.40                      | 2.42     |
| JUNE 00 | 70.20                    | 3.08     | 79.60           | 0.89     | 633.80                      | 3.83     |
| JUNE 01 | 74.50                    | 6.13     | 82.90           | 4.15     | 660.30                      | 4.18     |
| JUNE 02 | 76.60                    | 2.82     | 83.80           | 1.09     | 683.80                      | 3.56     |
| JUNE 03 | 78.60                    | 2.61     | 86.30           | 2.98     | 721.40                      | 5.50     |
| JUNE 04 | 80.60                    | 2.54     | 88.40           | 2.43     | 741.40                      | 2.77     |
| JUNE 05 | 82.60                    | 2.48     | 92.90           | 5.09     | 784.20                      | 5.77     |
| JUNE 06 | 85.90                    | 4.00     | 95.90           | 3.23     | 819.70                      | 4.53     |
| JUNE 07 | 87.70                    | 2.10     | 97.20           | 1.36     | 858.50                      | 4.73     |
| JUNE 08 | 91.60                    | 4.45     | 98.60           | 1.44     | 885.00                      | 3.09     |
| JUNE 09 | 92.90                    | 1.42     | 101.40          | 2.84     | 918.60                      | 3.80     |
| JUNE 10 | 95.80                    | 3.12     | 102.60          | 1.18     | 977.10                      | 6.37     |
| JUNE 11 | 99.20                    | 3.55     | 103.20          | 0.58     | 1015.20                     | 3.90     |
| JUNE 12 | 100.40                   | 1.21     | 103.80          | 0.58     | 1053.20                     | 3.74     |
| JUNE 13 | 102.80                   | 2.39     | 103.20          | -0.58    | 1105.00                     | 4.92     |
| JUNE 14 | 105.90                   | 3.02     | 104.60          | 1.36     | 1123.00                     | 1.63     |
| JUNE 15 | 107.50                   | 1.51     | 103.10          | -1.43    | 1136.90                     | 1.24     |
| JUNE 16 | 108.60                   | 1.02     | 104.40          | 1.26     | 1160.90                     | 2.11     |
| JUNE 17 | 110.70                   | 1.93     | 104.50          | 0.10     | 1179.00                     | 1.56     |
| JUNE 18 | 113.00                   | 2.08     | 106.20          | 1.63     | 1207.40                     | 2.41     |
| JUNE 19 | 114.80                   | 1.59     | 107.90          | 1.60     | 1237.90                     | 2.53     |
| JUNE 20 | 114.40                   | -0.35    | 110.30          | 2.22     | 1304.70                     | 5.40     |
| JUNE 21 | 118.80                   | 3.80     | 109.30          | -0.91    | 1305.80                     | 0.08     |
| JUNE 22 | 126.10                   | 6.14     | 110.70          | 1.28     | 1344.70                     | 2.98     |
| JUNE 23 | 133.70                   | 6.03     | 112.40          | 1.54     | 1399.10                     | 4.05     |
| JUNE 24 | 138.80                   | 3.81     | 116.10          | 3.29     | 1480.90                     | 5.85     |

(A) Weighted average of eight capital cities. (2011/12 = 100.0).  
 (B) Males and Females.



# Survey methodology

## Sample size and representativeness

After excluding responses with incomplete information, the final number of responses analysed for the main sample was 483 for 2023–24. The current analyses are based on weightings derived from the distribution of Australian pharmacies according to their annual prescription volumes.

Care should be taken when interpreting results for smaller States due to the lower sample size.

Over the past decade, responses have 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: Percentages (for example, salaries as a percentage of revenue) are often more appropriate for benchmarking purposes than raw dollar figures.

## Using the Digest

The Digest is based on a voluntary survey requesting detailed financial information, so non-response is inevitable, and the response rate varied by State. 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.

As the characteristics of responding pharmacies change from one survey to the next—primarily because of the restructuring that has taken place over the past decade—comparability of the main sample data over time may be an issue. Care should therefore be taken when comparing this year's results with previous years. However, even large differences 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 indicate paying the right price for the location or could conceal paying too much for a poor location.

## Profile of Survey Respondents

Survey respondents for 2023–24 varied by remoteness, location type and pharmacy size. The tables below summarise this profile.

**Table 15 - Number of respondents by Modified Monash Model (MMM) and State**

| STATE        | MMM        |           |           |           |           |          |          | NOT REPORTED | TOTAL      |
|--------------|------------|-----------|-----------|-----------|-----------|----------|----------|--------------|------------|
|              | 1          | 2         | 3         | 4         | 5         | 6        | 7        |              |            |
| NSW          | 41         | 3         | 11        | 9         | 29        | 0        | 1        | 22           | 116        |
| VIC          | 90         | 11        | 9         | 14        | 23        | 0        | 0        | 4            | 151        |
| QLD          | 23         | 12        | 1         | 2         | 2         | 1        | 4        | 47           | 92         |
| SA           | 7          | 0         | 1         | 0         | 1         | 0        | 0        | 60           | 69         |
| WA           | 7          | 0         | 3         | 0         | 3         | 0        | 0        | 4            | 17         |
| TAS          | 0          | 5         | 3         | 0         | 4         | 0        | 0        | 1            | 13         |
| ACT          | 24         | 0         | 0         | 0         | 1         | 0        | 0        | 0            | 25         |
| <b>Total</b> | <b>192</b> | <b>31</b> | <b>28</b> | <b>25</b> | <b>63</b> | <b>1</b> | <b>5</b> | <b>138</b>   | <b>483</b> |

*NT is excluded as no survey responses were received.*

**Table 16 - Location characteristics of sample**

| Location        | NSW        | VIC        | QLD       | SA        | WA        | TAS       | ACT       | Total      |
|-----------------|------------|------------|-----------|-----------|-----------|-----------|-----------|------------|
| MEDICAL CENTRE  | 4          | 5          | 9         | 7         | 1         | 0         | 0         | 26         |
| SHOPPING CENTRE | 37         | 36         | 30        | 27        | 3         | 3         | 1         | 137        |
| SHOPPING STRIP  | 36         | 104        | 12        | 3         | 4         | 6         | 1         | 166        |
| OTHERS          | 39         | 6          | 41        | 32        | 9         | 4         | 23        | 154        |
| <b>TOTAL</b>    | <b>116</b> | <b>151</b> | <b>92</b> | <b>69</b> | <b>17</b> | <b>13</b> | <b>25</b> | <b>483</b> |

**Table 17 - Pharmacy size (m2) by State/Territory**

| STATE / TERRITORY       | 2022-23      | 2023–24      |
|-------------------------|--------------|--------------|
| NSW                     | 210.2        | 219.3        |
| VIC                     | 255.8        | 262.1        |
| QLD                     | 224.7        | 259.8        |
| SA                      | 224.3        | 225.8        |
| WA                      | 262.6        | 279.6        |
| TAS                     | 182.4        | 211.2        |
| ACT                     | 162.7        | 210.0        |
| <b>NATIONAL AVERAGE</b> | <b>237.7</b> | <b>245.9</b> |

*NT is excluded as no survey responses were received.*



# Definitions

**Total Pharmacy Sales:** Relate to the sale of all products (both prescription and retail) for which goods were purchased at wholesale for the purpose of resale at a profit. It excludes services income, government payments such as rural allowances, commissions, agency fees, dividends and the disposal of assets.

**Cost of Goods Sold:** Refers to purchases of goods for resale at a profit.

**Gross Profit:** Sales less cost of goods sold.

**Gross (Profit) Margin:** Gross profit divided by sales.

**Other Income:** 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.

**Gross Margin plus Other Income:** The arithmetic total of gross margin and other income, representing the total gross margin from trading.

**Total Turnover:** The arithmetic total of sales and other income; all expenses are expressed as a percentage of total turnover, not sales, since a portion of all expenses is also incurred in earning other income.

**Salaries and Wages:** Include wages paid to all staff and locums but exclude proprietors' earnings (since the latter are represented by proprietors' notional salary).

**Expenses:** Costs incurred by the ordinary activity of the business.

**Total Income:** Calculated by subtracting total expenses and cost of goods sold from total revenue; it refers to the trading profit of the pharmacy, which may involve several partners.

**Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA):** Reflects net income before interest, taxes, depreciation and amortisation expenses are deducted.

**Proprietors' Notional Salary:** A notional estimate of a reasonable professional salary for hours worked in the pharmacy. 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 they would otherwise receive for a similar effort as a manager.

Accordingly, 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.

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.

The corresponding percentage is expressed as a per cent of total revenue.

**Full-Time-Equivalent:** A notional rate which should be interpreted in the particular circumstances of individual pharmacies. It is derived simply by dividing the total hours worked by 38 (the normal award hours), irrespective of the number of hours worked by each partner.

**Net Profit/Loss:** 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. The corresponding percentage is expressed as a per cent of total revenue.

**Prescriptions:** Refers to all prescription sales, including 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.

**Retail Sales:** Includes all retail sales, but excludes other income.

**OTC Sales:** Includes all OTC sales, but excludes other income.

**All Other Sales:** Includes all other sales, but excludes other income.

**Stock Turn:** The cost of goods sold in a given year, divided by the mathematical 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.

**Funds Retained in Business:** These are necessary to refinance inflation-affected inventories, to replace fixtures and other capital equipment, and to manage cash flow. This figure is calculated as 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.

All financial values are exclusive of GST.



**The Pharmacy  
Guild of Australia**

15 National Circuit, Barton ACT 2600

**P** +61 2 6270 1888 / **F** +61 2 62701800 / **guild.org.au**