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# 2004 GUILD DIGEST

A survey of independent pharmacy operations in Australia  
financial year 2002-03

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## MISSION STATEMENT

The Pharmacy Guild of Australia is an employers' organisation servicing the needs of proprietors of independent community pharmacies and exists for the protection and betterment of its members and to maintain community pharmacies as the most appropriate primary providers of health care to the community through optimum therapeutic use of drugs, drug management and related services.

This is achieved by:

- operating in an efficient and effective manner and by preserving and maintaining the resources of its members
- providing for the membership strong leadership, effective communication and a high level of representation on all matters in respect of the best interests of members
- monitoring changes in the market place in order to advise members how to maintain or improve business profitability and their professional standing in the community, and
- promoting to the government, the industry and the community the value of the community pharmacist in the health care system.

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# FOREWORD

This year marks the 32<sup>nd</sup> edition of the Guild Digest. The *2004 Digest* presents a snapshot of pharmacy operations in Australia for the financial year 2002-03. 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 dynamic and efficient industry. Practising as health care professionals in a commercial environment places pharmacists in a unique category of service providers in the community. Combining their professional and business 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 two highest ranking custodians of community trust and confidence.

Reporting in the third year of the current Agreement and buoyed by strong household consumption and consumer confidence, community pharmacy recorded a healthy growth of 9.6%. However, the growth in sales masks two underlying trends. The cost of goods sold again grew at a much faster rate, resulting in further erosion of the Gross Margin to 31.2%. Even in dollar terms, any increase in Gross Margins was almost entirely consumed by increases in overheads – total expenses grew by 9.3%. The second trend relates to the performance of the non-Prescription sector. While this sector also posted a respectable increase of 8%, the results again highlight pharmacy's increasing reliance on the Dispensary. The Dispensary to Sales ratio continued the trend upwards ending the year at 67.6%.

Here are the key features of Australian community pharmacy:

- ✚ Community pharmacy is a \$10.5 billion health industry, including \$7.0 billion in prescription sales per year;
- ✚ Community pharmacies dispense 230 million prescriptions annually, including 174.4 million PBS/RPBS subsidised prescriptions;
- ✚ Total Dispensary Sales represent around 67.6% of all sales through pharmacies;
- ✚ The average community pharmacy dispenses 46,825 prescriptions per year; and
- ✚ There are now 4,907 community pharmacies, each serving on average a community of 4,026 people across Australia.

In line with our commitment to respond to the changing information requirements of members, the *2004 Digest* has undergone further refinements to provide more meaningful comparisons to the full gamut of pharmacy operations. And continuing the digital evolution, the 2004 edition is again published entirely in digital format. The

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*2004 Digest CD* complements the internet-based *Guild Digest On-line* and the *Guild Digest Interactive*. Together, they offer a formidable benchmarking tool chest. Improvements continue with the aim of delivering high standard benchmark comparisons, particularly with the requirements of respondents in mind.

Interest in the Digest remains encouragingly high notwithstanding respondents' more immediate priorities to deal with the challenges of running busy pharmacies. The analyses contained in the *2004 Digest* are based largely on the sample of over 530 participants, the highest response rate since 1985!

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

The Guild also recognises the growing 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 **Johnstone Rorke Pharmacy Services, Saccasan Bailey Partners, Smith Peacock & Henshaw, Marshall Michael**, and their pharmacy clients.

Special thanks are also extended to National Secretariat staff and, in particular, to Stephen Armstrong and Wendy Ellison for their tireless and outstanding work in the preparation of this unique publication.

**VASKEN T DEMIRIAN**  
**ECONOMIC ANALYSIS & IT**

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# THE YEAR IN PHARMACY 2002-03

This edition of the Digest coincides with the third year of operation under the Third Guild/-Government Agreement which came into effect on 1 July 2000.

The first Guild/Minister Agreement, spanning the five year period from 1991 to 1995, set the frame for what is widely acknowledged as one of the shining models of successful micro-economic reform of the past decade.

In the course of that Agreement almost 700 pharmacies closed or amalgamated with others. By June 1995, the number of pharmacies remaining in the industry approached 4,949 (from a base of 5,625 in 1990), and while the number of closures have abated, the long term legacy of restructuring will continue to benefit the industry well into the next century. Importantly, micro-economic reform also provided the impetus for pharmacy staff reclassifications, minimum rates adjustments and the development of training programs and career paths for pharmacy assistants.

Building upon the achievements of the earlier Agreement, the Second Agreement from 1995 to 2000, saw the tentative introduction of a limited range of professional services offered by pharmacists in residential care contexts, paving the way to the raft of professional services recognised under the Third Agreement.

In the wider context, the comparatively strong Australian economy continued to outperform nearly all industrialised economies and continued to grow during 2002-03 in terms of all major indicators. The conditions would have impacted favourably on pharmacy along with other small business.

Supported by continued solid growth in employment and income, household consumption posted a healthy growth of 4.1%, matching that of the previous year (3.7%). The Gross Domestic Product continued its robust growth (of around 3%), against the backdrop of struggling outputs in Asian trading partners.

Both business and private investment bounced back with a vengeance while the rate of inflation remained under control within the 2-3% band.

Employment grew marginally resulting in an overall improvement in the Unemployment rate to 6.2% (down from 6.5% in the previous year).

Along with other small businesses, pharmacy was directly influenced by these external economic factors - many positive, some adverse. Among the challenges facing pharmacy were the ongoing implementation issues of the Goods & Services Tax and the Privacy Legislation, while the positives included the commencement of the Third Guild/Government Agreement and the satisfactory conclusion to the COAG Review. The following paragraphs chronicle some of the more significant developments during that period.

## 1. GUILD/GOVERNMENT AGREEMENT III

The third year of the Third Community Pharmacy Agreement saw the continued rollout of programs and further refinement of those already up and running.

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During the year, the second phase of the Medicines Information to Consumers (MIC) program was launched. All eligible pharmacists who registered to take part in the program before 31 December 2002 received a \$1,000 Registration Incentive. Once registered, eligible pharmacists received a Participation Incentive of 10 cents per claimable script. This is claimed by submitting a Certification Statement every two months to HIC. In return, pharmacists promote the program in their pharmacy and hand out CMI's in accordance with PSA guidelines. More than 4,200 pharmacies have registered for the program.

The Guild coordinated a mid-term review of the Agreement. Among other things, the review suggested improvements to increase program uptake, usefulness and effectiveness. Suggestions were made for new programs to be funded using 'unallocated' money under the Agreement. These were considered by the Guild's National Council in June before proceeding to the AMC. The AMC is now working on rolling out and funding these additional programs.

A third professional fee adjustment took effect on 1 July 2003 with pharmacists receiving an additional four cents per ready prepared prescription and seven cents for extemporaneously prepared medicines bringing the level of these fees to \$4.66 and \$6.63 respectively.

## **2. IMPROVED MONITORING OF ENTITLEMENTS (IME)**

Payments to pharmacists for the Improved Monitoring of Entitlements (IME) program - for Medicare card checking - continued during the year at a rate of five cents per claimable prescription. The Government has allocated further funding in its Budget to continue paying pharmacists through the financial year.

Software providers have made changes to dispensary software aimed at improving the checking and recording process in the pharmacy. A second cost review is expected to take place in 2003-04 to review the current funding arrangements. This will determine the ongoing level of payment to pharmacists beyond July 2004.

## **3. GOODS AND SERVICES TAX (GST)**

The Guild's position on the application of GST in the pharmacy sector is unchanged. The only viable and long-term solution, as stated in every discussion and correspondence with the Government over the past three years, is the removal of the GST on these items before they arrive into pharmacies. The removal of the GST at the point of manufacture or at the wholesale level will not only simplify the current processes with respect to these supplies but also with Doctors' Bags, Hospitals and Aged Care facilities. These simplifications will need to be addressed through legislative changes in the New Tax Act.

## **4. MEDICONNECT – BETTER MEDICATION MANAGEMENT SYSTEM**

Earlier this year, the Better Medication Management System (BMMS) underwent a name change in an effort to engage consumers. In all other respects, the core features of *MediConnect* remain unchanged. It is essentially the electronic network which will connect prescribers and community pharmacists in Australia with the aim of improving medication management and ultimately health outcomes for the community.



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The central building block for the system will be the individual patient's medication record and participation by all three major stakeholders (doctors, pharmacists and consumers) will be voluntary, with unprecedented attention to privacy and confidentiality of medication records. Consumers who choose to participate will have access to their medication record – initially PBS and RPBS data only, later to extend to Private Prescriptions and OTC items.

Given the scale and dynamics of the proposal, progress has been understandably slow.

As foreshadowed last year, the project is now in its trial phase. The outcome of the trial will ultimately determine the resource requirements of a full rollout (if indeed such a rollout is viable). This would allow for the proper evaluation of the system and its interaction with participants before any permanent arrangements are put in place.

The trials are currently in progress in two geographic locations: Ballarat (Victoria) and Launceston (Tasmania). Trial sites were selected based on a number of qualifying criteria including population size, availability of the new software, the support structures around the software, availability of broadband, etc. The trials are expected to be concluded and evaluated by the end of 2003.

A full copy of the *MediConnect* vision is contained in the IT page of the Guild website – [www.guild.org.au/IT](http://www.guild.org.au/IT).

## **5. INDUSTRIAL RELATIONS AND TRAINING DIVISION**

### **▪ Student and Trainee rates of pay**

During the year, the Australian Industrial Relations Commission arbitrated the rates of pay for student and trainee pharmacists. The claim, originally made by APESMA in March 2000, was aimed at standardising rates across Australia for these classifications.

In both instances, the Commission's decision included a phased in approach to the changes, in acknowledgment of the wide variation in previous rates. The student decision added a rate for fourth year students. The first phase period will be completed on 1 November 2004, after which time students and trainees will have the same award rates regardless of the state or territory in which they are employed.

### **▪ Pharmacy Assistant Classifications**

Industrial awards for pharmacy assistants have had a competency based classification structure, based on national competency standards, for several years. As the result of the Community Pharmacy Training Package being endorsed in early 2002, a new set of competencies was put in place for pharmacy assistants.

During 2002-3 the process of updating the relevant state and federal awards commenced, and to date variations have been made in Queensland, NSW and SA. The Victorian application is in progress, with WA, Tasmania and the ACT to follow.

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## 6. QUALITY CARE PHARMACY PROGRAM

The QCPP is a Guild initiative and an industry-owned and developed quality assurance program, which is intended to set minimum standards in the levels of health care service and advice provided to pharmacy customers, and to have those standards independently assessed. More information on QCPP can be found at [www.qcpp.com](http://www.qcpp.com).

There are 4,907 pharmacies in Australia. Of these, 4,793 have registered for the Program.

As at 22 July there were 3,010 pharmacies accredited. This is an increase of 900 on the number of accredited pharmacies reported last year. A further 700 is expected to be accredited by the end of 2003.

A major boost to the Program came in the form of incentives negotiated as part of the Third Guild/Government Agreement. A total of \$50m was made available for this purpose over the life of the Agreement.

Financial incentives are provided to pharmacies to gain and maintain accreditation. These are:

- \$2,500 to purchase Program materials (no longer available)
- \$7,500 on accreditation (before 1 January 2004)
- \$3,000 on accreditation (from 1 January 2004 onwards)
- \$2,500 on re-accreditation (after three years)
- \$2,500 on re-assessment (on the sale of an accredited pharmacy)

## 7. PRIVACY LEGISLATION

The new privacy legislation came into effect on 21 December 2001. Complying with the new Privacy Principles has greatly increased the administrative burden on pharmacists. The Guild produced a major package of material, including a CD, to assist pharmacists to comply with the new legislation. A further training CD was produced for sale and the Guild has since provided numerous updates to members.

During the year, the Guild lodged two submissions to the National Health Ministers Privacy Code Review including suggestions to make the privacy legislation more workable for pharmacists. This Code is now being finalised by Government.



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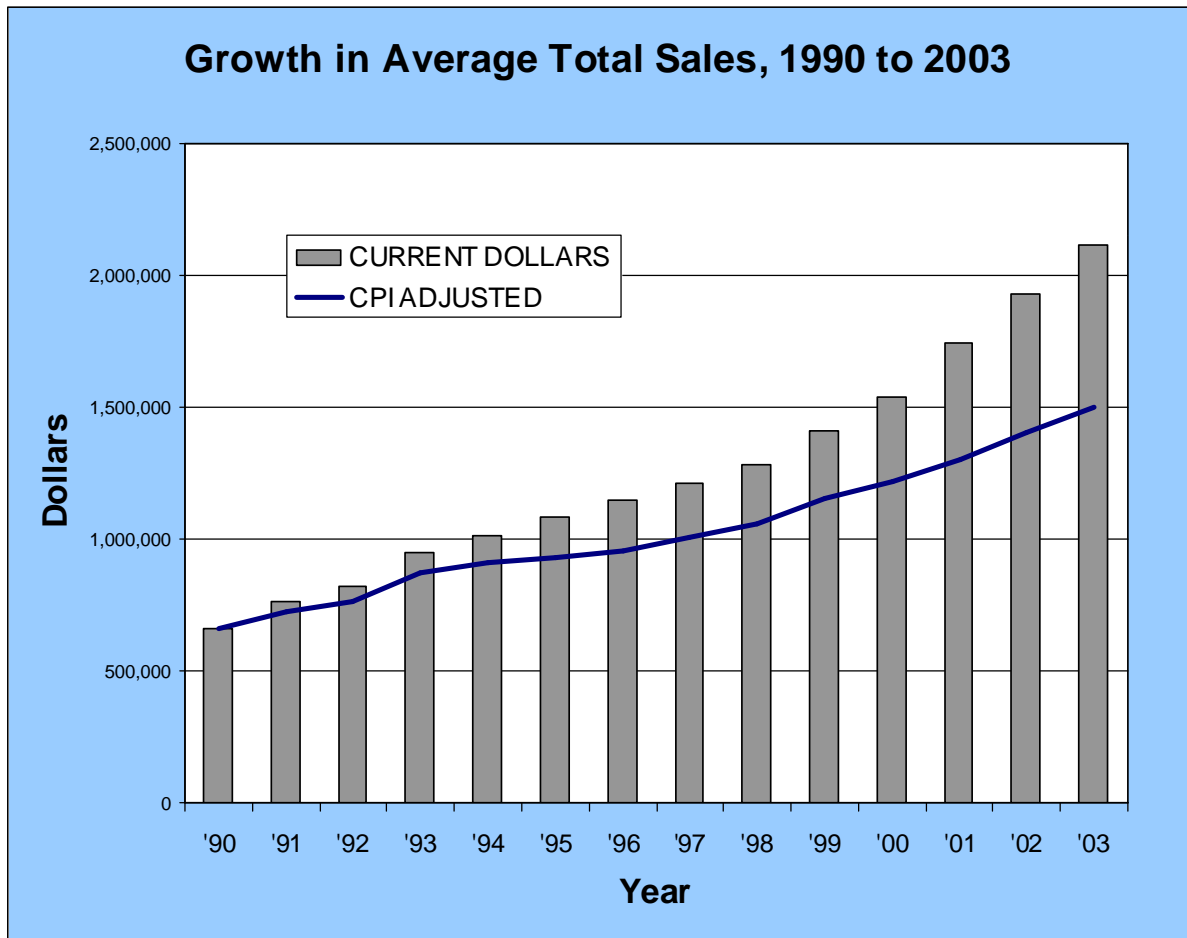
# AUSTRALIAN PHARMACIES 1993 - 2003

(Based on all participating pharmacies)

## Table 1

	1993 (271) \$	1994 (273) \$	1995 (251) \$	1996 (447) \$	1997 (456) \$	1998 (421) \$	1999 (335) \$	2000 (353) \$	2001 (402) \$	2002 (408) \$	2003 (528) \$
<b>SALES</b>	950,580	1,010,419	1,080,581	1,147,981	1,210,464	1,282,542	1,409,642	1,535,955	1,741,104	1,930,960	2,116,736
<b>GROSS MARGIN</b>	320,224	341,719	357,589	378,665	400,236	428,819	462,255	508,092	560,521	616,179	660,229
SALARIES & WAGES	105,791	107,978	116,956	127,467	130,383	138,242	155,845	170,301	187,324	210,770	227,379
RENT	35,690	36,045	37,172	37,992	37,758	41,393	46,169	50,075	53,838	60,566	65,566
OTHER EXPENSES	81,637	81,467	82,208	94,409	100,435	112,079	127,258	138,169	156,577	162,343	181,101
<b>TOTAL EXPENSES</b>	<b>223,118</b>	<b>225,490</b>	<b>236,336</b>	<b>259,868</b>	<b>268,576</b>	<b>291,714</b>	<b>329,272</b>	<b>358,545</b>	<b>397,739</b>	<b>433,679</b>	<b>474,046</b>
<b>TRADING PROFIT</b>	97,106	116,229	121,253	118,797	131,660	137,105	132,983	149,547	162,782	182,500	186,183
COMMISSION RECEIVED	8,470	7,264	7,894	8,802	7,052	6,373	6,521	11,118	14,623	17,966	15,276
<b>TOTAL INCOME</b>	<b>105,576</b>	<b>123,493</b>	<b>129,147</b>	<b>127,599</b>	<b>138,712</b>	<b>143,479</b>	<b>139,502</b>	<b>160,665</b>	<b>177,406</b>	<b>200,466</b>	<b>201,459</b>
PROPRIETORS' SALARIES	70,864	73,438	74,258	76,425	79,441	82,182	84,274	85,401	89,189	97,400	104,809
<b>NET PROFIT/LOSS</b>	34,712	50,055	54,889	51,174	59,271	61,297	55,228	68,261	81,973	95,401	89,389
STOCK CARRIED	125,746	117,452	128,995	132,835	126,199	139,513	147,734	153,862	156,662	183,802	186,903

# Chart 1



# METHODOLOGY FOR THE 2004 GUILD DIGEST

With the exception of Table 3, the analyses contained in this edition of the Digest are based largely on operating information supplied by 528 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 - ie 2001-02 and 2002-03.

Based on annual prescription volumes, the total population of Australian pharmacies was stratified into twenty eight strata – by State and national distribution. 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 four strata. The national strata boundaries were defined as follows:

	<b>Prescription Volumes</b>	<b>Number of Pharmacies</b>	<b>Distribution National</b>
Stratum 1	Less than 20,000	754	15.36%
Stratum 2	20,000 - 33,000	1,118	22.79%
Stratum 3	33,000 - 50,000	1,272	25.93%
Stratum 4	More than 50,000	1,763	35.92%
TOTAL		4,907	

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.

The distribution of pharmacies by state and location is given below.

## PHARMACY DISTRIBUTION - 2002-03

STATE	METROPOLITAN	NON-	TOTAL	
	%	METROPOLITAN	No.	%
		%		
NSW	73.6	26.4	1,709	34.8
VIC	72.4	27.6	1,160	23.6
QLD	53.1	46.9	944	19.2
SA	69.4	30.6	414	8.4
WA	74.9	25.1	484	9.9
TAS	43.3	56.7	139	2.8
ACT	100.0	---	57	1.2
TOTAL	68.6	31.4	4,907	100.0



# SURVEY RESPONSE

A total of 535 questionnaires were received for the 2002-03 financial year. Responses with incomplete information were excluded from the analysis. The final number of responses analysed for the purposes of the main sample was 528. The following table summarises the distribution of respondents by key categories.

## RESPONSE BY STATE AND LOCATION

STATE	METROPOLITAN		NON-METROPOLITAN		TOTAL	
	No.	%	No.	%	No.	%
NSW	109	60.9	70	39.1	179	33.9
VIC	64	59.8	43	40.2	107	20.3
QLD	49	40.8	71	59.2	120	22.7
SA/NT	30	65.2	16	34.8	46	8.7
WA	36	76.6	11	23.4	47	8.9
TAS	5	22.7	17	77.3	22	4.2
ACT	7	100.0		0.0	7	1.3
<b>TOTAL</b>	<b>300</b>	<b>56.8</b>	<b>228</b>	<b>43.2</b>	<b>528</b>	<b>100.0</b>

The national metropolitan/non-metropolitan distribution of the responding sample indicates a bias in favour of country respondents. To varying degrees, the bias is also evident across all States. However, the weighting methodology employed would substantially correct for the effect of that bias with respect to national and State averages. Caution needs to be exercised in interpreting averages for the smaller States.

Response rates are broadly consistent with the distribution of pharmacies by State, with the exception of Queensland and South Australia which enjoy higher than average response rates.

## RESPONSE BY TURNOVER CATEGORY

TURNOVER GROUP \$	2001-02	2002-03
	%	%
Under 500,000	1.5	0.9
500,000 – 1.0 m	16.4	15.9
1.0 m – 1.5 m	20.3	22.9
1.5 m – 2.0 m	15.4	16.1
2.0 m – 2.5 m	15.9	13.4
2.5 m – 3.0 m	11.0	10.2
3.0 m – 3.5 m	6.6	6.1
Over 3.5 m	12.7	14.4

Over the past decade, response has gradually favoured the larger pharmacies. More recently, this trend gained momentum by the restructuring of the industry which effectively reduced the number of smaller pharmacies in the sample. The responding sample for this year's Digest

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offers further evidence of this trend. Respondents with annual turnovers greater than \$1.5million represented over 60% of the sample in 2002-03 compared with only 9% in 1991-92.

### RESPONSE BY WEEKLY PRESCRIPTION VOLUMES

<b>Rx Volume/Week</b>	<b>2001-02 %</b>	<b>2002-03 %</b>
Under 275	4.4	5.1
276 – 375	6.1	5.5
376 – 450	3.9	6.8
451 – 550	8.8	10.0
551 – 650	11.5	9.3
651 – 750	8.1	9.7
751 – 850	9.8	10.8
Over 850	47.3	42.8

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The gradual shift towards larger pharmacies is also evident in prescription volumes. In 2002-03 approximately 73% of respondents dispensed over 550 prescriptions per week compared with 46% of respondents in 1991-92.



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# STATISTICAL APPRAISAL OF RESULTS

The annual Guild Digest survey allows pharmacies to assess their current performance compared with others in the Guild. 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, pharmacies with larger sales volumes tend to have profits compared with 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 Guild 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 528 Guild members responded to this year's survey. In an important departure from previous years' methodologies, the current analyses are based on weightings derived from the distribution of Australian pharmacies in accordance with their annual prescription volumes.

Twenty eight strata were defined for the entire population of approved pharmacies using the Dalenius-Hodges split – four for each State together with a national stratification. The resultant distribution by prescription volume was applied to the corresponding strata in the sample:

	<b>Rx Volume</b>	<b>Weighting Factors National</b>
Stratum 1	< 20,000	0.1536
Stratum 2	20,000 - 33,000	0.2279
Stratum 3	33,000 - 50,000	0.2593
Stratum 4	50,000 +	0.3592

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](#). 171 respondents formed part of this category in 2002-03.

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## 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 commonsense that an average based on 400 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:

Number of Respondents used for estimate	Divisor for inter-quartile range
528	31
408	27
400	27
353	26
300	23
200	19
100	14
50	10
20	6
10	4
5	3

For example, the mean Total Expenses as a percentage of Total Revenue (based on 528 respondents) is 22.2%. The inter-quartile range is 8.22 (= 25.52 - 17.30), so the approximate standard error of this estimate is 0.27 (=8.22/31).

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 mean Total Expenses, based on 528 respondents, is 21.7% to 22.7% of Total Revenue.

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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.



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# DEFINITION OF KEY INCOME AND EXPENSE ITEMS IN TABLES

*(All financial values are exclusive of GST)*

- Sales:** 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: it excludes commissions, agency fees, dividends and disposal of assets.
- Cost of Goods Sold:** refers to purchases of goods for re-sale at a profit: a fuller definition of Cost of Goods Sold is provided in the *User's Guide to the 2004 Digest* section.
- Percentage shown is of Sales.
- Gross Margin:** is derived by deducting Cost of Goods Sold from Sales.
- Percentage shown is of Sales.
- Commissions Received:** are the proceeds of agency fees, dividends and interest received connected with the business; these are essentially items which do not, involve cost of goods sold and which exclude such income not connected with the pharmacy.
- Gross Margin Plus Commissions:** is the arithmetic total of the Gross Margin and Commissions Received and it represents the Gross Margin from Trading.
- Total Revenue:** is the arithmetic total of Sales and Commissions Received; all Expenses are expressed as a percentage of Total Revenue (not Sales) since a portion of all expenses is also incurred in earning Commissions.
- Salaries and Wages:** include wages paid to all staff and locums but exclude proprietors' earnings (since the latter are represented by Proprietors' Notional Salary); percentage shown is of Total Revenue.
- Expenses:** all Expense items are expressed as a percentage of Total Revenue.
- Total Income:** is arrived at 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; percentage shown is of Total Revenue.
- Proprietors' Notional Salary:** is a notional calculation of a reasonable professional salary for hours worked by pharmacy proprietors based on actual manager wages. The underlying rationale is that a proprietor should receive remuneration at least equivalent to the salary which he/she 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, provision for annual leave, provision for long service leave and sick leave (collectively termed On-costs) and overtime worked.
- In 2002-03, the normal hourly rate was estimated at \$32.70 for the first 38 hours. The extra 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 to Section dealing with proprietors' notional salary in the *Analysis of Survey Results*)
- 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.*

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It is worth noting that 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.

The corresponding percentage is expressed as percent of Total Revenue.

**Full-Time-Equivalent:** is 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.

In the case of a sole proprietorship, the number of hours worked clearly relate to a single proprietor. Therefore, the rate simply indicates that the hours worked by the proprietor are the equivalent of 1.18 award weeks (see Table 2). The notional salary of \$104,809 is fully attributable to the single proprietor working 45 hours.

In a partnership, however, where two partners work 38 and 9 hours respectively, the notional salary of \$104,809 should be allocated proportionately according to the hours worked by each partner. Clearly, if proprietors work longer hours, commensurate salaries need to be calculated.

**Return on Capital Employed:** identifies the economic cost of having funds tied up in business assets rather than being employed elsewhere i.e. the opportunity cost. The Return on Capital Employed is based on an interest rate of 6.0% (10 year Treasury Bonds) less interest paid on borrowed funds.

It should be noted that if the purpose of the exercise was to ascertain the cost of operating a pharmacy, the interest rate on Treasury Bonds would be clearly inadequate. The cost of borrowing the necessary funds would be far greater than is implied in the opportunity return on long term Treasury Bonds.

*Important too in such a cost of production exercise would be to include goodwill in funds employed and a risk factor for investing in a business. For the indicative purposes of the Digest which is not a cost of production survey, these two components have been excluded from the calculations.*

**Net Profit/Loss:** is calculated by subtracting Proprietors' Notional Salary and Return on Capital Employed from Total income.

The corresponding percentage is expressed as percent of Total Revenue.

**Sales Analysis - 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.

The corresponding percentage is expressed as percent of Sales.

**Other Sales:** include all retail and OTC sales but exclude Commissions Received.


The corresponding percentage is expressed as percent of Sales.

**Stock Turn:** is 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 stocks are turned over in the financial year.

**Funds Retained in Business:** are necessary to re-finance inflation affected inventories and to replace fixtures and other capital equipment. 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.

The corresponding percentage is expressed as percent of Total Revenue.



A close-up photograph of a hand about to ring a service bell. The hand is positioned above the bell, with the index finger slightly extended. The bell is a classic service bell with a dark base and a polished, reflective top. The background is a warm, golden-yellow gradient, suggesting a bright, sunny environment.

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**AUSTRALIAN PHARMACIES - COMPARISON BETWEEN 2002 AND 2003**  
(Based on 12 Months of Trading to 30/06/03)

**Table 2**

	2002 AVERAGES		2003 AVERAGES		AMOUNT AND PERCENT OF CHANGE	
	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>						
<b>SALES</b>	<b>1,930,960</b>		<b>2,116,736</b>		<b>185,776</b>	<b>9.62</b>
<b>COST OF GOODS SOLD</b>	<b>1,314,781</b>	<b>68.09</b>	<b>1,456,507</b>	<b>68.81</b>	<b>141,726</b>	<b>10.78</b>
<b>GROSS MARGIN</b>	<b>616,179</b>	<b>31.91</b>	<b>660,229</b>	<b>31.19</b>	<b>44,050</b>	<b>7.15</b>
Commissions Received	17,966		15,276		-2,690	-14.97
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>634,145</b>		<b>675,505</b>		<b>41,360</b>	<b>6.52</b>
<b>TOTAL REVENUE</b>	<b>1,948,925</b>	<b>100.00</b>	<b>2,132,015</b>	<b>100.00</b>	<b>183,090</b>	<b>9.39</b>
<b>EXPENSES</b>						
Salaries and Wages	210,770	10.81	227,379	10.66	16,609	7.88
Rent Paid	60,566	3.11	65,566	3.08	5,000	8.26
Outgoings - Rental & Rates	2,901	0.15	2,968	0.14	67	2.31
Accounting	6,559	0.34	7,786	0.37	1,227	18.71
Advertising	14,854	0.76	15,719	0.74	865	5.82
Bank Charges	7,065	0.36	7,260	0.34	195	2.76
Computer Expenses	5,385	0.28	5,935	0.28	550	10.21
Depreciation	11,216	0.58	12,684	0.59	1,468	13.09
Electricity, Water, Heating	4,822	0.25	5,210	0.24	388	8.05
Insurance	6,651	0.34	7,487	0.35	836	12.57
Interest Paid	22,436	1.15	26,707	1.25	4,271	19.04
Leasing Expenses	10,908	0.56	8,363	0.39	-2,545	-23.33
Motor Vehicle Expenses	4,313	0.22	4,589	0.22	276	6.40
Postage, Freight, Printing	7,549	0.39	7,830	0.37	281	3.72
Repairs, Maintenance, Service	3,220	0.17	3,532	0.17	312	9.69
Subs and Registrations	6,153	0.32	7,241	0.34	1,088	17.68
Superannuation	17,856	0.92	20,010	0.94	2,154	12.06
Telephone	4,812	0.25	5,511	0.26	699	14.53
Training	1,987	0.10	2,066	0.10	79	3.98
Abnormal Expenses	1,733	0.09	2,987	0.14	1,254	72.36
Payroll Tax	996	0.05	1,296	0.06	300	30.12
Workers' Compensation	3,185	0.16	3,709	0.17	524	16.45
Other Expenses	17,741	0.91	22,209	1.04	4,468	25.18
<b>TOTAL EXPENSES</b>	<b>433,679</b>	<b>22.25</b>	<b>474,046</b>	<b>22.23</b>	<b>40,367</b>	<b>9.31</b>
<b>TOTAL INCOME</b>	<b>200,463</b>	<b>10.29</b>	<b>201,460</b>	<b>9.45</b>	<b>997</b>	<b>0.50</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	97,400 1.16	5.00	104,809 1.18	4.92	7,409	7.61
Less Return on Capital (2)	7,661	0.39	7,263	0.34	-398	-5.19
<b>NET PROFIT/LOSS</b>	<b>95,401</b>	<b>4.90</b>	<b>89,389</b>	<b>4.19</b>	<b>-6,012</b>	<b>-6.30</b>
<b>SALES ANALYSIS</b>						
Prescriptions	1,296,252	67.13	1,430,893	67.60	134,641	10.39
Other Sales	634,708	32.87	685,844	32.40	51,136	8.06
<b>INVENTORY ANALYSIS</b>						
Prescription	69,311	3.56	69,154	3.24	-157	-0.23
Other	114,491	5.87	117,749	5.52	3,258	2.85
STOCK CARRIED (Total)	183,802	9.43	186,903	8.77	3,101	1.69
STOCK TURN (On Total Inventory)	7.05		7.75		0.70	9.88
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	18.70		20.69		1.99	10.64
Other	5.54		5.82		0.28	5.07
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	149		151		3	1.74
PRESCRIPTIONS DISPENSED (Total)	44,837		46,825		1,988	4.43
PRESCRIPTIONS DISPENSED WEEKLY	861		899		38	4.41
TOTAL HOURS OPEN per WEEK	59.6		59.9		0.4	0.59
AV HRS WORKED BY PROPRIETORS/WEEK	44.0		45.0		1.1	2.43
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>77,049</b>	<b>3.95</b>	<b>44,523</b>	<b>2.09</b>	<b>-32,526</b>	<b>-42.21</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

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# SUMMARY OF PHARMACY PERFORMANCE 2002-03

(Refer to Table 2)

This section compares the results of the 2001-02 and 2002-03 surveys based on the main samples in the two years. It is therefore a comparison of the weighted estimates in the last two years. For further 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.

A major factor which has shaped the results of the past six years has been the restructuring of the industry. From a base total of 5,625 pharmacies in 1990, the number of pharmacies remaining in the industry in 2003 was 4,907 which represents a stabilisation of numbers following the first Agreement.

The restructuring process has produced higher average sales, larger prescription volumes and greater efficiencies in pharmacy management. Average turnover has nearly doubled since 1989-90.

However, caution should be exercised in interpreting these long term results in isolation from both the number and the characteristics of pharmacies which have remained in the industry. To a large extent, the early average increases may be attributed to the falling pharmacy numbers rather than any significant industry-wide growth. On the other hand, as pharmacy numbers have stabilised over the past four years, any recent increases in average indicators would be reasonably expected to reflect industry wide increases.

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

- ✦ Community pharmacy is a \$10.5 billion health industry, including \$7.0 billion in prescription sales per year;
- ✦ Community pharmacies dispense 230 million prescriptions annually, including 174.4 million PBS/RPBS subsidised prescriptions;
- ✦ Total Dispensary Sales represent around 67.6% of all sales through pharmacies;
- ✦ The average community pharmacy dispenses 46,825 prescriptions per year; and
- ✦ There are now 4,907 community pharmacies, each serving on average a community of 4,026 people across Australia.

Here are the salient results of the 2002-03 financial year:

- Average Total Sales increased strongly for the fifth year running by 19.6% ending the year on \$2,116,736.
- Most of the increases, however, were in the form of Cost of Goods Sold which again increased markedly by 10.8%, underscoring the key role of COGS in pharmacy turnover.

- 
- Average Gross Margins increased by 7.2% in dollar terms but slipped sharply as a percentage of Sales to 31.2% (from 31.9% last year).
  - In dollar terms, Expenses jumped by 9.3% translating to 22.3% of Sales, and negating most of the dollar Margin increases.
  - The significant cost increases may be attributed to Wages (+7.9%), Occupancy Costs (+8.3%), Interest Paid (+19.0%), and wage related expenses. Collectively, wage, rental and interest expenses accounted for over three quarters of the increases recorded for the year.
  - Wages and wage-related expenses grew by 7.9% representing over half of the overhead increases in 2002-03.
  - Rental and Outgoings have also increased by 8.3%, and adjusted for shop area expansion, well above the prevailing rate of inflation.
  - Significantly, the GST capital expenditure has now been fully absorbed into operating expenses in the form of Interest Paid and Accounting Expenses. Following the sharp increases of the last two year's (31.4%), a further jump of 19% in Interest Paid this year is of serious concern. Accounting Expenses, necessitated by the burden of new financial requirement, also increased by 19%.
  - Superannuation expenses grew by 12.1%, reflecting the new compulsory contribution rate of 9%.
  - Proprietors' Notional Salary increased in line with increases in wages, on-costs and hours worked but dropped marginally as a percentage of Total Revenue from 5.0% to 4.9%.
  - Significantly, the non-Prescription sector continues to grow strongly (+8.1%), albeit at a slower pace than Dispensary Sale. The results nevertheless point to a consolidation of the gains made in recent years.
  - The comparatively lower growth rate in non-Prescription Sales has in turn pushed the Dispensary Ratio up a notch. The ratio ended the year at 67.6% of Total Sales.
  - The average number of prescriptions dispensed in the year grew by 4.4% to 46,825, while the average prescription price rose by 5.7% from \$28.91 to \$30.56. Similar trends were also reported by the consecutive years' respondents (see Table 3).



**AUSTRALIAN PHARMACIES REPORTING IN TWO CONSECUTIVE YEARS 2002 AND 2003**  
(Based on 12 Months of Trading to 30/06/03)

**Table 3**

	2002 AVERAGES		2003 AVERAGES		AMOUNT AND PERCENT OF CHANGE	
	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>						
<b>SALES</b>	<b>1,820,350</b>		<b>1,941,593</b>		<b>121,243</b>	<b>6.66</b>
<b>COST OF GOODS SOLD</b>	<b>1,236,138</b>	<b>67.91</b>	<b>1,330,797</b>	<b>68.54</b>	<b>94,659</b>	<b>7.66</b>
<b>GROSS MARGIN</b>	<b>584,212</b>	<b>32.09</b>	<b>610,796</b>	<b>31.46</b>	<b>26,584</b>	<b>4.55</b>
Commissions Received	18,871		13,341		-5,530	-29.30
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>603,083</b>		<b>624,137</b>		<b>21,054</b>	<b>3.49</b>
<b>TOTAL REVENUE</b>	<b>1,839,221</b>	<b>100.00</b>	<b>1,954,934</b>	<b>100.00</b>	<b>115,713</b>	<b>6.29</b>
<b>EXPENSES</b>						
Salaries and Wages	186,080	10.12	196,167	10.03	10,087	5.42
Rent Paid	49,998	2.72	53,282	2.73	3,284	6.57
Outgoings - Rental & Rates	3,609	0.20	3,602	0.18	-7	-0.19
Accounting	5,402	0.29	5,912	0.30	510	9.44
Advertising	13,141	0.71	13,527	0.69	386	2.94
Bank Charges	6,095	0.33	6,191	0.32	96	1.58
Computer Expenses	6,725	0.37	7,095	0.36	370	5.50
Depreciation	9,671	0.53	9,852	0.50	181	1.87
Electricity, Water, Heating	4,351	0.24	4,683	0.24	332	7.63
Insurance	6,545	0.36	6,943	0.36	398	6.08
Interest Paid	15,001	0.82	14,987	0.77	-14	-0.09
Leasing Expenses	8,234	0.45	7,228	0.37	-1,006	-12.22
Motor Vehicle Expenses	4,182	0.23	4,318	0.22	136	3.25
Postage, Freight, Printing	6,133	0.33	6,486	0.33	353	5.76
Repairs, Maintenance, Service	3,344	0.18	3,470	0.18	126	3.77
Subs and Registrations	6,773	0.37	7,740	0.40	967	14.28
Superannuation	16,143	0.88	17,613	0.90	1,470	9.11
Telephone	4,411	0.24	5,010	0.26	599	13.58
Training	1,587	0.09	1,567	0.08	-20	-1.26
Abnormal Expenses	3,407	0.19	5,700	0.29	2,293	67.30
Payroll Tax	753	0.04	689	0.04	-64	-8.50
Workers' Compensation	2,657	0.14	2,832	0.14	175	6.59
Other Expenses	12,581	0.68	18,702	0.96	6,121	48.65
<b>TOTAL EXPENSES</b>	<b>376,822</b>	<b>20.49</b>	<b>403,595</b>	<b>20.64</b>	<b>26,773</b>	<b>7.10</b>
<b>TOTAL INCOME</b>	<b>226,261</b>	<b>12.30</b>	<b>220,542</b>	<b>11.28</b>	<b>-5,719</b>	<b>-2.53</b>
Less Proprietors' Salary (1)	92,050	5.00	97,205	4.97	5,155	5.60
[ Full-Time-Equivalents ]	1.15		1.18			
Less Return on Capital (2)	13,108	0.71	12,215	0.62	-893	-6.81
<b>NET PROFIT/LOSS</b>	<b>121,103</b>	<b>6.58</b>	<b>111,122</b>	<b>5.68</b>	<b>-9,981</b>	<b>-8.24</b>
<b>SALES ANALYSIS</b>						
Prescriptions	1,272,539	69.91	1,372,607	70.69	100,068	7.86
Other Sales	547,812	30.09	568,986	29.31	21,174	3.87
<b>INVENTORY ANALYSIS</b>						
Prescription	70,652	3.84	72,232	3.69	1,580	2.24
Other	104,659	5.69	100,673	5.15	-3,986	-3.81
STOCK CARRIED (Total)	175,311	9.53	172,905	8.84	-2,406	-1.37
STOCK TURN (On Total Inventory)	7.73		8.06		0.33	4.27
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	18.01		19.00		0.99	5.50
Other	5.23		5.65		0.42	8.03
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	145		144		-1	-0.59
PRESCRIPTIONS DISPENSED (Total)	43,810		44,627		817	1.86
PRESCRIPTIONS DISPENSED WEEKLY	843		858		15	1.78
TOTAL HOURS OPEN per WEEK	56.7		57.0		0.3	0.48
AV HRS WORKED BY PROPRIETORS/WEEK	43.8		44.8		1.0	2.24
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>85,723</b>	<b>4.66</b>	<b>62,000</b>	<b>3.17</b>	<b>-23,723</b>	<b>-27.67</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

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# COMPARISON OF PHARMACIES RESPONDING IN CONSECUTIVE YEARS

(Refer to Table 3)

Over the past seventeen years, the Digest has included a comparison of performance for those who have responded in two consecutive years. This is particularly important in highlighting movements in key indicators from one year to the next. Indeed, it is perhaps more relevant in assessing movements than the estimates provided in Table 2 (ie the main 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 171 pharmacies responded in both 2001-02 and 2002-03.

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

- Total Sales increased by 6.7% broadly echoing the growth reported by the main sample.
- However, Cost of Goods Sold rose at faster rate by 7.7%, outstripping the rate of growth for Sales. This in turn produced a lower Gross Margin as a percentage of Sales - from 32.1% to 31.5% - consistent with the findings of the main sample.
- Also consistent with the main sample, increases in Total Expenses effectively swallowed up any gains in the Gross Margin which grew modestly by 4.6%.
- In dollar terms, the growth in Total Expenses was similar to that reported by the main sample (+7.1%) and the major contributors to the increase were Salaries, Rent and Superannuation.
- Salaries and Wages for the average pharmacy in the comparative sample grew by 5.4% - and, together with wage-related expenses, explain almost half the increase in overheads.
- Rents and Outgoings also grew rapidly (6.6%) and, after adjusting for floor area, the growth rate is widely inconsistent with the prevailing rate of inflation.
- Prescription revenue showed a strong growth (by 7.9%), reflecting the outcome reported for the main sample.
- Non-Prescription Sales, however, posted a modest increase (+3.9%), resulting in a significantly higher Dispensary Ratio than that for the main sample (70.7%).
- The number of prescriptions dispensed in 2002-03 grew modestly by 1.9% over the previous year's volume (from 43,810 to 44,627), while the average prescription price rose from \$29.05 to \$30.76 (by 5.9%).



**AUSTRALIAN PHARMACIES – 2002-03**  
(Based on 12 Months of Trading to 30/06/03)

## Table 4

<b>NATIONAL AVERAGE</b>	<b>2003 AVERAGES</b>		<b>Low</b>	<b>Normal</b>	<b>High</b>
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	<b>\$</b>	<b>%</b>			
<b>SALES</b>	<b>2,116,736</b>		<b>1,546,235</b>	<b>2,372,490</b>	<b>4,130,871</b>
<b>COST OF GOODS SOLD</b>	<b>1,456,507</b>	<b>68.81</b>	<b>67.27</b>	<b>69.37</b>	<b>71.10</b>
<b>GROSS MARGIN</b>	<b>660,229</b>	<b>31.19</b>	<b>27.94</b>	<b>29.96</b>	<b>32.18</b>
Commissions Received	15,276	0.72	0.22	0.50	1.18
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>675,505</b>	<b>31.68</b>	<b>28.61</b>	<b>30.44</b>	<b>32.52</b>
<b>TOTAL REVENUE</b>	<b>2,132,015</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>EXPENSES</b>					
Salaries and Wages	227,379	10.66	7.92	10.12	12.55
Rent Paid	65,566	3.08	1.48	2.33	3.59
Outgoings - Rental & Rates	2,968	0.14	0.09	0.17	0.35
Accounting	7,786	0.37	0.15	0.29	0.51
Advertising	15,719	0.74	0.16	0.41	0.98
Bank Charges	7,260	0.34	0.22	0.31	0.43
Computer Expenses	5,935	0.28	0.13	0.24	0.42
Depreciation	12,684	0.59	0.20	0.43	0.72
Electricity, Water, Heating	5,210	0.24	0.15	0.21	0.31
Insurance	7,487	0.35	0.23	0.36	0.55
Interest Paid	26,707	1.25	0.40	1.15	2.44
Leasing Expenses	8,363	0.39	0.18	0.47	1.08
Motor Vehicle Expenses	4,589	0.22	0.14	0.30	0.52
Postage, Freight, Printing	7,830	0.37	0.20	0.32	0.47
Repairs, Maintenance, Service	3,532	0.17	0.06	0.12	0.23
Subs and Registrations	7,241	0.34	0.15	0.28	0.49
Superannuation	20,010	0.94	0.61	0.82	1.11
Telephone	5,511	0.26	0.18	0.25	0.34
Training	2,066	0.10	0.01	0.06	0.14
Abnormal Expenses	2,987	0.14	0.00	0.00	0.00
Payroll Tax	1,296	0.06	0.00	0.00	0.00
Workers' Compensation	3,709	0.17	0.05	0.09	0.28
Other Expenses	22,209	1.04	0.22	0.47	0.99
<b>TOTAL EXPENSES</b>	<b>474,046</b>	<b>22.23</b>	<b>17.30</b>	<b>20.71</b>	<b>25.52</b>
<b>TOTAL INCOME</b>	<b>201,459</b>	<b>9.45</b>	<b>5.12</b>	<b>9.44</b>	<b>13.31</b>
Less Proprietors' Salary (1)	104,809	4.92	3.53	5.73	8.64
[ Full-Time-Equivalents ]	1.18		1.08	1.29	1.45
Less Return on Capital (2)	7,263	0.34	-0.43	0.67	1.26
<b>NET PROFIT/LOSS</b>	<b>89,387</b>	<b>4.19</b>	<b>-1.00</b>	<b>4.06</b>	<b>10.03</b>
<b>SALES ANALYSIS</b>					
Prescriptions	1,430,893	67.60	1,446,233	2,352,350	593,567
Other Sales	685,844	32.40	1,785,368	321,588	568,996
<b>INVENTORY ANALYSIS</b>					
STOCK CARRIED (Total)	186,903	8.77	103,366	158,310	241,496
STOCK TURN (On Total Inventory)	7.75		6.47	7.92	9.7
<b>SALES PER INVENTORY DOLLAR</b>					
Prescription	20.69		15.64	20.27	26.01
Other	5.82		4.23	5.36	6.41
<b>STATISTICS</b>					
PHARMACY SIZE (square metres)	151		100	137	208
PRESCRIPTIONS DISPENSED (Total)	46,825		26,361	40,500	60,302
PRESCRIPTIONS DISPENSED WEEKLY	899		507	779	1,160
TOTAL HOURS OPEN per WEEK	60		50	55	66
AV HRS WORKED BY PROPRIETORS/WEEK	45		41	49	55
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>44,520</b>	<b>2.09</b>	<b>-12,104</b>	<b>17,281</b>	<b>93,097</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

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# 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 in the job, whether it be serving a customer, planning for the future growth of the business or after hours record-keeping;
- 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 cover 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.

Consolidating on the gains of micro-economic reforms and the generally positive economic environment, the overall sales performance of community pharmacy in 2002-03 continued to improve. The relocation provisions of the previous Agreement were carried forward into the new Agreement, although with significant relaxations of some of the criteria. The central aim remains unchanged: to encourage unviable small pharmacies to relocate to growing and developing areas of population. The economic conditions remained conducive to growth. While consumer confidence and spending provided much needed boost to Sales, 2002-03 saw a continuing need to reinvest in the business of pharmacy, as evidenced by the 22% increase in assets. Moreover, the ongoing administrative challenge of the GST is manifestly reflected in the sharp rise in accounting expenses over the past three years. Importantly, however, while providing a valuable community service, a significant proportion of pharmacies were still unable to achieve a reasonable return on funds invested in their business.

## QUARTILE ANALYSIS

Statistical reports should never be considered in isolation as bare facts. 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.

Quartiles provide a means of assessing the performance of a particular business relative to a scale of results actually achieved by other respondents. For every revenue, expense, stock and prescription category item listed, each respondent's results are ranked in order of magnitude. The best and the worst results are not shown, but the results are tabulated according to three discrete points in the total sample: low or 1<sup>st</sup> quartile; normal or 2<sup>nd</sup> quartile (or median); and high or 3<sup>rd</sup> quartile. The first quartile simply means that 25% of respondents achieved results less than the value shown for the item. On the other hand, the 3<sup>rd</sup> or high quartile means that 75% achieved less and 25% achieved greater than the value indicated.

Similarly, the median or 2<sup>nd</sup> quartile marks the value which one half of the respondents achieved and the other half did not. It is worth noting that the 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. Strictly speaking, the Salaries and Wages percentage in the Normal Quartile (10.12%) bears no relationship to the Sales figure in the same quartile (\$2,372,492). The correct interpretation is that the Normal Quartile for Salaries and Wages is 10.12% of the Sales figure reported by that median respondent. The Sales figure of \$2,372,490 is independent of the 10.12%. Conversely, the median respondent who reported the Sales figure of \$2,372,490 may have a totally different Salaries and Wages percentage.

When putting these results into benchmarking practice, the general rule of thumb is to 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. Revenue results below the low quartile value require similar urgent attention since they indicate scope for improvement.

#### Examples

Gross Margin	30%	less than desirable
	38%	excellent
Salaries and Wages	8%	excellent
	15%	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 this level 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 but may be operating at a highly efficient level. Similarly, higher than average rents do not necessarily suggest an unproductive location.

The quartile range of Gross Margins of 27.94% to 32.18% (compared with 29.39% to 33.64% in 2001-02) suggests a slowing down of the decline in Gross Margins but is consistent with the decade-long downward trend. In 1984-85, Gross Margins ranged from 36.30% to 41.69%.

Total Expense results also show marginal improvements across all quartile ranges. Notwithstanding the aggressive cost control measures of recent years, the present results still point to greater spending possibly encouraged by the generally buoyant economic conditions.

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

### 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.

Modest wage movements occurred in 2002-03, increasing the normal hourly rate for managers from \$31.00 to \$32.70 per hour for a 38 hour week. Additional hours worked were calculated at time and a half to reflect appropriate overtime. A rate of 1.2547 was applied to reflect on-cost provisions.

The on-costs were derived as follows:

\$64,615		Annual Salary (38 hour week)
	%	
\$4,970	7.69	Holiday (4 weeks)
\$870	1.35	Leave loading (17.5% of 4 weeks)
\$1,243	1.92	Sick leave (1 week)
\$1,077	1.67	Long service leave (3 mths/15 yr)
\$2,485	3.85	Public holidays (2 weeks)
\$5,815	9.00	Superannuation
\$16,460	25.47	Total On-Cost

## BREAK-EVEN ANALYSIS

Every business operation involves fixed and variable costs. Fixed costs are those which are incurred regardless of the level of turnover while variable costs are, by definition, those which vary with sales volume. Every dollar of revenue received in a business theoretically has three components:

- variable costs
  - fixed cost contribution
  - profit
- } Expenses

The concept of break-even analysis enables the calculation of a time period necessary to cover the fixed costs of a business from sales revenue after deducting the variable costs. For example, if an item cost \$2 and sells for \$3, there is \$1 available to contribute towards writing off fixed costs and eventually earning a profit.

Last year, the break-even revenue for the average Australian community pharmacy, (with a turnover of \$1,930,960) was \$926,125. The variable expense ratio was 81.83% and the break-even sales level was achieved after 175 days.

This financial year (2002-03), using the same method, the variable expense ratio has increased slightly to 82.52%. Applied to a higher turnover level of \$2,116,736, the ratio produces a break-even result of \$1,051,053 achieved after 181 days.

After the break-even point is reached, each extra dollar of revenue contributes to profits since all fixed costs have been met. For the purposes of the following exercise, variable expenses comprise Cost of Goods Sold (COGS), Salaries and Wages, Wage related expenses, Advertising and Other Expenses. The remaining expense items are considered to be fixed costs. The essential components are as follows:

1. SALES	(S)	\$2,116,736
EXPENSES	(E)	\$476,046
COST OF GOODS SOLD	(C)	\$1,456,507
2. TOTAL EXPENSES	(T)	
T = E + C		\$1,930,553
3. VARIABLE EXPENSES	(V)	
* Cost of Goods Sold	\$1,456,507	
* Salaries & Related Costs <sup>(1)</sup>	\$ 252,394	
* Advertising	\$ 15,719	
* Other Expenses	<u>\$ 22,209</u>	
		\$1,746,829
4. FIXED EXPENSES	(F)	
F = T - V		\$183,724
5. VARIABLE EXPENSE RATIO (VER)		
VER = $\frac{V}{S}$		$\frac{\$1,746,829}{\$2,116,736} = 0.8252$
6. FIXED EXPENSE RATIO (FER)		
FER = 1 - VER		= 0.1748
7. BREAK-EVEN SALES =	$\frac{F}{FER}$	= $\frac{\$183,724}{0.1748}$
		= \$1,051,053
BREAK-EVEN DAYS =	$\frac{\$1,051,053}{\$2,116,736} \times 365$	= 181

**Therefore, break even was achieved after 181 days.**

<sup>(1)</sup> Include: Salaries & Wages, Super, Payroll Tax and Workers' Compensation

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## PLANNING TOOLS AND PRODUCTIVITY MEASURES

### 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 \$6,236 to \$17,376.

The relationship between Shop Area and Sales is illustrated in Chart 2.

On average, the results point to a 3% improvement in this indicator from \$13,118 last year to \$13,501 in 2002-03.

As in previous years, the results indicate that the most preferred dispensary size (consistent with current dispensary practices) is in the range of 18-22 square metres. Therefore major productivity improvements are still possible in the front-of-shop. This can involve merchandising and display techniques as well as more efficient use of aisle space, etc.

It should be noted that dispensary measurements collected and referred to in the Digest generally exclude any estimates of common areas which may be used by clients while waiting for their prescriptions to be dispensed. For the purposes of the Digest, the dispensary area is essentially defined by its physical boundaries.

### TOTAL SALES vs NUMBER OF PRESCRIPTIONS

Additional Sales generated by each prescription increased in 2002-03 (to approximately \$14.65) despite the trend for greater reliance on the Dispensary.

The average prescription generated between \$40 and \$49 in sales revenue. With an average value per prescription of about \$30.60, each prescription produced between \$9 and \$18 extra revenue in the non-prescription sector.

Turnover Group	Average Script Value	Sales/Script 2002-03	Script Sales/ Total Sales 2002-03
\$	\$	\$	%
Under 500,000	27.77	43.72	63.5
500,000 – 1.0 m	29.36	40.96	71.7
1.0 m – 1.5 m	30.07	41.59	72.3
1.5 m – 2.0 m	30.35	43.64	69.5
2.0 m – 2.5 m	30.83	45.90	67.2
2.5 m – 3.0 m	30.70	44.44	69.1
3.0 m – 3.5 m	30.47	43.39	70.2
Over 3.5 m	30.95	48.85	63.4
All pharmacies	30.56	45.21	67.6

In practice, customer numbers far exceed the number of prescriptions dispensed. Unpublished Digest data indicates the average number of customers per pharmacy per year is closer to 60,000 (compared with 46,000 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 3.

### SALES PER \$ OF STAFF WAGES

This is a useful general measure of productivity of staff. Table 5 shows that staff generate between \$8 and \$11 sales revenue per dollar of wages. Two trends are evident. First, with minor exceptions, turnover per dollar of Staff Wages appears inversely proportional to the pharmacy turnover. Second, the gap between metropolitan and country pharmacies has tended to close in recent years both in terms of total Turnover and in terms of sales per dollar of wages paid.

As in previous editions, the following analysis excludes dispensary revenue from the equation to focus on the selling performance of staff. The salary and wages figure includes remuneration for qualified employees who are frequently involved in the selling process, particularly for scheduled or complementary medicines.

\$ Turnover Group	Retail Sales/\$ Wages \$ 2002-03
Under 500,000	3.84
500,000 – 1.0 m	2.97
1.0 m – 1.5 m	2.87
1.5 m – 2.0 m	2.93
2.0 m – 2.5 m	3.18
2.5 m – 3.0 m	2.73
3.0 m – 3.5 m	2.72
Over 3.5 m	3.14
All Pharmacies	3.02

By its very nature, this indicator is sensitive to the changing proportion of dispensary sales to total sales. As pharmacy increases its reliance on dispensary revenue, retail sales per \$ wages will steadily contract. This trend has slowed in recent years with the tentative increases in non-prescription sales.

### SALES PER FULL-TIME EMPLOYEE

The results of this year's survey show that each full-time employee generated between \$330,000 and \$450,000 in sales revenue. With minor exceptions, this indicator showed marginal improvement across most turnover categories and an average increase of around 12% on last year's results.

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

As with the previous section, it is a useful method to exclude dispensary turnover from the calculation to obtain the retail sector sales per full-time equivalent employee.

\$ Turnover Group	Retail Sales/Full-Time Employee \$ 2002-03
Under 500,000	119,087
500,000 – 1.0 m	115,571
1.0 m – 1.5 m	123,315
1.5 m – 2.0 m	122,623
2.0 m – 2.5 m	123,179
2.5 m – 3.0 m	112,437
3.0 m – 3.5 m	117,678
Over 3.5 m	127,343
All Pharmacies	132,093

This productivity measure is highly sensitive to the composition of the sample with respect to the mix of owner-operated and manager-operated pharmacies. As a rule, the higher the proportion of manager-operated pharmacies in the sample, the lower this productivity ratio will be because the number of hours worked by employees (ie managers) will be higher.

It is also sensitive to the downward trend in the proportion of Retail Sales. Overall, the results point to a 11% improvement over the previous year's indicator.

## **RENT PER SQUARE METRE**

With minor exceptions, the range of rents paid per square metre varied in direct proportion to pharmacy turnover without the benefit of economies of scale - large pharmacies pay premium rents. Small turnover pharmacies paid on average around \$200 per square metre per annum whereas the average rental for the over \$3m turnover category exceeded \$580 per square metre.

Country pharmacies generally enjoyed cheaper rents than their metropolitan counterparts.

Overall, pharmacy rents per square metre recorded a substantial increase from \$407.66 to \$433.78, largely at the expense of country pharmacies (up by 13.8%).

Also of interest is the fact that larger pharmacies, while paying high rents, do not necessarily benefit from commensurate margins.

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## TOTAL SALES PER HOUR WORKED

Another productivity benchmark which sheds further light on staff efficiencies is Total Sales per Hour Worked.

Turnover Group \$	Total Sales/Hour Worked 2002-03 \$
Under 500,000	83.65
500,000 – 1.0 m	133.62
1.0 m – 1.5 m	158.33
1.5 m – 2.0 m	157.02
2.0 m – 2.5 m	155.88
2.5 m – 3.0 m	158.27
3.0 m – 3.5 m	171.62
Over 3.5 m	158.57
All Pharmacies	168.00

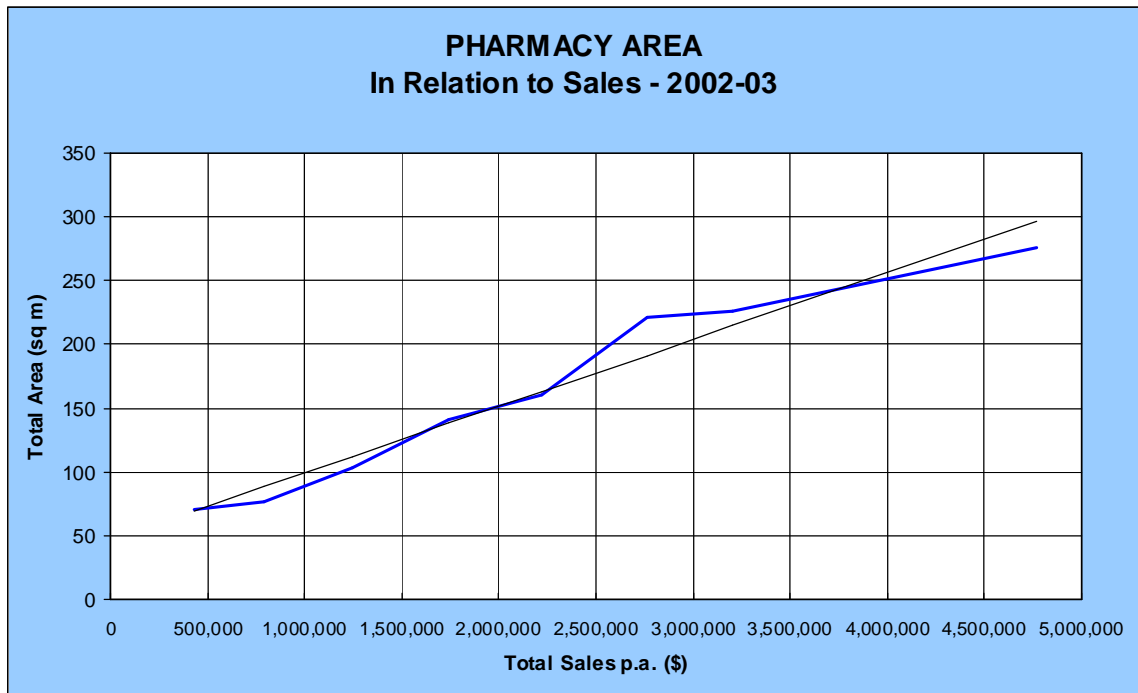
Overall, the results indicate a robust improvement in productivity of 12% with movements of varying magnitude reported across the categories.



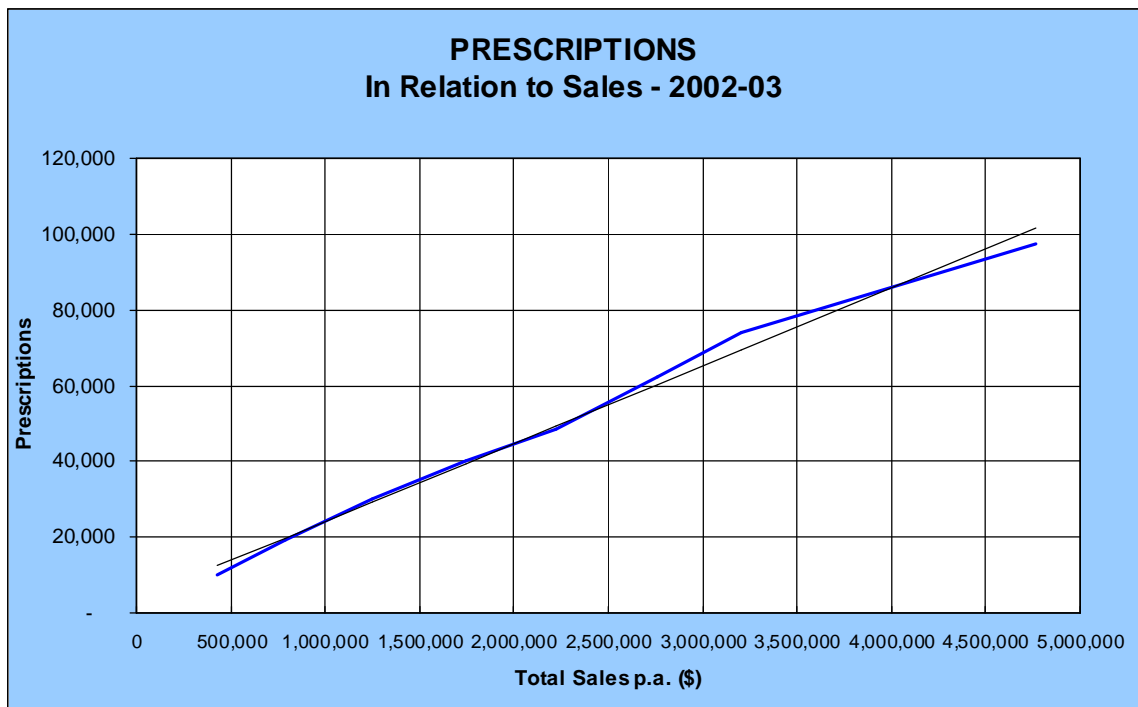
**Table 5****SUMMARY OF PRODUCTIVITY MEASURES – 2002-03**

<b>TURNOVER RANGE</b>	<b>AVERAGE TURNOVER \$</b>	<b>TURNOVER PER \$ STAFF WAGES</b>	<b>TURNOVER PER FULL TIME EMPLOYEE</b>	<b>TURNOVER PER SQ M SHOP SPACE</b>	<b>RENT \$ PER SQ M SHOP SPACE</b>
UNDER \$500,000	436,518	10.64	330,103	6,236	188.37
\$500,000 - \$1,000,000	799,618	10.64	417,555	10,334	284.01
\$1,000,000 - \$1,500,000	1,255,759	10.43	446,304	12,225	333.27
\$1,500,000 - \$2,000,000	1,757,961	9.70	405,257	12,493	378.65
\$2,000,000 - \$2,500,000	2,234,034	9.74	377,858	13,953	368.80
\$2,500,000 - \$3,000,000	2,782,615	8.90	366,096	12,585	384.49
\$3,000,000 - \$3,500,000	3,224,638	9.19	397,149	14,256	485.42
OVER \$3,500,000	4,797,098	8.64	349,723	17,376	581.00
<b>AUSTRALIA</b>					
ALL PHARMACIES - WEIGHTED	2,132,015	9.38	410,772	14,105	433.78
METROPOLITAN	2,112,233	9.24	445,941	15,359	533.62
COUNTRY	2,251,944	9.42	417,698	13,501	343.28

## Chart 2



## Chart 3



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# USER'S GUIDE TO THE PHARMACY GUILD DIGEST

Management decisions which result in the successful operation of a pharmacy require more than general and vague impressions of an operation's financial structure. The Digest is designed to enable retail pharmacists to make valuable comparisons of their financial performance against industry benchmarks.

The purpose of this section is to aid in those comparisons by providing a better understanding of the financial data presented. Terms are defined, methods of computation are set out, and notes that aid in the application of the financial statements are given.

## 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 anytime during the current period. In addition comparisons of digest results can be made at anytime after 30 June 2003 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 2003, 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 these 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.

## OPERATING STATEMENT TERMS

**Sales** include all prescription sales, patient contributions and counter sales. It does not include trade rebates, discounts and commission from Health Funds and other sources.

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	\$	**
Plus Purchases during the year*	\$	
= Cost of Merchandise	\$	
- Purchase Rebates and Trade Rebates	\$	
- Goods taken for own use	\$	
- Inventory at end of year	\$	
= Cost of Goods Sold	\$	
Sales	\$	
- Cost of Goods Sold	\$	
= Gross Margin	\$	
* Only include merchandise purchased for re-sale.		
** Fill in your own figures as examples.		

**Trading Profit/Loss** (Trading Income) is determined by deducting all operating expenses from Gross Margin.

## THE BALANCE SHEET

The Balance Sheet is a statement of financial position at a given point in time. Balance sheets are expressed as:

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

### Assets

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.

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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 owners equity in the business and is expressed by the following relationship:

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

### **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.

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## ***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.

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

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.

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

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.

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

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.

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### *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.



**AUSTRALIAN PHARMACIES – SUMMARY OF SALES VOLUME IN 2002-03**  
(Based on 12 Months of Trading to 30/06/03)

**Table 6**

	Up to \$500,000		\$500,000 to \$1,000,000		\$1,000,000 to \$1,500,000		\$1,500,000 to \$2,000,000	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>431,924</b>		<b>787,249</b>		<b>1,247,313</b>		<b>1,744,841</b>	
<b>COST OF GOODS SOLD</b>	<b>299,295</b>	<b>69.29</b>	<b>547,364</b>	<b>69.53</b>	<b>870,967</b>	<b>69.83</b>	<b>1,203,598</b>	<b>68.98</b>
<b>GROSS MARGIN</b>	<b>132,629</b>	<b>30.71</b>	<b>239,885</b>	<b>30.47</b>	<b>376,346</b>	<b>30.17</b>	<b>541,243</b>	<b>31.02</b>
Commissions Received	4,594		12,369		8,446		13,121	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>137,223</b>		<b>252,254</b>		<b>384,792</b>		<b>554,364</b>	
<b>TOTAL REVENUE</b>	<b>436,518</b>	<b>100.00</b>	<b>799,618</b>	<b>100.00</b>	<b>1,255,759</b>	<b>100.00</b>	<b>1,757,961</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	41,044	9.40	75,169	9.40	120,379	9.59	181,224	10.31
Rent Paid	13,186	3.02	21,977	2.75	34,234	2.73	53,284	3.03
Outgoings - Rental & Rates	835	0.19	1,617	0.20	1,763	0.14	2,819	0.16
Accounting	1,482	0.34	3,571	0.45	4,594	0.37	6,295	0.36
Advertising	1,832	0.42	3,339	0.42	6,629	0.53	11,277	0.64
Bank Charges	1,836	0.42	2,802	0.35	4,384	0.35	6,040	0.34
Computer Expenses	3,595	0.82	3,437	0.43	4,281	0.34	5,640	0.32
Depreciation	1,232	0.28	5,103	0.64	6,404	0.51	10,736	0.61
Electricity, Water, Heating	1,123	0.26	1,965	0.25	3,268	0.26	4,563	0.26
Insurance	4,128	0.95	4,522	0.57	5,914	0.47	6,535	0.37
Interest Paid	7,181	1.65	8,394	1.05	15,943	1.27	22,772	1.30
Leasing Expenses	292	0.07	1,803	0.23	5,107	0.41	5,308	0.30
Motor Vehicle Expenses	1,513	0.35	2,602	0.33	4,470	0.36	5,328	0.30
Postage, Freight, Printing	2,311	0.53	3,120	0.39	4,287	0.34	6,174	0.35
Repairs, Maintenance, Service	1,675	0.38	1,830	0.23	2,144	0.17	3,176	0.18
Subs and Registrations	3,449	0.79	4,429	0.55	5,360	0.43	5,554	0.32
Superannuation	2,835	0.65	6,430	0.80	10,447	0.83	15,027	0.85
Telephone	2,228	0.51	2,785	0.35	3,505	0.28	4,674	0.27
Training	39	0.01	841	0.11	903	0.07	1,644	0.09
Abnormal Expenses	1,028	0.24	1,682	0.21	1,904	0.15	2,868	0.16
Payroll Tax	0	0.00	3	0.00	4	0.00	145	0.01
Workers' Compensation	218	0.05	1,262	0.16	2,084	0.17	3,074	0.17
Other Expenses	5,717	1.31	7,330	0.92	10,101	0.80	17,200	0.98
<b>TOTAL EXPENSES</b>	<b>98,781</b>	<b>22.63</b>	<b>166,013</b>	<b>20.76</b>	<b>258,108</b>	<b>20.55</b>	<b>381,357</b>	<b>21.69</b>
<b>TOTAL INCOME</b>	<b>38,442</b>	<b>8.81</b>	<b>86,241</b>	<b>10.79</b>	<b>126,684</b>	<b>10.09</b>	<b>173,007</b>	<b>9.84</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	114,879	26.32	90,095	11.27	99,775	7.95	110,649	6.29
Less Return on Capital (2)	1.29		1.06		1.17		1.28	
	4,056	0.93	6,341	0.79	7,837	0.62	5,388	0.31
<b>NET PROFIT/LOSS</b>	<b>-80,493</b>	<b>-18.44</b>	<b>-10,195</b>	<b>-1.27</b>	<b>19,072</b>	<b>1.52</b>	<b>56,970</b>	<b>3.24</b>
<b>SALES ANALYSIS</b>								
Prescriptions	274,291	63.50	564,319	71.68	901,707	72.29	1,213,366	69.54
Other Sales	157,633	36.50	222,930	28.32	345,606	27.71	531,475	30.46
<b>INVENTORY ANALYSIS</b>								
Prescription	30,067	6.89	38,684	4.84	48,412	3.86	63,587	3.62
Other	59,959	13.74	49,402	6.18	67,323	5.36	104,552	5.95
STOCK CARRIED (Total)	90,026	20.62	88,086	11.02	115,735	9.22	168,139	9.56
STOCK TURN (On Total Inventory)	3.00		7.13		7.50		7.28	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	9.12		14.59		18.63		19.08	
Other	2.63		4.51		5.13		5.08	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	70		77		103		141	
PRESCRIPTIONS DISPENSED (Total)	9,879		19,220		29,990		39,984	
PRESCRIPTIONS DISPENSED WEEKLY	190		370		577		769	
TOTAL HOURS OPEN per WEEK	49		52		54		60	
AV HRS WORKED BY PROPRIETORS/WEEK	49		40		45		49	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>16,072</b>	<b>3.68</b>	<b>14,067</b>	<b>1.76</b>	<b>32,612</b>	<b>2.60</b>	<b>32,310</b>	<b>1.84</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**AUSTRALIAN PHARMACIES – SUMMARY OF SALES VOLUME IN 2002-03**  
(Based on 12 Months of Trading to 30/06/03)


**Table 6**

	\$2,000,000 to \$2,500,000		\$2,500,000 to \$3,000,000		\$3,000,000 to \$3,500,000		Over \$3,500,000	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,220,202</b>		<b>2,762,024</b>		<b>3,206,409</b>		<b>4,768,603</b>	
<b>COST OF GOODS SOLD</b>	<b>1,535,538</b>	<b>69.16</b>	<b>1,884,685</b>	<b>68.24</b>	<b>2,195,044</b>	<b>68.46</b>	<b>3,254,475</b>	<b>68.25</b>
<b>GROSS MARGIN</b>	<b>684,664</b>	<b>30.84</b>	<b>877,339</b>	<b>31.76</b>	<b>1,011,365</b>	<b>31.54</b>	<b>1,514,128</b>	<b>31.75</b>
Commissions Received	13,832		20,592		18,229		28,494	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>698,496</b>		<b>897,931</b>		<b>1,029,594</b>		<b>1,542,622</b>	
<b>TOTAL REVENUE</b>	<b>2,234,034</b>	<b>100.00</b>	<b>2,782,615</b>	<b>100.00</b>	<b>3,224,638</b>	<b>100.00</b>	<b>4,797,098</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	229,275	10.26	312,786	11.24	351,016	10.89	555,478	11.58
Rent Paid	59,048	2.64	85,014	3.06	109,801	3.41	160,396	3.34
Outgoings - Rental & Rates	2,748	0.12	2,516	0.09	5,505	0.17	6,133	0.13
Accounting	7,549	0.34	9,405	0.34	14,061	0.44	16,761	0.35
Advertising	16,890	0.76	21,965	0.79	29,878	0.93	39,613	0.83
Bank Charges	6,906	0.31	9,729	0.35	10,798	0.33	16,438	0.34
Computer Expenses	7,076	0.32	7,564	0.27	7,261	0.23	10,131	0.21
Depreciation	13,363	0.60	13,586	0.49	20,016	0.62	30,313	0.63
Electricity, Water, Heating	4,990	0.22	6,801	0.24	7,533	0.23	11,848	0.25
Insurance	8,147	0.36	9,094	0.33	10,802	0.33	11,955	0.25
Interest Paid	27,107	1.21	34,076	1.22	49,181	1.53	57,502	1.20
Leasing Expenses	11,399	0.51	10,073	0.36	14,216	0.44	21,467	0.45
Motor Vehicle Expenses	4,668	0.21	4,934	0.18	3,911	0.12	7,067	0.15
Postage, Freight, Printing	9,523	0.43	11,094	0.40	11,729	0.36	16,660	0.35
Repairs, Maintenance, Service	3,548	0.16	3,876	0.14	5,577	0.17	7,316	0.15
Subs and Registrations	6,880	0.31	10,051	0.36	7,889	0.24	13,839	0.29
Superannuation	18,912	0.85	30,597	1.10	28,948	0.90	50,216	1.05
Telephone	5,726	0.26	6,289	0.23	8,000	0.25	11,653	0.24
Training	1,989	0.09	3,109	0.11	4,023	0.12	4,680	0.10
Abnormal Expenses	2,685	0.12	-4,848	-0.17	12,142	0.38	8,642	0.18
Payroll Tax	209	0.01	1,057	0.04	3,098	0.10	7,903	0.16
Workers' Compensation	3,750	0.17	4,798	0.17	5,564	0.17	8,911	0.19
Other Expenses	17,120	0.77	56,331	2.02	24,345	0.75	47,485	0.99
<b>TOTAL EXPENSES</b>	<b>469,508</b>	<b>21.02</b>	<b>649,898</b>	<b>23.36</b>	<b>745,293</b>	<b>23.11</b>	<b>1,122,406</b>	<b>23.40</b>
<b>TOTAL INCOME</b>	<b>228,988</b>	<b>10.25</b>	<b>248,033</b>	<b>8.91</b>	<b>284,301</b>	<b>8.82</b>	<b>420,216</b>	<b>8.76</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	106,107	4.75	102,246	3.67	110,612	3.43	123,528	2.58
	1.29		1.23		1.33		1.50	
Less Return on Capital (2)	5,267	0.24	10,563	0.38	7,119	0.22	13,803	0.29
<b>NET PROFIT/LOSS</b>	<b>117,614</b>	<b>5.26</b>	<b>135,224</b>	<b>4.86</b>	<b>166,570</b>	<b>5.17</b>	<b>282,885</b>	<b>5.90</b>
<b>SALES ANALYSIS</b>								
Prescriptions	1,491,178	67.16	1,908,093	69.08	2,251,667	70.22	3,021,663	63.37
Other Sales	729,024	32.84	853,931	30.92	954,743	29.78	1,746,940	36.63
<b>INVENTORY ANALYSIS</b>								
Prescription	76,431	3.42	90,878	3.27	96,048	2.98	119,246	2.49
Other	128,873	5.77	154,869	5.57	182,824	5.67	226,340	4.72
STOCK CARRIED (Total)	205,304	9.19	245,747	8.83	278,872	8.65	345,586	7.20
STOCK TURN (On Total Inventory)	7.69		7.60		8.29		8.02	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	19.51		21.00		23.44		25.34	
Other	5.66		5.51		5.22		7.72	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	160		221		226		276	
PRESCRIPTIONS DISPENSED (Total)	48,372		62,152		73,900		97,618	
PRESCRIPTIONS DISPENSED WEEKLY	930		1,195		1,421		1,877	
TOTAL HOURS OPEN per WEEK	62		62		69		74	
AV HRS WORKED BY PROPRIETORS/WEEK	49		47		51		57	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>57,530</b>	<b>2.58</b>	<b>26,572</b>	<b>0.95</b>	<b>26,411</b>	<b>0.82</b>	<b>133,540</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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



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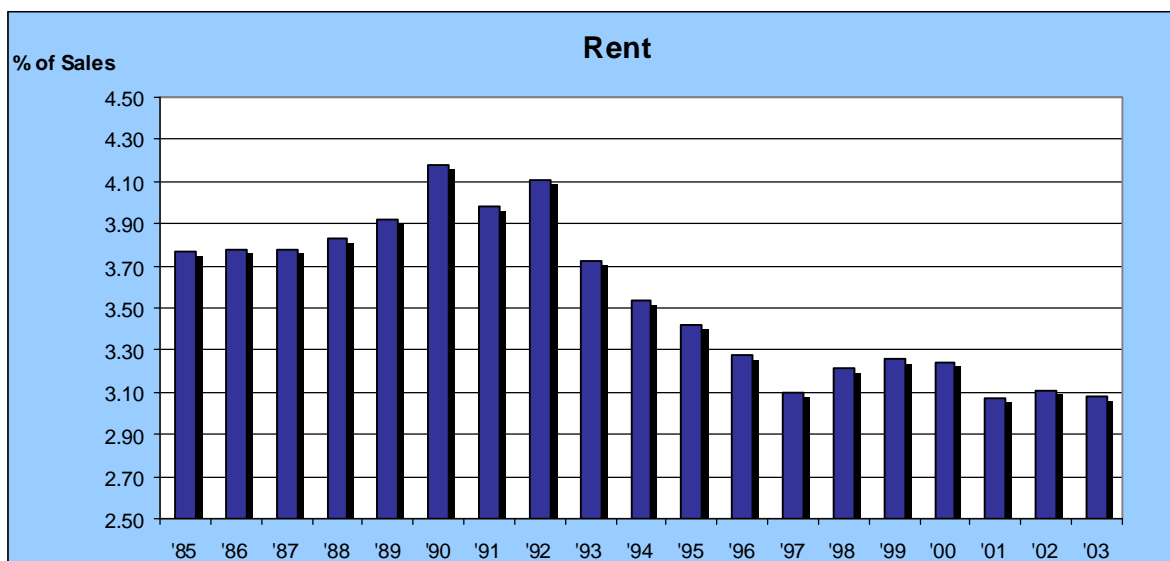
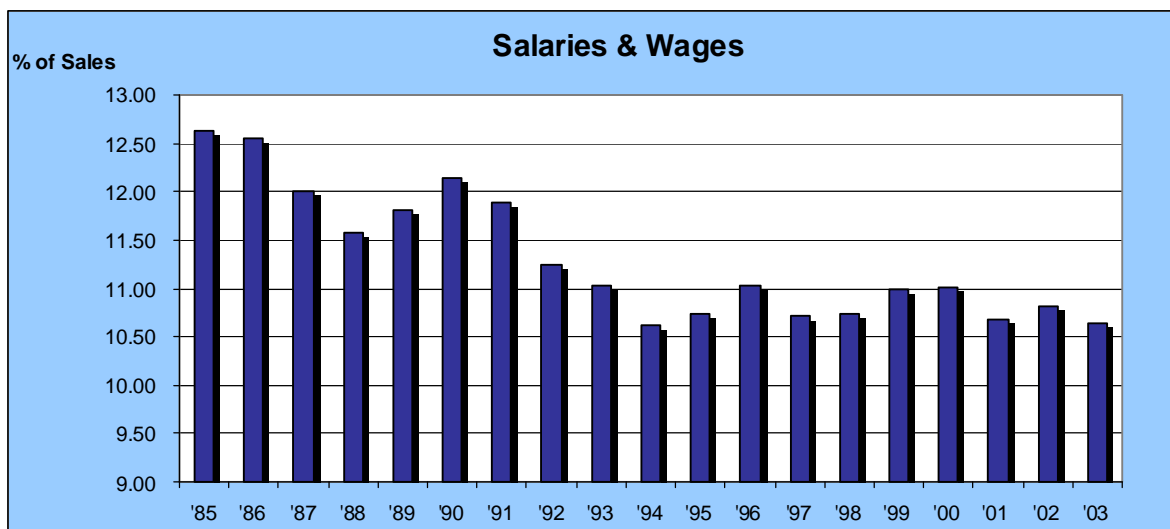
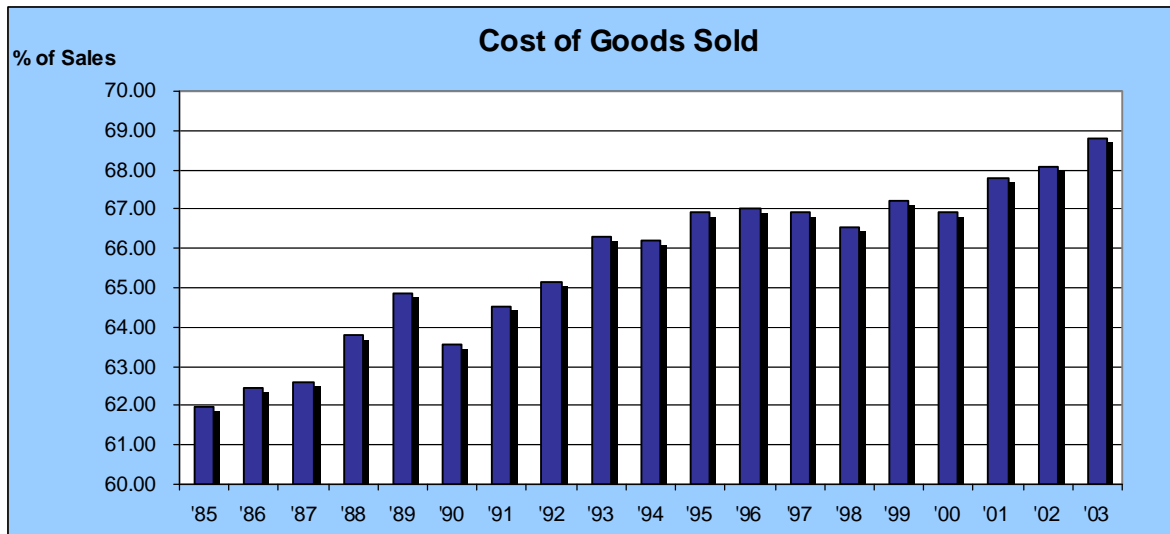
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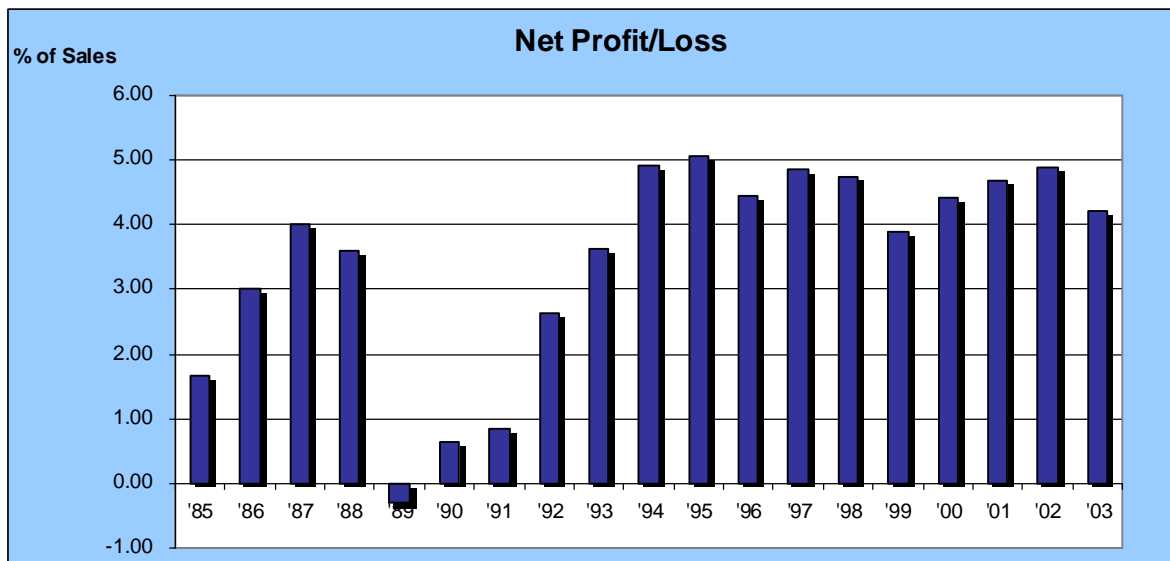
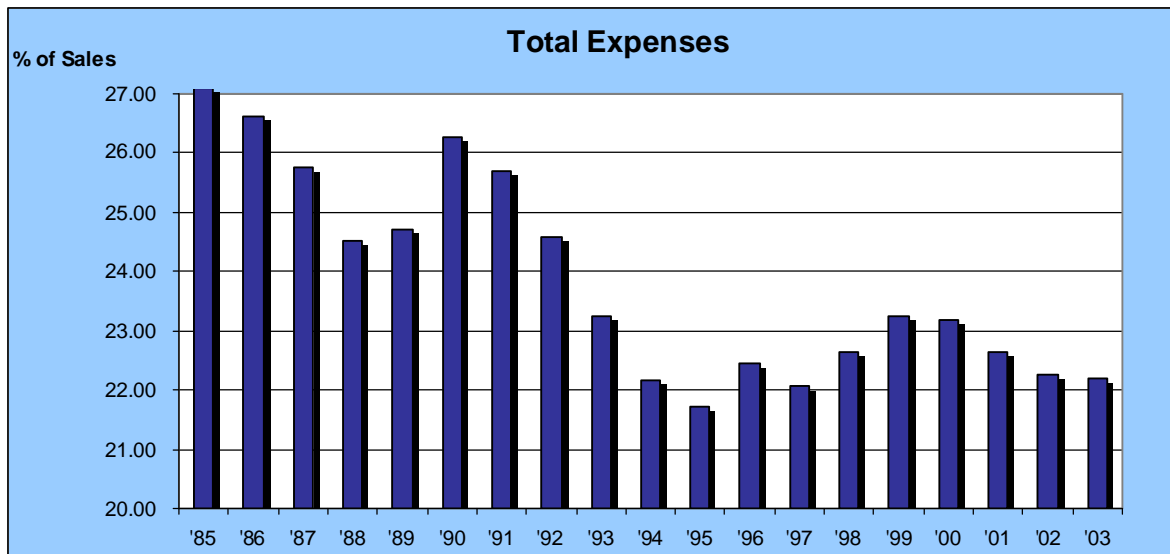
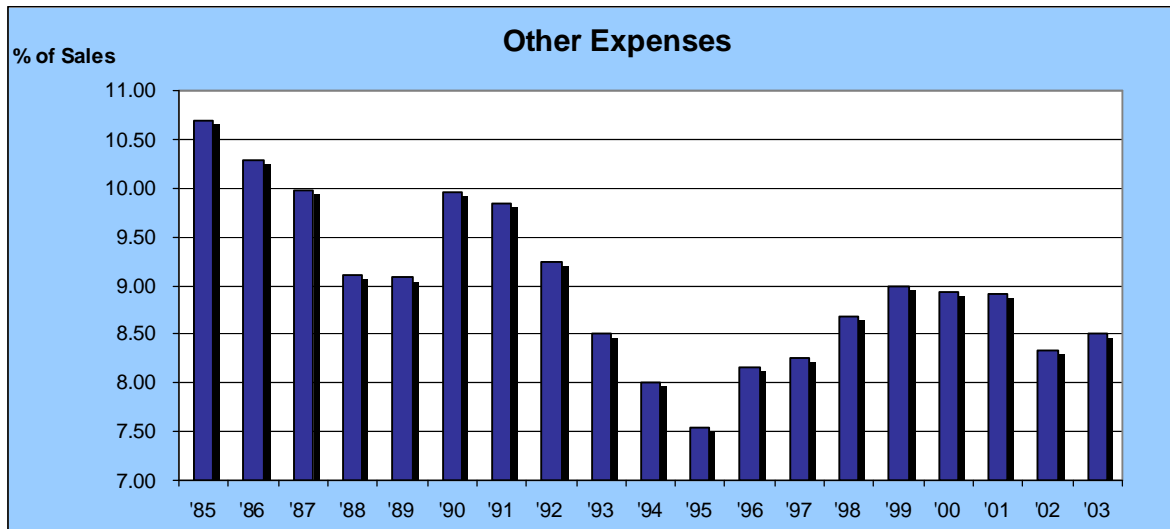
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# Chart 4

## Trends in Pharmacy Operations, 1985 – 2002



**Chart 4** (continued)





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# Table 7

## COMPARISON OF PERFORMANCE – METROPOLITAN v COUNTRY (Based on 12 months trading to 30/6/03)

	NSW		VIC		QLD		SA		WA		TAS		AUSTRALIA	
	Metro	Country	Metro	Country	Metro	Country	Metro	Country	Metro	Country	Metro	Country	Metro	Country
<b>MAIN INDICATORS</b>														
1. SALES (\$ p.a.)	2,201,515	2,197,606	2,153,455	2,629,334	1,825,287	2,183,931	1,821,800	2,478,336	2,283,691	1,744,056	1,995,305	1,657,185	2,100,360	2,232,294
<b>Percentage of Sales</b>														
2. GROSS MARGIN (%)	29.89	30.68	31.72	30.48	32.26	29.89	30.68	31.72	30.48	32.26	28.81	30.41	31.16	31.28
3. RETAIL SALES (%)	30.29	29.98	35.49	36.22	31.67	32.42	30.39	30.83	33.59	33.72	23.65	28.56	31.58	33.10
4. TOTAL REVENUE (\$ p.a.)	2,215,658	2,215,022	2,162,775	2,648,249	1,833,350	2,200,342	1,836,445	2,510,328	2,294,918	1,784,417	2,019,398	1,676,409	2,112,233	2,251,944
<b>Percentage of Total Revenue</b>														
5. STAFF SALARIES & WAGES	10.76	10.54	10.10	10.17	10.57	11.28	11.09	10.77	12.59	8.84	7.97	10.14	10.83	10.62
6. RENT	3.87	2.60	2.61	1.79	4.23	3.34	3.56	1.86	3.37	2.51	1.24	1.88	3.47	2.54
7. ALL EXPENSE ITEMS	24.20	22.54	20.38	19.61	21.98	22.68	22.51	20.79	24.74	20.75	18.57	20.16	22.85	21.59
8. TOTAL INCOME	6.14	8.69	11.63	11.37	10.58	10.24	8.43	10.93	9.18	14.47	11.10	11.05	8.69	10.28
9. NET PROFIT/LOSS	1.38	3.08	6.69	6.37	4.49	5.20	3.49	5.91	4.11	7.95	5.69	4.16	3.64	4.93
10. TOTAL STOCK CARRIED	9.86	9.48	7.32	8.95	9.71	9.61	8.59	8.92	8.63	7.44	8.17	11.21	8.82	9.40
11. STOCK TURN (PER YEAR)	7.48	7.55	7.76	7.83	7.73	7.24	8.37	7.90	6.72	7.22	8.84	8.00	7.76	7.64
12. PRESCRIPTIONS DISPENSED (p.a.)	48,445	49,503	45,640	55,233	41,295	48,912	46,531	58,439	48,015	34,657	52,660	40,213	46,510	49,618
13. HOURS PHARMACY OPEN/WEEK	62	55	60	58	62	61	64	53	69	50	57	53	63	57
14. HOURS WORKED BY PROPRIETORS	47	51	51	54	45	47	38	44	41	48	49	48	46	49

# Table 8

## COMPARISON OF PERFORMANCE – REGIONAL SHOPPING CENTRE v NON-REGIONAL SHOPPING CENTRE (Based on 12 months trading to 30/6/03)

	NSW		VIC		QLD		SA		WA		TAS		AUSTRALIA	
	Regional	Non Regional	Regional	Non Regional	Regional	Non Regional	Regional	Non Regional	Regional	Non Regional	Regional	Non Regional	Regional	Non Regional
<b>MAIN INDICATORS</b>														
1. SALES (\$ p.a.)	2,955,092	2,013,946	3,063,658	2,179,418	2,428,967	2,009,522	2,512,434	1,921,751	INSUFFICIENT TO PUBLISH	2,157,394	2,225,022	1,656,506	2,831,251	1,902,593
<b>Percentage of Sales</b>														
2. GROSS MARGIN (%)	30.51	30.26	30.32	31.44	31.54	32.44	29.97	30.79		33.62	31.22	29.73	30.55	31.14
3. RETAIL SALES (%)	31.83	28.70	46.32	32.42	35.12	32.36	36.16	27.50		35.25	25.78	27.59	37.09	30.61
4. TOTAL REVENUE (\$ p.a.)	2,980,739	2,026,815	3,081,722	2,191,470	2,446,493	2,022,201	2,545,152	1,939,086		2,175,439	2,236,719	1,678,200	2,854,177	1,916,282
<b>Percentage of Total Revenue</b>														
5. STAFF SALARIES & WAGES	10.96	10.48	10.02	10.17	11.00	11.02	12.06	10.56		11.87	9.90	9.51	10.77	10.30
6. RENT	4.62	2.71	2.94	2.02	5.08	3.54	4.92	2.09		3.20	2.42	1.56	4.10	2.50
7. ALL EXPENSE ITEMS	26.61	22.05	20.36	19.93	24.25	22.27	25.25	20.52		23.97	18.05	20.10	23.94	21.00
8. TOTAL INCOME	4.50	8.65	10.36	11.89	7.78	10.59	5.62	10.89		10.20	13.53	10.54	7.17	10.64
9. NET PROFIT/LOSS	0.49	3.20	6.36	6.55	2.84	5.12	1.47	5.53		4.84	5.22	4.71	2.98	4.99
10. TOTAL STOCK CARRIED	7.10	9.70	7.13	8.72	8.65	9.78	7.67	9.25		8.60	7.17	10.92	7.25	9.00
11. STOCK TURN (PER YEAR)	8.37	8.07	7.59	7.86	7.03	7.23	8.03	8.22		6.81	9.31	8.14	7.55	7.93
12. PRESCRIPTIONS DISPENSED (p.a.)	61,609	45,878	54,338	48,382	51,158	45,419	59,461	48,232		44,888	55,963	41,002	57,733	43,391
13. HOURS PHARMACY OPEN/WEEK	58	58	63	58	57	62	64	59	65	59	53	60	58	
14. HOURS WORKED BY PROPRIETORS	54	47	57	52	44	46	40	40	42	75	44	53	45	

**NEW SOUTH WALES PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/03)

**Table 9**

	State Averages New South Wales		Sydney Metropolitan		New South Wales Country		Newcastle Wollongong	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,117,541</b>		<b>2,201,515</b>		<b>2,197,606</b>		<b>2,618,370</b>	
<b>COST OF GOODS SOLD</b>	<b>1,475,579</b>	<b>69.68</b>	<b>1,543,451</b>	<b>70.11</b>	<b>1,523,338</b>	<b>69.32</b>	<b>1,797,902</b>	<b>68.66</b>
<b>GROSS MARGIN</b>	<b>641,962</b>	<b>30.32</b>	<b>658,064</b>	<b>29.89</b>	<b>674,268</b>	<b>30.68</b>	<b>820,468</b>	<b>31.34</b>
Commissions Received	14,917		14,143		17,415		38,155	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>656,879</b>		<b>672,207</b>		<b>691,683</b>		<b>858,623</b>	
<b>TOTAL REVENUE</b>	<b>2,132,459</b>	<b>100.00</b>	<b>2,215,658</b>	<b>100.00</b>	<b>2,215,022</b>	<b>100.00</b>	<b>2,656,525</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	226,260	10.61	238,468	10.76	233,509	10.54	295,069	11.11
Rent Paid	71,424	3.35	85,706	3.87	57,523	2.60	78,293	2.95
Outgoings - Rental & Rates	2,278	0.11	2,079	0.09	2,635	0.12	742	0.03
Accounting	8,022	0.38	8,242	0.37	8,442	0.38	8,619	0.32
Advertising	14,678	0.69	12,987	0.59	19,074	0.86	12,311	0.46
Bank Charges	6,267	0.29	6,803	0.31	5,970	0.27	7,120	0.27
Computer Expenses	5,811	0.27	5,346	0.24	6,972	0.31	4,365	0.16
Depreciation	12,950	0.61	14,381	0.65	12,232	0.55	18,059	0.68
Electricity, Water, Heating	4,552	0.21	4,426	0.20	5,183	0.23	5,523	0.21
Insurance	10,102	0.47	10,620	0.48	10,124	0.46	15,693	0.59
Interest Paid	31,750	1.49	41,944	1.89	20,359	0.92	70,755	2.66
Leasing Expenses	9,159	0.43	10,539	0.48	8,588	0.39	2,864	0.11
Motor Vehicle Expenses	5,553	0.26	5,598	0.25	5,974	0.27	5,504	0.21
Postage, Freight, Printing	7,645	0.36	7,187	0.32	9,232	0.42	9,162	0.34
Repairs, Maintenance, Service	3,983	0.19	3,591	0.16	4,974	0.22	1,969	0.07
Subs and Registrations	7,538	0.35	6,899	0.31	9,149	0.41	6,094	0.23
Superannuation	21,556	1.01	22,735	1.03	22,180	1.00	21,060	0.79
Telephone	5,280	0.25	5,314	0.24	5,658	0.26	4,890	0.18
Training	2,034	0.10	1,561	0.07	3,005	0.14	1,790	0.07
Abnormal Expenses	1,800	0.08	-543	-0.02	5,634	0.25	0	0.00
Payroll Tax	924	0.04	972	0.04	973	0.04	0	0.00
Workers' Compensation	7,428	0.35	7,794	0.35	7,706	0.35	9,590	0.36
Other Expenses	32,444	1.52	33,598	1.52	34,061	1.54	97,454	3.67
<b>TOTAL EXPENSES</b>	<b>499,438</b>	<b>23.42</b>	<b>536,248</b>	<b>24.20</b>	<b>499,157</b>	<b>22.54</b>	<b>676,927</b>	<b>25.48</b>
<b>TOTAL INCOME</b>	<b>157,441</b>	<b>7.38</b>	<b>135,959</b>	<b>6.14</b>	<b>192,526</b>	<b>8.69</b>	<b>181,696</b>	<b>6.84</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	107,213	5.03	105,431	4.76	112,558	5.08	69,938	2.63
	1.27		1.25		1.33		0.85	
Less Return on Capital (2)	3,695	0.17	0	0.00	11,842	0.53	0	0.00
<b>NET PROFIT/LOSS</b>	<b>46,533</b>	<b>2.18</b>	<b>30,528</b>	<b>1.49</b>	<b>68,126</b>	<b>3.08</b>	<b>111,758</b>	<b>5.37</b>
<b>SALES ANALYSIS</b>								
Prescriptions	1,470,882	69.46	1,534,621	69.71	1,538,703	70.02	1,839,214	70.24
Other Sales	646,661	30.54	666,894	30.29	658,904	29.98	779,155	29.76
<b>INVENTORY ANALYSIS</b>								
Prescription	72,150	3.38	85,826	3.87	71,227	3.22	98,898	3.72
Other	122,972	5.77	132,621	5.99	138,743	6.26	149,561	5.63
<b>STOCK CARRIED (Total)</b>	<b>195,122</b>	<b>9.15</b>	<b>218,447</b>	<b>9.86</b>	<b>209,970</b>	<b>9.48</b>	<b>248,459</b>	<b>9.35</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.69</b>		<b>7.85</b>		<b>7.55</b>		<b>6.62</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	20.39		17.88		21.60		18.60	
Other	5.26		5.03		4.75		5.21	
<b>STATISTICS</b>								
<b>PHARMACY SIZE (square metres)</b>	<b>148</b>		<b>138</b>		<b>171</b>		<b>287</b>	
<b>PRESCRIPTIONS DISPENSED (Total)</b>	<b>46,790</b>		<b>48,445</b>		<b>49,503</b>		<b>63,840</b>	
<b>PRESCRIPTIONS DISPENSED WEEKLY</b>	<b>900</b>		<b>932</b>		<b>952</b>		<b>1,228</b>	
<b>TOTAL HOURS OPEN per WEEK</b>	<b>59</b>		<b>62</b>		<b>55</b>		<b>68</b>	
<b>AV HRS WORKED BY PROPRIETORS/WEEK</b>	<b>48</b>		<b>47</b>		<b>51</b>		<b>32</b>	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>7,189</b>	<b>0.34</b>	<b>-21,735</b>	<b>-0.98</b>	<b>44,327</b>	<b>2.00</b>	<b>182,820</b>	<b>6.88</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**NEW SOUTH WALES PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/03)

**Table 9**

	Canberra		New South Wales North Coast		New South Wales South Coast		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	%	\$
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>2,292,342</b>		<b>2,061,349</b>		<b>3,011,647</b>		<b>2,791,618</b>		<b>1,862,907</b>	
<b>COST OF GOODS SOLD</b>	<b>1,588,197</b>	<b>69.28</b>	<b>1,421,516</b>	<b>68.96</b>	<b>2,079,714</b>	<b>69.06</b>	<b>1,942,516</b>	<b>69.58</b>	<b>1,304,204</b>	<b>70.01</b>
<b>GROSS MARGIN</b>	<b>704,145</b>	<b>30.72</b>	<b>639,833</b>	<b>31.04</b>	<b>931,933</b>	<b>30.94</b>	<b>849,102</b>	<b>30.42</b>	<b>558,703</b>	<b>29.99</b>
Commissions Received	9,247		18,203		13,690		15,194		15,188	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>713,392</b>		<b>658,036</b>		<b>945,623</b>		<b>864,296</b>		<b>573,891</b>	
<b>TOTAL REVENUE</b>	<b>2,301,589</b>	<b>100.00</b>	<b>2,079,553</b>	<b>100.00</b>	<b>3,025,336</b>	<b>100.00</b>	<b>2,806,812</b>	<b>100.00</b>	<b>1,878,094</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	259,103	11.26	213,666	10.27	308,697	10.20	308,327	10.98	196,493	10.46
Rent Paid	54,468	2.37	63,596	3.06	62,706	2.07	87,061	3.10	66,353	3.53
Outgoings - Rental & Rates	532	0.02	6,370	0.31	0	0.00	2,095	0.07	2,307	0.12
Accounting	23,199	1.01	8,965	0.43	8,142	0.27	9,966	0.36	8,255	0.44
Advertising	8,089	0.35	22,944	1.10	23,568	0.78	23,364	0.83	10,328	0.55
Bank Charges	12,442	0.54	5,158	0.25	8,309	0.27	7,920	0.28	5,999	0.32
Computer Expenses	8,652	0.38	6,240	0.30	6,591	0.22	7,542	0.27	5,241	0.28
Depreciation	11,064	0.48	16,535	0.80	18,106	0.60	17,760	0.63	10,962	0.58
Electricity, Water, Heating	4,230	0.18	4,713	0.23	4,777	0.16	5,766	0.21	4,091	0.22
Insurance	7,037	0.31	6,765	0.33	10,976	0.36	13,106	0.47	8,680	0.46
Interest Paid	23,818	1.03	16,584	0.80	28,012	0.93	32,109	1.14	33,732	1.80
Leasing Expenses	12,483	0.54	3,249	0.16	12,177	0.40	12,568	0.45	8,328	0.44
Motor Vehicle Expenses	6,627	0.29	6,401	0.31	4,764	0.16	5,716	0.20	5,814	0.31
Postage, Freight, Printing	11,292	0.49	7,640	0.37	10,150	0.34	9,865	0.35	7,100	0.38
Repairs, Maintenance, Service	3,404	0.15	4,905	0.24	6,925	0.23	5,781	0.21	3,138	0.44
Subs and Registrations	6,162	0.27	5,497	0.26	14,536	0.48	11,234	0.40	5,691	0.30
Superannuation	26,341	1.14	18,971	0.91	28,736	0.95	29,126	1.04	18,937	1.01
Telephone	5,971	0.26	4,450	0.21	6,281	0.21	6,835	0.24	4,681	0.25
Training	3,648	0.16	2,350	0.11	1,584	0.05	3,053	0.11	1,682	0.09
Abnormal Expenses	2,974	0.13	2,796	0.13	764	0.03	-838	-0.03	3,501	0.19
Payroll Tax	0	0.00	1,659	0.08	2,580	0.09	1,234	0.04	764	0.04
Workers' Compensation	9,599	0.42	6,900	0.33	9,821	0.32	10,238	0.36	6,441	0.34
Other Expenses	23,570	1.02	12,777	0.61	41,401	1.37	56,600	2.02	20,022	1.07
<b>TOTAL EXPENSES</b>	<b>524,703</b>	<b>22.80</b>	<b>449,132</b>	<b>21.60</b>	<b>619,600</b>	<b>20.48</b>	<b>666,427</b>	<b>23.74</b>	<b>438,541</b>	<b>23.35</b>
<b>TOTAL INCOME</b>	<b>188,689</b>	<b>8.20</b>	<b>208,904</b>	<b>10.05</b>	<b>326,023</b>	<b>10.78</b>	<b>197,869</b>	<b>7.05</b>	<b>135,350</b>	<b>7.21</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	115,064 1.32	5.00	115,779 1.34	5.57	97,613 1.18	3.23	111,343 1.33	3.97	106,824 1.25	5.69
Less Return on Capital (2)	7,034	0.31	9,102	0.44	27,496	0.91	17,872	0.64	0	0.00
<b>NET PROFIT/LOSS</b>	<b>66,591</b>	<b>2.89</b>	<b>84,023</b>	<b>4.04</b>	<b>200,914</b>	<b>6.64</b>	<b>68,654</b>	<b>2.45</b>	<b>28,526</b>	<b>1.80</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,599,061	69.76	1,403,434	68.08	2,070,029	68.73	1,967,262	70.47	1,291,547	69.33
Other Sales	693,281	30.24	657,916	31.92	941,618	31.27	824,355	29.53	571,360	30.67
<b>INVENTORY ANALYSIS</b>										
Prescription	94,347	4.10	73,309	3.53	142,108	4.70	95,353	3.40	72,342	3.85
Other	101,809	4.42	137,627	6.62	148,941	4.92	152,053	5.42	122,267	6.51
STOCK CARRIED (Total)	196,156	8.52	210,936	10.14	291,049	9.62	247,406	8.81	194,609	10.36
STOCK TURN (On Total Inventory)	9.10		7.92		8.34		7.96		7.68	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	16.95		19.14		14.57		20.63		17.85	
Other	6.81		4.78		6.32		5.42		4.67	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	116		128		249		187		125	
PRESCRIPTIONS DISPENSED (Total)	48,614		46,151		66,917		61,647		41,474	
PRESCRIPTIONS DISPENSED WEEKLY	935		888		1,287		1,186		798	
TOTAL HOURS OPEN per WEEK	63		56		65		59		59	
AV HRS WORKED BY PROPRIETORS/WEEK	50		51		45		51		48	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>75,125</b>	<b>3.26</b>	<b>120,013</b>	<b>5.77</b>	<b>155,058</b>	<b>5.13</b>	<b>36,781</b>	<b>1.31</b>	<b>-11,832</b>	<b>-0.63</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**VICTORIAN PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/03)

**Table 10**

	State Averages Victoria		Victoria Metropolitan		Victoria Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>2,383,168</b>		<b>2,153,455</b>		<b>2,629,334</b>		<b>3,167,213</b>		<b>2,009,196</b>	
<b>COST OF GOODS SOLD</b>	<b>1,650,231</b>	<b>69.25</b>	<b>1,470,309</b>	<b>68.28</b>	<b>1,827,949</b>	<b>69.52</b>	<b>2,166,501</b>	<b>68.40</b>	<b>1,388,685</b>	<b>69.12</b>
<b>GROSS MARGIN</b>	<b>732,937</b>	<b>30.75</b>	<b>683,146</b>	<b>31.72</b>	<b>801,385</b>	<b>30.48</b>	<b>1,000,712</b>	<b>31.60</b>	<b>620,511</b>	<b>30.88</b>
Commissions Received	14,063		9,320		18,915		18,312		11,081	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>747,000</b>		<b>692,466</b>		<b>820,300</b>		<b>1,019,024</b>		<b>631,592</b>	
<b>TOTAL REVENUE</b>	<b>2,397,231</b>	<b>100.00</b>	<b>2,162,775</b>	<b>100.00</b>	<b>2,648,249</b>	<b>100.00</b>	<b>3,185,525</b>	<b>100.0</b>	<b>2,020,277</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	236,986	9.89	218,446	10.10	269,422	10.17	370,371	11.63	185,318	9.17
Rent Paid	55,971	2.33	56,519	2.61	47,396	1.79	61,816	1.94	49,197	2.44
Outgoings - Rental & Rates	3,116	0.13	3,310	0.15	2,524	0.10	3,935	0.12	2,610	0.13
Accounting	8,894	0.37	7,592	0.35	9,906	0.37	8,356	0.26	8,589	0.43
Advertising	13,900	0.58	8,802	0.41	18,455	0.70	25,541	0.80	7,436	0.37
Bank Charges	8,904	0.37	7,728	0.36	9,906	0.37	13,034	0.41	6,796	0.34
Computer Expenses	5,951	0.25	5,341	0.25	7,587	0.29	11,087	0.35	4,268	0.21
Depreciation	12,382	0.52	9,067	0.42	15,205	0.57	14,193	0.45	10,449	0.52
Electricity, Water, Heating	5,931	0.25	4,875	0.23	7,553	0.29	8,410	0.26	4,949	0.24
Insurance	5,940	0.25	6,002	0.28	5,524	0.21	6,696	0.21	5,449	0.27
Interest Paid	30,628	1.28	29,422	1.36	26,139	0.99	25,518	0.80	29,157	1.44
Leasing Expenses	10,776	0.45	12,961	0.60	9,017	0.34	16,760	0.53	9,180	0.45
Motor Vehicle Expenses	4,474	0.19	4,330	0.20	5,007	0.19	5,420	0.17	4,268	0.21
Postage, Freight, Printing	8,080	0.34	7,046	0.33	10,012	0.38	12,584	0.40	6,465	0.32
Repairs, Maintenance, Service	3,376	0.14	2,722	0.13	4,324	0.16	5,087	0.16	2,663	0.43
Subs and Registrations	7,485	0.31	5,763	0.27	9,430	0.36	10,502	0.33	5,905	0.29
Superannuation	18,757	0.78	17,486	0.81	21,613	0.82	30,431	0.96	14,541	0.72
Telephone	5,943	0.25	5,244	0.24	6,767	0.26	7,267	0.23	5,280	0.26
Training	2,061	0.09	1,442	0.07	2,981	0.11	3,853	0.12	1,329	0.07
Abnormal Expenses	2,608	0.11	1,064	0.05	4,432	0.17	6,531	0.21	740	0.04
Payroll Tax	2,141	0.09	3,460	0.16	1,900	0.07	5,404	0.17	1,785	0.09
Workers' Compensation	2,081	0.09	1,979	0.09	2,325	0.09	3,236	0.10	1,662	0.08
Other Expenses	21,038	0.88	20,258	0.94	21,770	0.82	38,387	1.21	13,719	0.68
<b>TOTAL EXPENSES</b>	<b>477,423</b>	<b>19.92</b>	<b>440,858</b>	<b>20.38</b>	<b>519,195</b>	<b>19.61</b>	<b>694,419</b>	<b>21.80</b>	<b>381,754</b>	<b>18.90</b>
<b>TOTAL INCOME</b>	<b>269,577</b>	<b>11.25</b>	<b>251,608</b>	<b>11.63</b>	<b>301,105</b>	<b>11.37</b>	<b>324,605</b>	<b>10.19</b>	<b>249,838</b>	<b>12.37</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	114,065 1.39	4.76	112,064 1.35	5.18	118,913 1.43	4.49	121,126 1.47	3.80	112,242 1.35	5.56
Less Return on Capital (2)	1,522	0.06	0	0.00	13,528	0.51	17,056	0.54	0	0.00
<b>NET PROFIT/LOSS</b>	<b>153,990</b>	<b>6.42</b>	<b>139,544</b>	<b>6.69</b>	<b>168,664</b>	<b>6.37</b>	<b>186,423</b>	<b>5.85</b>	<b>137,596</b>	<b>7.11</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,526,983	64.07	1,389,230	64.51	1,676,995	63.78	2,195,186	69.31	1,223,299	60.89
Other Sales	856,185	35.93	764,226	35.49	952,339	36.22	972,027	30.69	785,897	39.11
<b>INVENTORY ANALYSIS</b>										
Prescription	71,886	3.00	68,006	3.14	79,600	3.01	83,904	2.63	61,715	3.05
Other	119,939	5.00	90,243	4.17	157,412	5.94	160,631	5.04	78,226	3.87
STOCK CARRIED (Total)	191,825	8.00	158,249	7.32	237,012	8.95	244,535	7.68	139,941	6.93
STOCK TURN (On Total Inventory)	8.12		7.76		7.83		8.84		7.24	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	21.24		20.43		21.07		26.16		19.82	
Other	7.14		8.47		6.05		6.05		10.05	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	170		130		215		242		106	
PRESCRIPTIONS DISPENSED (Total)	49,913		45,640		55,233		71,981		40,324	
PRESCRIPTIONS DISPENSED WEEKLY	961		878		1,062		1,384		775	
TOTAL HOURS OPEN per WEEK	60		60		58		59		60	
AV HRS WORKED BY PROPRIETORS/WEEK	53		51		54		56		51	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>105,203</b>	<b>4.39</b>	<b>130,938</b>	<b>6.05</b>	<b>61,237</b>	<b>2.31</b>	<b>95,995</b>	<b>3.01</b>	<b>115,976</b>	<b>5.74</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**QUEENSLAND PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/03)

**Table 11**

	State Averages Queensland		Brisbane Metropolitan		Queensland Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>1,945,307</b>		<b>1,825,287</b>		<b>2,183,931</b>		<b>2,168,558</b>		<b>1,999,431</b>	
<b>COST OF GOODS SOLD</b>	<b>1,315,946</b>	<b>67.65</b>	<b>1,236,386</b>	<b>67.74</b>	<b>1,475,830</b>	<b>67.58</b>	<b>1,473,193</b>	<b>67.93</b>	<b>1,350,437</b>	<b>67.54</b>
<b>GROSS MARGIN</b>	<b>629,361</b>	<b>32.35</b>	<b>588,901</b>	<b>32.26</b>	<b>708,101</b>	<b>32.42</b>	<b>695,365</b>	<b>32.07</b>	<b>648,994</b>	<b>32.46</b>
Commissions Received	12,854		8,064		16,410		18,111		11,519	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>642,215</b>		<b>596,965</b>		<b>724,511</b>		<b>713,476</b>		<b>660,513</b>	
<b>TOTAL REVENUE</b>	<b>1,958,162</b>	<b>100.00</b>	<b>1,833,350</b>	<b>100.00</b>	<b>2,200,342</b>	<b>100.00</b>	<b>2,186,670</b>	<b>100.0</b>	<b>2,010,950</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	214,941	10.98	193,837	10.57	248,158	11.28	226,080	10.34	225,947	11.24
Rent Paid	71,791	3.67	77,638	4.23	73,428	3.34	65,887	3.01	77,835	3.87
Outgoings - Rental & Rates	2,522	0.13	2,538	0.14	2,706	0.12	3,012	0.14	2,529	0.13
Accounting	7,044	0.36	5,919	0.32	8,371	0.38	4,703	0.22	8,144	0.40
Advertising	19,744	1.01	12,970	0.71	26,624	1.21	29,221	1.34	18,676	0.93
Bank Charges	7,388	0.38	7,717	0.42	7,761	0.35	6,422	0.29	8,126	0.40
Computer Expenses	4,524	0.23	3,839	0.21	5,037	0.23	6,319	0.29	4,034	0.20
Depreciation	12,959	0.66	13,638	0.74	13,532	0.61	14,083	0.64	13,428	0.67
Electricity, Water, Heating	5,243	0.27	5,035	0.27	5,842	0.27	6,022	0.28	5,365	0.27
Insurance	5,093	0.26	4,900	0.27	5,405	0.25	5,249	0.24	5,184	0.26
Interest Paid	21,278	1.09	15,839	0.86	26,659	1.21	16,868	0.77	23,800	1.18
Leasing Expenses	6,676	0.34	7,104	0.39	6,747	0.31	9,737	0.45	6,067	0.30
Motor Vehicle Expenses	4,277	0.22	4,015	0.22	4,824	0.22	5,338	0.24	4,248	0.21
Postage, Freight, Printing	6,971	0.36	5,256	0.29	8,725	0.40	7,096	0.32	7,370	0.37
Repairs, Maintenance, Service	2,742	0.14	2,255	0.12	3,161	0.14	3,226	0.15	2,665	0.13
Subs and Registrations	5,442	0.28	4,856	0.26	5,925	0.27	6,934	0.32	5,069	0.25
Superannuation	18,187	0.93	16,100	0.88	21,185	0.96	18,898	0.86	19,170	0.95
Telephone	5,117	0.26	4,386	0.24	5,920	0.27	5,291	0.24	5,294	0.26
Training	2,086	0.11	1,369	0.07	2,816	0.13	2,675	0.12	2,094	0.10
Abnormal Expenses	2,124	0.11	1,021	0.06	3,005	0.14	3,336	0.15	1,864	0.09
Payroll Tax	775	0.04	16	0.00	1,421	0.06	546	0.02	934	0.05
Workers' Compensation	961	0.05	880	0.05	1,105	0.05	987	0.05	1,020	0.05
Other Expenses	10,942	0.56	11,814	0.64	10,734	0.49	14,914	0.68	10,089	0.50
<b>TOTAL EXPENSES</b>	<b>438,834</b>	<b>22.41</b>	<b>402,941</b>	<b>21.98</b>	<b>499,088</b>	<b>22.68</b>	<b>462,845</b>	<b>21.17</b>	<b>458,952</b>	<b>22.82</b>
<b>TOTAL INCOME</b>	<b>203,381</b>	<b>10.39</b>	<b>194,024</b>	<b>10.58</b>	<b>225,423</b>	<b>10.24</b>	<b>250,631</b>	<b>11.46</b>	<b>201,561</b>	<b>10.02</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	101,736	5.20	103,175	5.63	101,619	4.62	91,345	4.18	105,421	5.24
Less Return on Capital (2)	8,023	0.41	8,494	0.46	9,373	0.43	14,033	0.64	7,580	0.38
<b>NET PROFIT/LOSS</b>	<b>93,623</b>	<b>4.78</b>	<b>82,355</b>	<b>4.49</b>	<b>114,431</b>	<b>5.20</b>	<b>145,253</b>	<b>6.64</b>	<b>88,560</b>	<b>4.40</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,311,304	67.41	1,247,233	68.33	1,460,867	66.89	1,461,572	67.40	1,348,102	67.42
Other Sales	634,005	32.59	578,054	31.67	723,064	33.11	706,987	32.60	651,329	32.58
<b>INVENTORY ANALYSIS</b>										
Prescription	62,950	3.21	64,346	3.51	70,166	3.19	74,867	3.42	66,489	3.31
Other	119,457	6.10	113,636	6.20	141,297	6.42	130,479	5.97	130,637	6.50
STOCK CARRIED (Total)	182,407	9.32	177,982	9.71	211,463	9.61	205,346	9.39	197,126	9.80
STOCK TURN (On Total Inventory)	7.36		7.73		7.52		8.13		7.44	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	20.83		19.38		20.82		19.52		20.28	
Other	5.31		5.09		5.12		5.42		4.99	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	154		134		134		154		121	
PRESCRIPTIONS DISPENSED (Total)	43,741		41,295		48,912		50,533		44,428	
PRESCRIPTIONS DISPENSED WEEKLY	842		794		941		972		854	
TOTAL HOURS OPEN per WEEK	61		62		61		59		63	
AV HRS WORKED BY PROPRIETORS/WEEK	46		45		47		43		47	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>28,228</b>	<b>1.44</b>	<b>12,186</b>	<b>0.66</b>	<b>29,683</b>	<b>1.35</b>	<b>134,043</b>	<b>6.13</b>	<b>-8,004</b>	<b>-0.40</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**SOUTH AUSTRALIA PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/03)

**Table 12**

	State Averages South Australia		Adelaide Metropolitan		South Australia Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>1,960,832</b>		<b>1,821,800</b>		<b>2,478,336</b>		<b>2,238,610</b>		<b>1,782,364</b>	
<b>COST OF GOODS SOLD</b>	<b>1,360,790</b>	<b>69.40</b>	<b>1,268,184</b>	<b>69.61</b>	<b>1,714,213</b>	<b>69.17</b>	<b>1,546,351</b>	<b>69.08</b>	<b>1,248,496</b>	<b>70.05</b>
<b>GROSS MARGIN</b>	<b>600,042</b>	<b>30.60</b>	<b>553,616</b>	<b>30.39</b>	<b>764,123</b>	<b>30.83</b>	<b>692,259</b>	<b>30.92</b>	<b>533,868</b>	<b>29.95</b>
Commissions Received	19,822		14,645		31,991		14,840		28,977	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>619,864</b>		<b>568,261</b>		<b>796,114</b>		<b>707,099</b>		<b>562,845</b>	
<b>TOTAL REVENUE</b>	<b>1,980,654</b>	<b>100.00</b>	<b>1,836,445</b>	<b>100.00</b>	<b>2,510,328</b>	<b>100.00</b>	<b>2,253,449</b>	<b>100.0</b>	<b>1,811,341</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	219,010	11.06	203,701	11.09	270,465	10.77	243,567	10.81	203,271	11.22
Rent Paid	57,758	2.92	65,446	3.56	46,768	1.86	73,053	3.24	38,907	2.15
Outgoings - Rental & Rates	3,325	0.17	3,787	0.21	2,353	0.09	4,017	0.18	2,254	0.12
Accounting	5,562	0.28	5,532	0.30	6,237	0.25	6,649	0.30	4,538	0.25
Advertising	10,831	0.55	8,818	0.48	16,736	0.67	16,465	0.73	4,620	0.26
Bank Charges	6,215	0.31	6,269	0.34	7,063	0.28	7,494	0.33	5,198	0.29
Computer Expenses	7,687	0.39	6,504	0.35	11,223	0.45	9,531	0.42	6,177	0.34
Depreciation	9,760	0.49	7,220	0.39	15,916	0.63	11,441	0.51	8,545	0.47
Electricity, Water, Heating	5,346	0.27	5,168	0.28	6,272	0.25	6,430	0.29	4,305	0.24
Insurance	6,273	0.32	5,634	0.31	7,806	0.31	6,572	0.29	6,129	0.34
Interest Paid	15,879	0.80	14,922	0.81	22,259	0.89	16,469	0.73	18,903	1.04
Leasing Expenses	8,178	0.41	6,407	0.35	13,071	0.52	12,022	0.53	4,040	0.22
Motor Vehicle Expenses	3,438	0.17	3,080	0.17	4,691	0.19	3,735	0.17	3,505	0.19
Postage, Freight, Printing	6,813	0.34	4,771	0.26	11,676	0.47	6,939	0.31	7,504	0.41
Repairs, Maintenance, Service	3,441	0.17	2,969	0.16	4,646	0.19	4,123	0.18	2,741	0.25
Subs and Registrations	7,990	0.40	6,618	0.36	10,974	0.44	10,025	0.44	5,445	0.30
Superannuation	19,422	0.98	18,561	1.01	23,173	0.92	21,358	0.95	18,470	1.02
Telephone	5,191	0.26	4,457	0.24	7,293	0.29	6,156	0.27	4,432	0.24
Training	2,053	0.10	1,263	0.07	3,709	0.15	1,785	0.08	2,582	0.14
Abnormal Expenses	10,662	0.54	12,597	0.69	7,386	0.29	16,765	0.74	2,287	0.13
Payroll Tax	3,034	0.15	3,193	0.17	3,104	0.12	2,701	0.12	3,819	0.21
Workers' Compensation	1,238	0.06	1,102	0.06	1,625	0.06	1,377	0.06	1,152	0.06
Other Expenses	15,300	0.77	15,368	0.84	17,409	0.69	18,173	0.81	13,099	0.72
<b>TOTAL EXPENSES</b>	<b>434,406</b>	<b>21.93</b>	<b>413,389</b>	<b>22.51</b>	<b>521,854</b>	<b>20.79</b>	<b>506,845</b>	<b>22.49</b>	<b>371,923</b>	<b>20.53</b>
<b>TOTAL INCOME</b>	<b>185,458</b>	<b>9.36</b>	<b>154,872</b>	<b>8.43</b>	<b>274,260</b>	<b>10.93</b>	<b>200,254</b>	<b>8.89</b>	<b>190,922</b>	<b>10.54</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	86,913 1.04	4.39	81,151 1.00	4.42	100,750 1.17	4.01	88,759 1.10	3.94	86,843 1.00	4.79
Less Return on Capital (2)	17,607	0.89	9,543	0.52	25,024	1.00	16,273	0.72	16,188	0.89
<b>NET PROFIT/LOSS</b>	<b>80,938</b>	<b>4.09</b>	<b>64,178</b>	<b>3.49</b>	<b>148,486</b>	<b>5.91</b>	<b>95,222</b>	<b>4.23</b>	<b>87,891</b>	<b>4.85</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,377,208	70.24	1,358,767	74.58	1,589,352	64.13	1,519,055	67.86	1,325,167	74.35
Other Sales	583,622	29.76	463,033	25.42	888,984	35.87	719,555	32.14	457,198	25.65
<b>INVENTORY ANALYSIS</b>										
Prescription	82,906	4.19	86,230	4.70	89,069	3.55	95,978	4.26	69,888	3.86
Other	94,073	4.75	71,563	3.90	134,849	5.37	110,427	4.90	64,153	3.54
<b>STOCK CARRIED (Total)</b>	<b>176,979</b>	<b>8.94</b>	<b>157,793</b>	<b>8.59</b>	<b>223,918</b>	<b>8.92</b>	<b>206,405</b>	<b>9.16</b>	<b>134,041</b>	<b>7.40</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.93</b>		<b>8.37</b>		<b>7.90</b>		<b>7.92</b>		<b>8.65</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	16.61		15.76		17.84		15.83		18.96	
Other	6.20		6.47		6.59		6.52		7.13	
<b>STATISTICS</b>										
<b>PHARMACY SIZE (square metres)</b>	<b>159</b>		<b>151</b>		<b>188</b>		<b>182</b>		<b>136</b>	
<b>PRESCRIPTIONS DISPENSED (Total)</b>	<b>48,659</b>		<b>46,531</b>		<b>58,439</b>		<b>52,755</b>		<b>47,715</b>	
<b>PRESCRIPTIONS DISPENSED WEEKLY</b>	<b>935</b>		<b>895</b>		<b>1,124</b>		<b>1,015</b>		<b>918</b>	
<b>TOTAL HOURS OPEN per WEEK</b>	<b>60</b>		<b>64</b>		<b>53</b>		<b>63</b>		<b>56</b>	
<b>AV HRS WORKED BY PROPRIETORS/WEEK</b>	<b>39</b>		<b>38</b>		<b>44</b>		<b>42</b>		<b>38</b>	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>67,863</b>	<b>3.43</b>	<b>39,443</b>	<b>2.15</b>	<b>131,889</b>	<b>5.25</b>	<b>58,511</b>	<b>2.60</b>	<b>96,452</b>	<b>5.32</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**WESTERN AUSTRALIAN PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/03)

**Table 13**

	State Averages Western Australia		Perth Metropolitan		Western Australian Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>2,225,137</b>		<b>2,283,691</b>		<b>1,744,056</b>		<b>2,752,433</b>		<b>1,850,277</b>	
<b>COST OF GOODS SOLD</b>	<b>1,479,204</b>	<b>66.48</b>	<b>1,516,514</b>	<b>66.41</b>	<b>1,155,931</b>	<b>66.28</b>	<b>1,824,139</b>	<b>66.27</b>	<b>1,229,791</b>	<b>66.47</b>
<b>GROSS MARGIN</b>	<b>745,933</b>	<b>33.52</b>	<b>767,177</b>	<b>33.59</b>	<b>588,125</b>	<b>33.72</b>	<b>928,294</b>	<b>33.73</b>	<b>620,486</b>	<b>33.53</b>
Commissions Received	17,048		11,227		40,362		18,746		17,685	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>762,981</b>		<b>778,404</b>		<b>628,487</b>		<b>947,040</b>		<b>638,171</b>	
<b>TOTAL REVENUE</b>	<b>2,242,185</b>	<b>100.00</b>	<b>2,294,918</b>	<b>100.00</b>	<b>1,784,417</b>	<b>100.00</b>	<b>2,771,178</b>	<b>100.0</b>	<b>1,867,961</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	266,608	11.89	288,967	12.59	157,749	8.84	314,711	11.36	229,118	12.27
Rent Paid	70,906	3.16	77,289	3.37	44,832	2.51	83,818	3.02	62,402	3.34
Outgoings - Rental & Rates	5,823	0.26	5,134	0.22	8,091	0.45	5,775	0.21	5,853	0.31
Accounting	6,777	0.30	5,637	0.25	10,136	0.57	5,446	0.20	7,332	0.39
Advertising	18,685	0.83	20,608	0.90	10,020	0.56	29,608	1.07	12,206	0.65
Bank Charges	7,865	0.35	8,324	0.36	6,101	0.34	9,533	0.34	6,911	0.37
Computer Expenses	7,154	0.32	6,713	0.29	8,248	0.46	8,527	0.31	6,322	0.34
Depreciation	14,813	0.66	15,947	0.69	8,917	0.50	15,924	0.57	13,465	0.72
Electricity, Water, Heating	6,987	0.31	7,665	0.33	3,877	0.22	9,011	0.33	5,626	0.30
Insurance	7,664	0.34	7,441	0.32	8,455	0.47	11,342	0.41	5,788	0.31
Interest Paid	25,048	1.12	24,603	1.07	22,639	1.27	15,022	0.54	28,851	1.54
Leasing Expenses	5,863	0.26	7,238	0.32	1,101	0.06	10,115	0.37	3,575	0.19
Motor Vehicle Expenses	2,588	0.12	2,440	0.11	3,242	0.18	4,598	0.17	1,611	0.09
Postage, Freight, Printing	10,055	0.45	9,563	0.42	10,613	0.59	8,265	0.30	10,606	0.57
Repairs, Maintenance, Service	3,579	0.16	3,871	0.17	2,970	0.17	6,110	0.22	2,396	0.39
Subs and Registrations	9,739	0.43	9,058	0.39	9,748	0.55	10,592	0.38	8,511	0.46
Superannuation	23,536	1.05	25,550	1.11	12,899	0.72	29,218	1.05	19,167	1.03
Telephone	6,943	0.31	7,175	0.31	5,488	0.31	8,421	0.30	5,934	0.32
Training	2,172	0.10	2,129	0.09	2,017	0.11	2,410	0.09	1,944	0.10
Abnormal Expenses	3,854	0.17	2,880	0.13	7,694	0.43	4,867	0.18	3,562	0.19
Payroll Tax	1,310	0.06	1,680	0.07	0	0.00	330	0.01	1,780	0.10
Workers' Compensation	2,167	0.10	2,384	0.10	1,239	0.07	2,473	0.09	1,932	0.10
Other Expenses	26,701	1.19	25,467	1.11	24,126	1.35	32,790	1.18	21,211	1.14
<b>TOTAL EXPENSES</b>	<b>536,834</b>	<b>23.94</b>	<b>567,764</b>	<b>24.74</b>	<b>370,203</b>	<b>20.75</b>	<b>628,906</b>	<b>22.69</b>	<b>466,105</b>	<b>24.95</b>
<b>TOTAL INCOME</b>	<b>226,147</b>	<b>10.09</b>	<b>210,640</b>	<b>9.18</b>	<b>258,284</b>	<b>14.47</b>	<b>318,134</b>	<b>11.48</b>	<b>172,066</b>	<b>9.21</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	94,166	4.20	91,159	3.97	107,886	6.05	88,728	3.20	98,349	5.27
Less Return on Capital (2)	1.10		1.07		1.25		1.06		1.14	
	20,778	0.93	25,214	1.10	8,470	0.47	17,871	0.64	23,956	1.28
<b>NET PROFIT/LOSS</b>	<b>111,203</b>	<b>4.96</b>	<b>94,267</b>	<b>4.11</b>	<b>141,928</b>	<b>7.95</b>	<b>211,535</b>	<b>7.63</b>	<b>49,761</b>	<b>2.66</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,453,049	65.30	1,507,326	66.00	1,035,827	59.39	1,760,858	63.97	1,209,164	65.35
Other Sales	772,087	34.70	776,366	34.00	708,229	40.61	991,575	36.03	641,113	34.65
<b>INVENTORY ANALYSIS</b>										
Prescription	71,014	3.17	69,738	3.04	47,418	2.66	87,423	3.15	47,906	2.56
Other	128,322	5.72	128,309	5.59	85,388	4.79	167,277	6.04	82,130	4.40
<b>STOCK CARRIED (Total)</b>	<b>199,336</b>	<b>8.89</b>	<b>198,047</b>	<b>8.63</b>	<b>132,806</b>	<b>7.44</b>	<b>254,700</b>	<b>9.19</b>	<b>130,036</b>	<b>6.96</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.17</b>		<b>6.72</b>		<b>7.22</b>		<b>7.85</b>		<b>6.18</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	20.46		21.61		21.84		20.14		25.24	
Other	6.02		6.05		8.29		5.93		7.81	
<b>STATISTICS</b>										
<b>PHARMACY SIZE (square metres)</b>	<b>147</b>		<b>146</b>		<b>143</b>		<b>186</b>		<b>115</b>	
<b>PRESCRIPTIONS DISPENSED (Total)</b>	<b>46,733</b>		<b>48,015</b>		<b>34,657</b>		<b>57,315</b>		<b>38,475</b>	
<b>PRESCRIPTIONS DISPENSED WEEKLY</b>	<b>899</b>		<b>923</b>		<b>666</b>		<b>1,102</b>		<b>740</b>	
<b>TOTAL HOURS OPEN per WEEK</b>	<b>65</b>		<b>69</b>		<b>50</b>		<b>77</b>		<b>58</b>	
<b>AV HRS WORKED BY PROPRIETORS/WEEK</b>	<b>42</b>		<b>41</b>		<b>48</b>		<b>40</b>		<b>43</b>	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>70,972</b>	<b>3.17</b>	<b>58,472</b>	<b>2.55</b>	<b>145,275</b>	<b>8.14</b>	<b>133,393</b>	<b>4.81</b>	<b>60,387</b>	<b>3.23</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**TASMANIAN PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/03)

**Table 14**

	State Averages Tasmania		Hobart Metropolitan		Tasmanian Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%		
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>1,852,742</b>		<b>1,995,305</b>		<b>1,657,185</b>		<b>2,073,117</b>		<b>1,575,790</b>	
<b>COST OF GOODS SOLD</b>	<b>1,298,617</b>	<b>70.09</b>	<b>1,420,366</b>	<b>71.19</b>	<b>1,153,264</b>	<b>69.59</b>	<b>1,433,050</b>	<b>69.13</b>	<b>1,111,731</b>	<b>70.55</b>
<b>GROSS MARGIN</b>	<b>554,125</b>	<b>29.91</b>	<b>574,939</b>	<b>28.81</b>	<b>503,921</b>	<b>30.41</b>	<b>640,067</b>	<b>30.87</b>	<b>464,059</b>	<b>29.45</b>
Commissions Received	20,871		24,093		19,224		15,411		22,627	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>574,996</b>		<b>599,032</b>		<b>523,145</b>		<b>655,478</b>		<b>486,686</b>	
<b>TOTAL REVENUE</b>	<b>1,873,613</b>	<b>100.00</b>	<b>2,019,398</b>	<b>100.00</b>	<b>1,676,409</b>	<b>100.00</b>	<b>2,088,528</b>	<b>100.0</b>	<b>1,598,417</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	179,227	9.57	160,959	7.97	170,028	10.14	195,312	9.35	155,206	9.71
Rent Paid	32,871	1.75	24,967	1.24	31,513	1.88	31,320	1.50	29,422	1.84
Outgoings - Rental & Rates	3,963	0.21	3,661	0.18	4,180	0.25	4,009	0.19	4,088	0.26
Accounting	6,670	0.36	10,595	0.52	4,983	0.30	5,072	0.24	6,812	0.43
Advertising	15,985	0.85	17,484	0.87	14,130	0.84	15,150	0.73	14,772	0.92
Bank Charges	6,258	0.33	8,593	0.43	5,412	0.32	6,132	0.29	6,136	0.38
Computer Expenses	9,364	0.50	7,158	0.35	7,604	0.45	12,196	0.58	5,313	0.33
Depreciation	11,295	0.60	13,284	0.66	10,280	0.61	10,817	0.52	11,031	0.69
Electricity, Water, Heating	3,368	0.18	3,259	0.16	3,151	0.19	3,225	0.15	3,152	0.20
Insurance	8,159	0.44	8,015	0.40	8,199	0.49	7,770	0.37	8,338	0.52
Interest Paid	24,039	1.28	50,768	2.51	16,601	0.99	23,738	1.14	24,659	1.54
Leasing Expenses	4,563	0.24	2,206	0.11	5,588	0.33	2,958	0.14	5,689	0.36
Motor Vehicle Expenses	4,301	0.23	2,675	0.13	4,075	0.24	5,225	0.25	3,071	0.19
Postage, Freight, Printing	8,517	0.45	7,414	0.37	8,164	0.49	7,887	0.38	8,044	0.50
Repairs, Maintenance, Service	4,255	0.23	2,472	0.12	4,763	0.28	3,689	0.18	4,500	0.43
Subs and Registrations	7,786	0.42	8,831	0.44	7,370	0.44	9,080	0.43	7,060	0.44
Superannuation	13,862	0.74	13,153	0.65	13,041	0.78	15,314	0.73	12,017	0.75
Telephone	4,919	0.26	4,508	0.22	4,924	0.29	5,201	0.25	4,656	0.29
Training	1,127	0.06	727	0.04	1,186	0.07	614	0.03	1,300	0.08
Abnormal Expenses	1,283	0.07	2,940	0.15	1,031	0.06	3,589	0.17	474	0.03
Payroll Tax	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Workers' Compensation	1,872	0.10	1,761	0.09	1,742	0.10	2,061	0.10	1,599	0.10
Other Expenses	11,646	0.62	19,483	0.96	9,975	0.60	10,700	0.51	12,806	0.80
<b>TOTAL EXPENSES</b>	<b>365,328</b>	<b>19.50</b>	<b>374,915</b>	<b>18.57</b>	<b>337,941</b>	<b>20.16</b>	<b>381,059</b>	<b>18.25</b>	<b>330,144</b>	<b>20.65</b>
<b>TOTAL INCOME</b>	<b>209,668</b>	<b>11.19</b>	<b>224,117</b>	<b>11.10</b>	<b>185,204</b>	<b>11.05</b>	<b>274,419</b>	<b>13.14</b>	<b>156,542</b>	<b>9.79</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	109,165	5.83	109,288	5.41	106,416	6.35	101,035	4.84	109,884	6.87
Less Return on Capital (2)	4,476	0.24	0	0.00	9,120	0.54	4,584	0.22	1,907	0.12
<b>NET PROFIT/LOSS</b>	<b>96,027</b>	<b>5.13</b>	<b>114,829</b>	<b>6.62</b>	<b>69,668</b>	<b>4.16</b>	<b>168,800</b>	<b>8.08</b>	<b>44,751</b>	<b>2.80</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,365,539	73.70	1,523,356	76.35	1,183,899	71.44	1,568,669	75.67	1,117,492	70.92
Other Sales	487,203	26.30	471,949	23.65	473,286	28.56	504,448	24.33	458,298	29.08
<b>INVENTORY ANALYSIS</b>										
Prescription	59,209	3.16	59,951	2.97	59,679	3.56	60,990	2.92	59,234	3.71
Other	146,816	7.84	104,966	5.20	128,184	7.65	100,595	4.82	130,057	8.14
STOCK CARRIED (Total)	206,025	11.00	164,917	8.17	187,863	11.21	161,585	7.74	189,291	11.84
STOCK TURN (On Total Inventory)	7.29		9.22		8.00		9.32		7.78	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	23.06		25.41		19.84		25.72		18.87	
Other	3.32		4.50		3.69		5.01		3.52	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	129		92		124		150		99	
PRESCRIPTIONS DISPENSED (Total)	46,684		52,660		40,213		54,586		37,655	
PRESCRIPTIONS DISPENSED WEEKLY	898		1,013		773		1,050		724	
TOTAL HOURS OPEN per WEEK	55		57		53		52		54	
AV HRS WORKED BY PROPRIETORS/WEEK	49		49		48		46		49	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>62,007</b>	<b>3.31</b>	<b>21,851</b>	<b>1.08</b>	<b>67,365</b>	<b>4.02</b>	<b>115,000</b>	<b>5.51</b>	<b>29,340</b>	<b>1.84</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**SUMMARY OF MANAGER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/03)

**Table 15**

	AUSTRALIA Manager Operated		NEW SOUTH WALES		VICTORIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,837,144</b>		<b>1,377,631</b>		<b>2,153,459</b>	
<b>COST OF GOODS SOLD</b>	<b>1,249,259</b>	<b>68.00</b>	<b>931,483</b>	<b>67.61</b>	<b>1,484,763</b>	<b>68.95</b>
<b>GROSS MARGIN</b>	<b>587,885</b>	<b>32.00</b>	<b>446,148</b>	<b>32.39</b>	<b>668,696</b>	<b>31.05</b>
Commissions Received	15,122		2,301		23,333	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>603,007</b>		<b>448,449</b>		<b>692,029</b>	
<b>TOTAL REVENUE</b>	<b>1,852,265</b>	<b>100.00</b>	<b>1,379,932</b>	<b>100.00</b>	<b>2,176,791</b>	<b>100.00</b>
<b>EXPENSES</b>						
Salaries and Wages	239,846	12.95	191,715	13.89	274,231	12.60
Rent Paid	60,284	3.25	41,541	3.01	43,198	1.98
Outgoings - Rental & Rates	4,139	0.22	2,054	0.15	8,405	0.39
Accounting	5,459	0.29	3,459	0.25	7,856	0.36
Advertising	12,372	0.67	10,677	0.77	11,428	0.52
Bank Charges	6,692	0.36	4,031	0.29	6,205	0.29
Computer Expenses	6,741	0.36	5,355	0.39	4,997	0.23
Depreciation	7,428	0.40	3,783	0.27	6,865	0.32
Electricity, Water, Heating	5,342	0.29	3,754	0.27	3,843	0.18
Insurance	6,201	0.33	7,292	0.53	5,426	0.25
Interest Paid	11,103	0.60	13,961	1.01	10,867	0.50
Leasing Expenses	8,383	0.45	7,222	0.52	7,299	0.34
Motor Vehicle Expenses	2,364	0.13	2,780	0.20	1,904	0.09
Postage, Freight, Printing	6,226	0.34	3,901	0.28	6,543	0.30
Repairs, Maintenance, Service	3,407	0.18	2,987	0.22	3,512	0.16
Subs and Registrations	6,803	0.37	6,487	0.47	7,335	0.34
Superannuation	19,996	1.08	11,356	0.82	26,339	1.21
Telephone	5,318	0.29	3,829	0.28	4,749	0.22
Training	2,004	0.11	2,222	0.16	886	0.04
Abnormal Expenses	5,536	0.30	709	0.05	0	0.00
Payroll Tax	1,645	0.09	0	0.00	1,741	0.08
Workers' Compensation	2,768	0.15	7,001	0.51	2,581	0.12
Other Expenses	13,168	0.71	9,516	0.69	15,886	0.73
<b>TOTAL EXPENSES</b>	<b>443,227</b>	<b>23.93</b>	<b>345,633</b>	<b>25.05</b>	<b>462,092</b>	<b>21.23</b>
<b>TOTAL INCOME</b>	<b>159,780</b>	<b>8.63</b>	<b>102,816</b>	<b>7.45</b>	<b>229,937</b>	<b>10.56</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	17,763 0.23	0.96	17,225 0.23	1.25	44,788 0.54	2.06
Less Return on Capital (2)	18,137	0.98	5,354	0.39	20,954	0.96
<b>NET PROFIT/LOSS</b>	<b>123,880</b>	<b>6.69</b>	<b>80,237</b>	<b>5.81</b>	<b>164,195</b>	<b>7.54</b>
<b>SALES ANALYSIS</b>						
Prescriptions	1,219,860	66.40	930,281	67.53	1,650,323	76.64
Other Sales	617,284	33.60	447,350	32.47	503,136	23.36
<b>INVENTORY ANALYSIS</b>						
Prescription	65,965	3.56	53,719	3.89	79,394	3.65
Other	97,939	5.29	86,215	6.25	150,553	6.92
STOCK CARRIED (Total)	163,904	8.85	139,934	10.14	229,947	10.56
STOCK TURN (On Total Inventory)	7.50		6.58		7.26	
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	18.49		17.32		20.79	
Other	6.30		5.19		3.34	
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	142		121		151	
PRESCRIPTIONS DISPENSED (Total)	40,970		31,041		52,489	
PRESCRIPTIONS DISPENSED WEEKLY	788		597		1,009	
TOTAL HOURS OPEN per WEEK	63		58		60	
AV HRS WORKED BY PROPRIETORS/WEEK	9		9		21	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>9,624</b>	<b>0.52</b>	<b>-3,202</b>	<b>-0.23</b>	<b>1,683</b>	<b>0.08</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**SUMMARY OF MANAGER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/03)

**Table 15**

	QUEENSLAND		SOUTH AUSTRALIA		WESTERN AUSTRALIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,505,366</b>		<b>2,309,049</b>		<b>2,069,751</b>	
<b>COST OF GOODS SOLD</b>	<b>996,462</b>	<b>66.19</b>	<b>1,611,435</b>	<b>69.79</b>	<b>1,385,336</b>	<b>66.93</b>
<b>GROSS MARGIN</b>	<b>508,904</b>	<b>33.81</b>	<b>697,614</b>	<b>30.21</b>	<b>684,415</b>	<b>33.07</b>
Commissions Received	8,562		22,198		32,253	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>517,466</b>		<b>719,812</b>		<b>716,668</b>	
<b>TOTAL REVENUE</b>	<b>1,513,928</b>	<b>100.00</b>	<b>2,331,247</b>	<b>100.00</b>	<b>2,102,005</b>	<b>100.00</b>
<b>EXPENSES</b>						
Salaries and Wages	202,808	13.40	296,256	12.71	274,321	13.05
Rent Paid	64,000	4.23	87,068	3.73	55,076	2.62
Outgoings - Rental & Rates	1,626	0.11	4,710	0.20	8,323	0.40
Accounting	4,700	0.31	8,054	0.35	3,620	0.17
Advertising	13,153	0.87	9,013	0.39	18,048	0.86
Bank Charges	5,912	0.39	9,206	0.39	8,955	0.43
Computer Expenses	5,938	0.39	6,931	0.30	9,625	0.46
Depreciation	8,825	0.58	6,740	0.29	12,791	0.61
Electricity, Water, Heating	5,213	0.34	6,797	0.29	7,385	0.35
Insurance	4,966	0.33	6,177	0.26	7,221	0.34
Interest Paid	6,603	0.44	14,574	0.63	11,807	0.56
Leasing Expenses	7,319	0.48	15,418	0.66	3,477	0.17
Motor Vehicle Expenses	2,757	0.18	1,940	0.08	1,475	0.07
Postage, Freight, Printing	3,885	0.26	8,100	0.35	10,406	0.50
Repairs, Maintenance, Service	2,566	0.17	4,311	0.18	4,614	0.22
Subs and Registrations	4,542	0.30	9,704	0.42	7,003	0.33
Superannuation	17,284	1.14	24,089	1.03	27,902	1.33
Telephone	4,861	0.32	6,412	0.28	6,821	0.32
Training	2,892	0.19	1,552	0.07	1,639	0.08
Abnormal Expenses	22	0.00	22,697	0.97	3,378	0.16
Payroll Tax	18	0.00	6,436	0.28	340	0.02
Workers' Compensation	941	0.06	1,548	0.07	2,140	0.10
Other Expenses	16,539	1.09	15,034	0.64	7,244	0.34
<b>TOTAL EXPENSES</b>	<b>387,371</b>	<b>25.59</b>	<b>572,765</b>	<b>24.57</b>	<b>493,608</b>	<b>23.48</b>
<b>TOTAL INCOME</b>	<b>130,095</b>	<b>8.59</b>	<b>147,047</b>	<b>6.31</b>	<b>223,060</b>	<b>10.61</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	6,652 0.10	0.44	13,577 0.17	0.58	25,931 0.34	1.23
Less Return on Capital (2)	22,310	1.47	20,536	0.88	22,963	1.09
<b>NET PROFIT/LOSS</b>	<b>101,133</b>	<b>6.68</b>	<b>112,934</b>	<b>4.84</b>	<b>174,166</b>	<b>8.29</b>
<b>SALES ANALYSIS</b>						
Prescriptions	973,836	64.69	1,485,865	64.35	1,231,713	59.51
Other Sales	531,530	35.31	823,183	35.65	838,038	40.49
<b>INVENTORY ANALYSIS</b>						
Prescription	41,887	2.77	96,010	4.12	60,963	2.90
Other	61,453	4.06	108,278	4.64	117,766	5.60
STOCK CARRIED (Total)	103,340	6.83	204,288	8.76	178,729	8.50
STOCK TURN (On Total Inventory)	8.44		7.62		7.61	
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	23.25		15.48		20.20	
Other	8.65		7.60		7.12	
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	105		193		156	
PRESCRIPTIONS DISPENSED (Total)	32,369		52,707		40,244	
PRESCRIPTIONS DISPENSED WEEKLY	622		1,014		774	
TOTAL HOURS OPEN per WEEK	61		67		75	
AV HRS WORKED BY PROPRIETORS/WEEK	4		6		13	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>57,880</b>	<b>3.82</b>	<b>1,117</b>	<b>0.05</b>	<b>5,120</b>	<b>0.24</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**SUMMARY OF OWNER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/03)

**Table 16**

	AUSTRALIA Owner Operated		NEW SOUTH WALES		VICTORIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,935,304</b>		<b>2,032,075</b>		<b>2,168,027</b>	
<b>COST OF GOODS SOLD</b>	<b>1,333,796</b>	<b>68.92</b>	<b>1,420,223</b>	<b>69.89</b>	<b>1,480,142</b>	<b>68.27</b>
<b>GROSS MARGIN</b>	<b>601,508</b>	<b>31.08</b>	<b>611,852</b>	<b>30.11</b>	<b>687,885</b>	<b>31.73</b>
Commissions Received	13,690		12,030		10,584	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>615,198</b>		<b>623,882</b>		<b>698,469</b>	
<b>TOTAL REVENUE</b>	<b>1,948,994</b>	<b>100.00</b>	<b>2,044,105</b>	<b>100.00</b>	<b>2,178,611</b>	<b>100.00</b>
<b>EXPENSES</b>						
Salaries and Wages	193,229	9.91	198,867	9.73	227,301	10.43
Rent Paid	49,418	2.54	55,704	2.73	42,964	1.97
Outgoings - Rental & Rates	2,988	0.15	2,315	0.11	2,485	0.11
Accounting	5,335	0.27	6,240	0.31	5,643	0.26
Advertising	12,981	0.67	13,074	0.64	12,465	0.57
Bank Charges	5,945	0.31	5,129	0.25	8,294	0.38
Computer Expenses	6,276	0.32	5,716	0.28	6,990	0.32
Depreciation	9,568	0.49	8,708	0.43	10,087	0.46
Electricity, Water, Heating	4,393	0.23	3,763	0.18	5,381	0.25
Insurance	7,244	0.37	9,007	0.44	5,750	0.26
Interest Paid	17,510	0.90	18,371	0.90	19,548	0.90
Leasing Expenses	7,471	0.38	7,807	0.38	10,410	0.48
Motor Vehicle Expenses	4,974	0.26	6,057	0.30	4,551	0.21
Postage, Freight, Printing	6,769	0.35	6,839	0.33	8,358	0.38
Repairs, Maintenance, Service	3,502	0.18	3,919	0.19	3,550	0.16
Subs and Registrations	7,132	0.37	7,363	0.36	7,034	0.32
Superannuation	16,783	0.86	18,211	0.89	18,503	0.85
Telephone	4,661	0.24	4,501	0.22	5,058	0.23
Training	1,735	0.09	1,477	0.07	2,444	0.11
Abnormal Expenses	4,432	0.23	5,225	0.26	3,734	0.17
Payroll Tax	866	0.04	188	0.01	2,388	0.11
Workers' Compensation	3,204	0.16	6,557	0.32	2,022	0.09
Other Expenses	19,358	0.99	20,983	1.03	25,820	1.19
<b>TOTAL EXPENSES</b>	<b>395,774</b>	<b>20.31</b>	<b>416,021</b>	<b>20.35</b>	<b>440,780</b>	<b>20.23</b>
<b>TOTAL INCOME</b>	<b>219,424</b>	<b>11.26</b>	<b>207,861</b>	<b>10.17</b>	<b>257,689</b>	<b>11.83</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	111,182 1.33	5.70	109,522 1.30	5.36	117,731 1.45	5.40
Less Return on Capital (2)	10,414	0.53	9,919	0.49	10,557	0.48
<b>NET PROFIT/LOSS</b>	<b>97,828</b>	<b>5.02</b>	<b>88,420</b>	<b>4.33</b>	<b>129,401</b>	<b>5.94</b>
<b>SALES ANALYSIS</b>						
Prescriptions	1,357,327	70.14	1,438,765	70.80	1,519,166	70.07
Other Sales	577,977	29.86	593,310	29.20	648,861	29.93
<b>INVENTORY ANALYSIS</b>						
Prescription	72,239	3.71	86,221	4.22	63,501	2.91
Other	107,206	5.50	117,932	5.77	109,158	5.01
STOCK CARRIED (Total)	179,445	9.21	204,153	9.99	172,659	7.93
STOCK TURN (On Total Inventory)	7.87		8.42		8.79	
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	18.79		16.69		23.92	
Other	5.39		5.03		5.94	
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	144		134		168	
PRESCRIPTIONS DISPENSED (Total)	45,143		46,767		50,342	
PRESCRIPTIONS DISPENSED WEEKLY	868		899		968	
TOTAL HOURS OPEN per WEEK	56		57		55	
AV HRS WORKED BY PROPRIETORS/WEEK	51		49		55	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>79,092</b>	<b>4.06</b>	<b>64,628</b>	<b>3.16</b>	<b>82,555</b>	<b>3.79</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**SUMMARY OF OWNER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/03)

**Table 16**

	QUEENSLAND		SOUTH AUSTRALIA		WESTERN AUSTRALIA		TASMANIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,623,979</b>		<b>1,976,198</b>		<b>1,899,614</b>		<b>1,421,535</b>	
<b>COST OF GOODS SOLD</b>	<b>1,107,831</b>	<b>68.22</b>	<b>1,372,189</b>	<b>69.44</b>	<b>1,268,462</b>	<b>66.77</b>	<b>1,000,158</b>	<b>70.36</b>
<b>GROSS MARGIN</b>	<b>516,148</b>	<b>31.78</b>	<b>604,009</b>	<b>30.56</b>	<b>631,152</b>	<b>33.23</b>	<b>421,377</b>	<b>29.64</b>
Commissions Received	13,741		20,342		17,246		16,003	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>529,889</b>		<b>624,351</b>		<b>648,398</b>		<b>437,380</b>	
<b>TOTAL REVENUE</b>	<b>1,637,720</b>	<b>100.00</b>	<b>1,996,540</b>	<b>100.00</b>	<b>1,916,860</b>	<b>100.00</b>	<b>1,437,538</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	156,809	9.57	203,568	10.20	189,834	9.90	130,234	9.06
Rent Paid	46,459	2.84	50,200	2.51	59,605	3.11	24,652	1.71
Outgoings - Rental & Rates	2,818	0.17	2,926	0.15	6,737	0.35	2,837	0.20
Accounting	3,622	0.22	4,776	0.24	5,947	0.31	3,876	0.27
Advertising	13,635	0.83	12,440	0.62	16,245	0.85	7,561	0.53
Bank Charges	4,832	0.30	5,665	0.28	6,567	0.34	4,985	0.35
Computer Expenses	5,197	0.32	8,599	0.43	6,532	0.34	5,401	0.38
Depreciation	10,008	0.61	10,864	0.54	10,154	0.53	8,021	0.56
Electricity, Water, Heating	4,021	0.25	5,073	0.25	5,420	0.28	2,562	0.18
Insurance	5,233	0.32	6,309	0.32	8,740	0.46	7,282	0.51
Interest Paid	11,724	0.72	17,838	0.89	19,796	1.03	17,546	1.22
Leasing Expenses	5,138	0.31	6,377	0.32	6,356	0.33	5,723	0.40
Motor Vehicle Expenses	5,377	0.33	3,816	0.19	3,310	0.17	3,973	0.28
Postage, Freight, Printing	5,245	0.32	6,907	0.35	6,340	0.33	5,602	0.39
Repairs, Maintenance, Service	2,559	0.16	3,231	0.16	3,434	0.18	4,288	0.30
Subs and Registrations	5,927	0.36	7,786	0.39	7,522	0.39	7,800	0.54
Superannuation	12,785	0.78	18,844	0.94	16,794	0.88	9,996	0.70
Telephone	3,936	0.24	5,051	0.25	5,541	0.29	4,043	0.28
Training	1,399	0.09	2,358	0.12	1,703	0.09	579	0.04
Abnormal Expenses	2,489	0.15	7,248	0.36	4,992	0.26	1,742	0.12
Payroll Tax	273	0.02	2,196	0.11	91	0.00	0	0.00
Workers' Compensation	692	0.04	1,236	0.06	1,656	0.09	1,415	0.10
Other Expenses	11,112	0.68	16,464	0.82	21,849	1.14	11,693	0.81
<b>TOTAL EXPENSES</b>	<b>321,289</b>	<b>19.62</b>	<b>409,773</b>	<b>20.52</b>	<b>415,166</b>	<b>21.66</b>	<b>271,811</b>	<b>18.91</b>
<b>TOTAL INCOME</b>	<b>208,600</b>	<b>12.74</b>	<b>214,578</b>	<b>10.75</b>	<b>233,232</b>	<b>12.17</b>	<b>165,569</b>	<b>11.52</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	111,462	6.81	111,109	5.57	104,121	5.43	108,976	7.58
	1.34		1.33		1.21		1.29	
Less Return on Capital (2)	11,710	0.72	15,973	0.80	7,600	0.40	4,347	0.30
<b>NET PROFIT/LOSS</b>	<b>85,428</b>	<b>5.22</b>	<b>87,496</b>	<b>4.38</b>	<b>121,511</b>	<b>6.34</b>	<b>52,246</b>	<b>3.63</b>
<b>SALES ANALYSIS</b>								
Prescriptions	1,129,230	69.53	1,434,689	72.60	1,223,857	64.43	1,050,731	73.92
Other Sales	494,749	30.47	541,509	27.40	675,757	35.57	370,804	26.08
<b>INVENTORY ANALYSIS</b>								
Prescription	61,616	3.76	83,606	4.19	68,100	3.55	51,531	3.58
Other	100,469	6.13	89,412	4.48	122,551	6.39	75,603	5.26
STOCK CARRIED (Total)	162,085	9.90	173,018	8.67	190,651	9.95	127,134	8.84
STOCK TURN (On Total Inventory)	7.25		8.40		7.39		8.28	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	18.33		17.16		17.97		20.39	
Other	4.92		6.06		5.51		4.90	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	139		154		142		112	
PRESCRIPTIONS DISPENSED (Total)	38,882		50,349		38,912		36,364	
PRESCRIPTIONS DISPENSED WEEKLY	748		968		748		699	
TOTAL HOURS OPEN per WEEK	55		57		62		50	
AV HRS WORKED BY PROPRIETORS/WEEK	51		51		46		49	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>90,612</b>	<b>5.53</b>	<b>92,560</b>	<b>4.64</b>	<b>103,997</b>	<b>5.43</b>	<b>54,868</b>	<b>3.82</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED**  
(Based on 12 months trading to 30/6/03)

**Table 17**

**STATE AVERAGES**

<b>EMPLOYEES</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>WA</b>	<b>TAS</b>	<b>AUST</b>
<b>PROPRIETORS :</b>							
Full Time	0.9	1.0	0.8	0.8	0.8	0.9	0.9
Part Time & Casual	0.7	0.4	0.3	0.2	0.3	0.4	0.5
Hours worked per week	46.0	52.8	40.6	39.9	40.1	46.7	45.0
<b>MANAGERS :</b>							
Full Time	0.1	0.1	0.2	0.2	0.3	0.1	0.2
Part Time & Casual	0.1	0.1	0.0	0.2	0.1	0.1	0.1
Hours worked per week	4.7	5.8	11.2	11.6	12.1	2.8	8.0
<b>PHARMACISTS IN CHARGE :</b>							
Full Time	0.2	0.1	0.2	0.3	0.4	0.1	0.2
Part Time & Casual	0.9	0.5	0.4	0.9	0.5	0.5	0.7
Hours worked per week	20.3	11.8	14.9	22.8	21.8	6.0	18.0
<b>OTHER QUALIFIED :</b>							
Full Time	0.2	0.2	0.2	0.4	0.2	0.3	0.2
Part Time & Casual	0.3	0.6	0.3	0.3	0.4	0.3	0.4
Hours worked per week	8.8	16.8	9.3	15.2	13.4	15.7	11.9
<b>PHARMACY ASSISTANTS :</b>							
Full Time	0.6	0.5	0.6	0.7	0.5	0.3	0.6
Part Time & Casual	0.8	0.5	0.5	0.4	0.4	0.4	0.6
Hours worked per week	36.8	29.8	30.5	31.6	24.4	19.9	32.8
<b>SALES &amp; OTHER STAFF :</b>							
Full Time	1.5	2.4	1.5	2.1	2.3	1.1	1.8
Part Time & Casual	3.9	5.1	2.6	3.1	3.3	3.0	3.7
Hours worked per week	116.5	159.2	98.0	138.9	132.2	94.2	126.6
<b>TOTAL STAFF :</b>							
Full Time	3.6	4.4	3.4	4.5	4.5	2.7	3.9
Part Time & Casual	6.6	7.2	4.1	5.1	4.9	4.7	5.8
Hours worked per week	233.1	276.1	204.5	260.0	244.0	185.4	242.3

**AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED**  
(Based on 12 months trading to 30/6/03)

**Table 18**

**BY TURNOVER CATEGORY (\$)**

<b>EMPLOYEES</b>	<b>UNDER 500,000</b>	<b>500,000 -1.0M</b>	<b>1.0M -1.5M</b>	<b>1.5M -2.0M</b>	<b>2.0M -2.5M</b>	<b>2.5M -3.0M</b>	<b>3.0M -3.5M</b>	<b>OVER 3.5M</b>
<b>PROPRIETORS :</b>								
Full Time	1.0	0.8	0.9	1.0	0.9	0.9	0.7	1.0
Part Time & Casual	0.3	0.9	0.3	0.2	0.4	0.3	0.6	0.6
Hours worked per week	49.3	40.1	43.7	47.5	48.3	44.2	38.7	51.4
<b>MANAGERS :</b>								
Full Time	0.0	0.0	0.0	0.1	0.2	0.3	0.3	0.3
Part Time & Casual	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Hours worked per week	0.0	6.7	5.7	4.7	9.4	11.1	11.1	13.9
<b>PHARMACISTS IN CHARGE :</b>								
Full Time	0.0	0.1	0.1	0.2	0.3	0.4	0.4	0.5
Part Time & Casual	0.0	0.3	0.5	0.9	0.7	1.0	1.5	0.9
Hours worked per week	0.0	9.0	10.6	16.6	18.3	27.8	40.5	34.0
<b>OTHER QUALIFIED :</b>								
Full Time	0.0	0.1	0.0	0.3	0.2	0.3	0.3	0.7
Part Time & Casual	0.0	0.2	0.2	0.3	0.5	0.3	0.3	1.1
Hours worked per week	0.0	5.6	3.8	13.4	14.0	13.0	14.8	40.6
<b>PHARMACY ASSISTANTS :</b>								
Full Time	0.0	0.1	0.4	0.5	0.8	0.9	0.9	1.3
Part Time & Casual	0.0	0.3	0.4	0.5	0.5	1.0	0.7	1.4
Hours worked per week	0.0	8.6	22.3	30.2	37.4	51.3	46.1	73.8
<b>SALES &amp; OTHER STAFF :</b>								
Full Time	0.5	0.5	0.9	1.8	2.2	2.7	3.3	5.1
Part Time & Casual	2.0	1.7	2.3	2.5	4.4	4.7	5.4	10.3
Hours worked per week	50.0	43.3	65.4	101.2	146.4	188.2	208.1	364.5
<b>TOTAL STAFF :</b>								
Full Time	1.5	1.8	2.4	3.8	4.5	5.4	5.9	8.9
Part Time & Casual	2.3	3.5	3.8	4.5	6.5	7.4	8.5	14.4
Hours worked per week	99.3	113.3	151.5	213.7	273.9	335.6	359.3	578.3

**AUSTRALIAN PHARMACIES – WEEKLY PRESCRIPTION VOLUME**  
(Based on 12 Months of Trading to 30/06/03)

**Table 19**

	Up to 200		201 - 300		301 - 400		401 - 500	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>698,243</b>		<b>766,310</b>		<b>904,520</b>		<b>1,113,738</b>	
<b>COST OF GOODS SOLD</b>	<b>465,103</b>	<b>66.61</b>	<b>520,605</b>	<b>67.94</b>	<b>621,540</b>	<b>68.71</b>	<b>768,508</b>	<b>69.00</b>
<b>GROSS MARGIN</b>	<b>233,140</b>	<b>33.39</b>	<b>245,705</b>	<b>32.06</b>	<b>282,980</b>	<b>31.29</b>	<b>345,230</b>	<b>31.00</b>
Commissions Received	6,371		14,566		12,956		11,539	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>239,511</b>		<b>260,271</b>		<b>295,936</b>		<b>356,769</b>	
<b>TOTAL REVENUE</b>	<b>704,614</b>	<b>100.00</b>	<b>780,875</b>	<b>100.00</b>	<b>917,476</b>	<b>100.00</b>	<b>1,125,277</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	72,150	10.24	88,572	11.34	93,845	10.23	93,565	8.31
Rent Paid	38,628	5.48	34,059	4.36	31,348	3.42	30,417	2.70
Outgoings - Rental & Rates	2,134	0.30	1,860	0.24	2,016	0.22	2,839	0.25
Accounting	2,286	0.32	4,749	0.61	3,697	0.40	3,837	0.34
Advertising	4,372	0.62	6,033	0.77	4,161	0.45	4,360	0.39
Bank Charges	3,057	0.43	4,072	0.52	3,511	0.38	3,947	0.35
Computer Expenses	2,546	0.36	3,212	0.41	3,851	0.42	3,783	0.34
Depreciation	5,543	0.79	6,207	0.79	8,349	0.91	5,835	0.52
Electricity, Water, Heating	3,498	0.50	2,686	0.34	2,192	0.24	2,778	0.25
Insurance	5,180	0.74	5,044	0.65	4,705	0.51	5,117	0.45
Interest Paid	11,710	1.66	10,296	1.32	10,146	1.11	14,582	1.30
Leasing Expenses	11,021	1.56	1,476	0.19	2,838	0.31	4,161	0.37
Motor Vehicle Expenses	1,677	0.24	1,756	0.22	2,434	0.27	4,067	0.36
Postage, Freight, Printing	3,292	0.47	4,132	0.53	2,904	0.32	3,803	0.34
Repairs, Maintenance, Service	1,398	0.20	2,541	0.33	2,052	0.22	1,948	0.17
Subs and Registrations	3,744	0.53	4,589	0.59	4,319	0.47	5,120	0.45
Superannuation	5,353	0.76	7,302	0.94	8,102	0.88	8,120	0.72
Telephone	2,710	0.38	3,464	0.44	2,837	0.31	3,563	0.32
Training	261	0.04	691	0.09	1,182	0.13	613	0.05
Abnormal Expenses	970	0.14	1,541	0.20	870	0.09	2,563	0.23
Payroll Tax	0	0.00	0	0.00	7	0.00	0	0.00
Workers' Compensation	914	0.13	1,260	0.16	1,629	0.18	1,740	0.15
Other Expenses	14,372	2.04	7,352	0.94	6,936	0.76	8,578	0.76
<b>TOTAL EXPENSES</b>	<b>196,814</b>	<b>27.93</b>	<b>202,895</b>	<b>25.98</b>	<b>203,930</b>	<b>22.23</b>	<b>215,335</b>	<b>19.14</b>
<b>TOTAL INCOME</b>	<b>42,697</b>	<b>6.06</b>	<b>57,376</b>	<b>7.35</b>	<b>92,006</b>	<b>10.03</b>	<b>141,434</b>	<b>12.57</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	100,323	14.24	80,739	10.34	95,146	10.37	108,013	9.60
Less Return on Capital (2)	4,945	0.70	7,198	0.92	6,065	0.66	6,101	0.54
<b>NET PROFIT/LOSS</b>	<b>-62,571</b>	<b>-8.88</b>	<b>-30,561</b>	<b>-3.91</b>	<b>-9,205</b>	<b>-1.00</b>	<b>27,320</b>	<b>2.43</b>
<b>SALES ANALYSIS</b>								
Prescriptions	258,176	36.98	410,929	53.62	574,847	63.55	747,514	67.12
Other Sales	440,067	63.02	355,380	46.38	329,673	36.45	366,223	32.88
<b>INVENTORY ANALYSIS</b>								
Prescription	17,476	2.48	36,862	4.72	40,170	4.38	45,815	4.07
Other	48,853	6.93	77,078	9.87	56,006	6.10	76,900	6.83
STOCK CARRIED (Total)	66,329	9.41	113,940	14.59	96,176	10.48	122,715	10.91
STOCK TURN (On Total Inventory)	5.74		5.09		7.16		6.75	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	14.77		11.15		14.31		16.32	
Other	9.01		4.61		5.89		4.76	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	91		87		86		95	
PRESCRIPTIONS DISPENSED (Total)	7,394		13,276		18,697		23,950	
PRESCRIPTIONS DISPENSED WEEKLY	142		255		360		461	
TOTAL HOURS OPEN per WEEK	53		53		52		53	
AV HRS WORKED BY PROPRIETORS/WEEK	44		35		44		47	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>-10,880</b>	<b>-1.54</b>	<b>-25,120</b>	<b>-3.22</b>	<b>17,529</b>	<b>1.91</b>	<b>32,291</b>	<b>2.87</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**AUSTRALIAN PHARMACIES – WEEKLY PRESCRIPTION VOLUME**  
(Based on 12 Months of Trading to 30/06/03)

**Table 19**

	501 - 600		601 - 700		701 - 800		801 - 900	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,278,446</b>		<b>1,427,681</b>		<b>1,815,583</b>		<b>2,021,426</b>	
<b>COST OF GOODS SOLD</b>	<b>873,035</b>	<b>68.29</b>	<b>1,001,117</b>	<b>70.12</b>	<b>1,256,254</b>	<b>69.19</b>	<b>1,381,173</b>	<b>68.33</b>
<b>GROSS MARGIN</b>	<b>405,411</b>	<b>31.71</b>	<b>426,564</b>	<b>29.88</b>	<b>559,329</b>	<b>30.81</b>	<b>640,253</b>	<b>31.67</b>
Commissions Received	7,490		8,727		12,670		16,430	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>412,901</b>		<b>435,291</b>		<b>571,999</b>		<b>656,683</b>	
<b>TOTAL REVENUE</b>	<b>1,285,936</b>	<b>100.00</b>	<b>1,436,408</b>	<b>100.00</b>	<b>1,828,253</b>	<b>100.00</b>	<b>2,037,856</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	134,382	10.45	142,963	9.95	194,749	10.65	207,950	10.20
Rent Paid	40,156	3.12	41,021	2.86	62,515	3.42	81,122	3.98
Outgoings - Rental & Rates	1,908	0.15	1,874	0.13	1,588	0.09	2,216	0.11
Accounting	4,211	0.33	5,786	0.40	8,185	0.45	6,298	0.31
Advertising	8,860	0.69	8,136	0.57	13,546	0.74	16,295	0.80
Bank Charges	4,590	0.36	5,009	0.35	6,566	0.36	7,594	0.37
Computer Expenses	3,983	0.31	5,707	0.40	5,564	0.30	4,826	0.24
Depreciation	5,805	0.45	7,782	0.54	16,303	0.89	11,770	0.58
Electricity, Water, Heating	3,416	0.27	3,611	0.25	4,553	0.25	4,903	0.24
Insurance	5,943	0.46	6,126	0.43	7,805	0.43	7,953	0.39
Interest Paid	15,962	1.24	18,556	1.29	23,876	1.31	40,140	1.97
Leasing Expenses	5,487	0.43	4,805	0.33	6,406	0.35	12,903	0.63
Motor Vehicle Expenses	3,595	0.28	5,404	0.38	4,446	0.24	5,511	0.27
Postage, Freight, Printing	4,080	0.32	5,162	0.36	6,317	0.35	6,997	0.34
Repairs, Maintenance, Service	2,241	0.17	2,921	0.20	2,786	0.15	4,077	0.20
Subs and Registrations	5,184	0.40	5,945	0.41	6,084	0.33	5,758	0.28
Superannuation	10,907	0.85	11,716	0.82	16,050	0.88	17,706	0.87
Telephone	3,711	0.29	3,951	0.28	4,804	0.26	5,543	0.27
Training	780	0.06	1,310	0.09	1,629	0.09	1,772	0.09
Abnormal Expenses	2,171	0.17	1,439	0.10	3,716	0.20	833	0.04
Payroll Tax	57	0.00	0	0.00	9	0.00	713	0.03
Workers' Compensation	1,839	0.14	2,244	0.16	3,607	0.20	4,045	0.20
Other Expenses	9,568	0.74	9,170	0.64	18,395	1.01	21,041	1.03
<b>TOTAL EXPENSES</b>	<b>278,837</b>	<b>21.68</b>	<b>300,639</b>	<b>20.93</b>	<b>419,498</b>	<b>22.95</b>	<b>477,965</b>	<b>23.45</b>
<b>TOTAL INCOME</b>	<b>134,064</b>	<b>10.43</b>	<b>134,652</b>	<b>9.37</b>	<b>152,501</b>	<b>8.34</b>	<b>178,718</b>	<b>8.77</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	95,031	7.39	96,259	6.70	108,019	5.91	99,328	4.87
Less Return on Capital (2)	1.11		1.14		1.26		1.23	
	3,411	0.27	5,702	0.40	9,734	0.53	0	0.00
<b>NET PROFIT/LOSS</b>	<b>35,622</b>	<b>2.77</b>	<b>32,691</b>	<b>2.28</b>	<b>34,748</b>	<b>1.90</b>	<b>79,390</b>	<b>4.43</b>
<b>SALES ANALYSIS</b>								
Prescriptions	850,283	66.51	1,008,039	70.61	1,262,866	69.56	1,355,520	67.06
Other Sales	428,162	33.49	419,642	29.39	552,718	30.44	665,907	32.94
<b>INVENTORY ANALYSIS</b>								
Prescription	45,231	3.52	54,099	3.77	60,520	3.31	63,890	3.14
Other	89,548	6.96	70,341	4.90	107,873	5.90	112,848	5.54
STOCK CARRIED (Total)	134,779	10.48	124,440	8.66	168,393	9.21	176,738	8.67
STOCK TURN (On Total Inventory)	6.80		7.74		7.32		6.99	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	18.80		18.63		20.87		21.22	
Other	4.78		5.97		5.12		5.90	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	110		114		135		160	
PRESCRIPTIONS DISPENSED (Total)	28,557		33,680		39,281		43,935	
PRESCRIPTIONS DISPENSED WEEKLY	549		648		755		845	
TOTAL HOURS OPEN per WEEK	57		54		61		58	
AV HRS WORKED BY PROPRIETORS/WEEK	42		43		48		47	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>41,328</b>	<b>3.21</b>	<b>31,862</b>	<b>2.22</b>	<b>21,894</b>	<b>1.20</b>	<b>43,911</b>	<b>2.15</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**AUSTRALIAN PHARMACIES – WEEKLY PRESCRIPTION VOLUME**  
(Based on 12 Months of Trading to 30/06/03)

**Table 19**

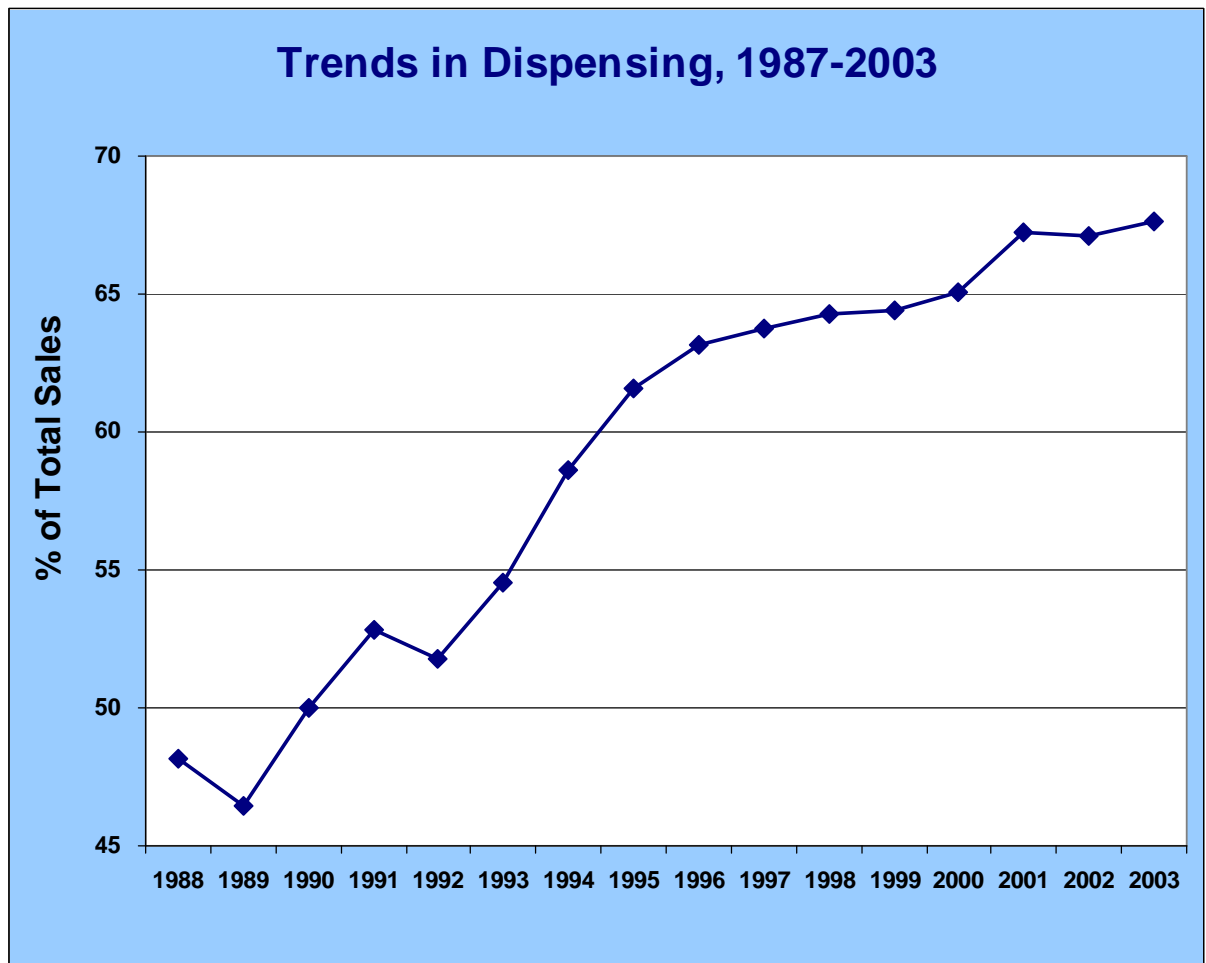
	901 – 1,000		1,000 – 1,100		1,100 – 1,200		OVER 1,200	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,237,430</b>		<b>2,478,693</b>		<b>2,944,447</b>		<b>3,930,067</b>	
<b>COST OF GOODS SOLD</b>	<b>1,531,720</b>	<b>68.46</b>	<b>1,723,039</b>	<b>69.51</b>	<b>2,033,610</b>	<b>69.07</b>	<b>2,689,302</b>	<b>68.43</b>
<b>GROSS MARGIN</b>	<b>705,710</b>	<b>31.54</b>	<b>755,654</b>	<b>30.49</b>	<b>910,837</b>	<b>30.93</b>	<b>1,240,765</b>	<b>31.57</b>
Commissions Received	16,371		17,438		24,193		21,848	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>722,081</b>		<b>773,092</b>		<b>935,030</b>		<b>1,262,613</b>	
<b>TOTAL REVENUE</b>	<b>2,253,801</b>	<b>100.00</b>	<b>2,496,131</b>	<b>100.00</b>	<b>2,968,640</b>	<b>100.00</b>	<b>3,951,915</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	243,253	10.79	236,835	9.49	311,259	10.48	454,218	11.49
Rent Paid	57,854	2.57	77,845	3.12	99,351	3.35	110,356	2.79
Outgoings - Rental & Rates	3,900	0.17	3,585	0.14	5,458	0.18	4,409	0.11
Accounting	9,274	0.41	10,862	0.44	14,166	0.48	12,245	0.31
Advertising	17,224	0.76	19,335	0.77	28,493	0.96	30,284	0.77
Bank Charges	7,262	0.32	9,063	0.36	10,544	0.36	12,287	0.31
Computer Expenses	6,045	0.27	9,365	0.38	9,748	0.33	8,717	0.22
Depreciation	10,501	0.47	16,583	0.66	17,174	0.58	21,006	0.53
Electricity, Water, Heating	5,724	0.25	5,871	0.24	7,085	0.24	9,362	0.24
Insurance	7,047	0.31	8,117	0.33	8,806	0.30	10,836	0.27
Interest Paid	27,823	1.23	34,460	1.38	42,845	1.44	41,469	1.05
Leasing Expenses	9,657	0.43	18,125	0.73	11,080	0.37	13,774	0.35
Motor Vehicle Expenses	6,110	0.27	5,262	0.21	5,878	0.20	5,627	0.14
Postage, Freight, Printing	7,356	0.33	13,342	0.53	11,864	0.40	14,403	0.36
Repairs, Maintenance, Service	3,328	0.15	3,143	0.13	4,247	0.14	6,038	0.15
Subs and Registrations	6,024	0.27	7,658	0.31	10,027	0.34	11,919	0.30
Superannuation	19,460	0.86	21,956	0.88	29,925	1.01	41,336	1.05
Telephone	4,866	0.22	6,723	0.27	8,098	0.27	9,077	0.23
Training	2,154	0.10	2,602	0.10	3,095	0.10	4,253	0.11
Abnormal Expenses	1,792	0.08	2,616	0.10	11,413	0.38	4,391	0.11
Payroll Tax	956	0.04	0	0.00	2,302	0.08	5,310	0.13
Workers' Compensation	3,490	0.15	4,091	0.16	4,982	0.17	7,105	0.18
Other Expenses	15,575	0.69	28,368	1.14	52,501	1.77	44,305	1.12
<b>TOTAL EXPENSES</b>	<b>476,674</b>	<b>21.15</b>	<b>545,808</b>	<b>21.87</b>	<b>710,341</b>	<b>23.93</b>	<b>882,726</b>	<b>22.34</b>
<b>TOTAL INCOME</b>	<b>245,407</b>	<b>10.89</b>	<b>227,284</b>	<b>9.11</b>	<b>224,689</b>	<b>7.57</b>	<b>379,887</b>	<b>9.61</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	111,989	4.97	111,171	4.45	118,288	3.98	114,586	2.90
	1.30		1.38		1.39		1.39	
Less Return on Capital (2)	8,502	0.38	0	0.00	0	0.00	19,123	0.48
<b>NET PROFIT/LOSS</b>	<b>124,916</b>	<b>5.54</b>	<b>116,113</b>	<b>4.69</b>	<b>106,401</b>	<b>3.69</b>	<b>246,178</b>	<b>6.23</b>
<b>SALES ANALYSIS</b>								
Prescriptions	1,489,444	66.57	1,642,608	66.27	1,849,066	62.80	2,727,975	69.41
Other Sales	747,986	33.43	836,085	33.73	1,095,381	37.20	1,202,092	30.59
<b>INVENTORY ANALYSIS</b>								
Prescription	69,489	3.08	89,704	3.59	74,688	2.52	114,161	2.89
Other	161,338	7.16	116,483	4.67	183,561	6.18	184,518	4.67
STOCK CARRIED (Total)	230,827	10.24	206,187	8.26	258,249	8.70	298,679	7.56
STOCK TURN (On Total Inventory)	7.01		7.77		7.89		8.46	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	21.43		18.31		24.76		23.90	
Other	4.64		7.18		5.97		6.51	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	120		177		179		252	
PRESCRIPTIONS DISPENSED (Total)	49,392		54,966		59,473		90,089	
PRESCRIPTIONS DISPENSED WEEKLY	950		1,057		1,144		1,732	
TOTAL HOURS OPEN per WEEK	63		64		67		69	
AV HRS WORKED BY PROPRIETORS/WEEK	49		52		53		53	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>64,368</b>	<b>2.86</b>	<b>42,377</b>	<b>1.70</b>	<b>84,826</b>	<b>2.86</b>	<b>90,796</b>	<b>2.30</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

# Chart 5



**AUSTRALIAN PHARMACIES – PERCENTAGE PRESCRIPTION/TOTAL SALES**  
(Based on 12 Months of Trading to 30/06/03)

**Table 20**

	Less Than 50%		50 - 60%		60 - 70%		70 - 80%		80% or More	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,300,834</b>		<b>2,486,442</b>		<b>2,300,039</b>		<b>2,239,599</b>		<b>1,572,444</b>	
<b>COST OF GOODS SOLD</b>	<b>1,543,905</b>	<b>67.10</b>	<b>1,684,753</b>	<b>67.76</b>	<b>1,568,013</b>	<b>68.17</b>	<b>1,562,519</b>	<b>69.77</b>	<b>1,107,035</b>	<b>70.40</b>
<b>GROSS MARGIN</b>	<b>756,929</b>	<b>32.90</b>	<b>801,689</b>	<b>32.24</b>	<b>732,026</b>	<b>31.83</b>	<b>677,080</b>	<b>30.23</b>	<b>465,409</b>	<b>29.60</b>
Commissions Received	20,913		14,614		16,938		17,055		7,867	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>777,842</b>		<b>816,303</b>		<b>748,964</b>		<b>694,135</b>		<b>473,276</b>	
<b>TOTAL REVENUE</b>	<b>2,321,747</b>	<b>100.00</b>	<b>2,501,056</b>	<b>100.00</b>	<b>2,316,978</b>	<b>100.00</b>	<b>2,256,654</b>	<b>100.0</b>	<b>1,580,311</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	243,967	10.51	295,657	11.82	258,436	11.15	235,139	10.42	154,496	9.78
Rent Paid	112,383	4.84	98,131	3.92	72,792	3.14	55,878	2.48	32,338	2.05
Outgoings - Rental & Rates	4,152	0.18	4,995	0.20	3,361	0.15	2,279	0.10	1,683	0.11
Accounting	9,697	0.42	10,416	0.42	7,753	0.33	8,193	0.36	5,204	0.33
Advertising	16,634	0.72	22,950	0.92	18,384	0.79	16,853	0.75	6,712	0.42
Bank Charges	10,195	0.44	10,536	0.42	7,430	0.32	7,157	0.32	4,391	0.28
Computer Expenses	5,080	0.22	6,683	0.27	6,398	0.28	6,656	0.29	4,996	0.32
Depreciation	15,554	0.67	17,576	0.70	15,686	0.68	11,995	0.53	5,954	0.38
Electricity, Water, Heating	6,807	0.29	7,082	0.28	6,130	0.26	4,917	0.22	3,159	0.20
Insurance	7,820	0.34	8,019	0.32	7,506	0.32	8,111	0.36	6,434	0.41
Interest Paid	46,201	1.99	31,039	1.24	28,015	1.21	22,981	1.02	20,399	1.29
Leasing Expenses	14,989	0.65	16,229	0.65	8,787	0.38	7,403	0.33	3,545	0.22
Motor Vehicle Expenses	4,442	0.19	4,252	0.17	4,781	0.21	4,859	0.22	4,737	0.30
Postage, Freight, Printing	7,826	0.34	9,174	0.37	8,556	0.37	8,500	0.38	6,000	0.38
Repairs, Maintenance, Service	3,721	0.16	3,940	0.16	4,075	0.18	3,638	0.16	2,537	0.33
Subs and Registrations	7,339	0.32	8,235	0.33	7,781	0.34	7,389	0.33	5,877	0.37
Superannuation	20,217	0.87	25,598	1.02	22,407	0.97	20,911	0.93	14,570	0.92
Telephone	6,489	0.28	7,335	0.29	6,111	0.26	5,488	0.24	3,600	0.23
Training	1,992	0.09	2,184	0.09	2,021	0.09	2,844	0.13	1,132	0.07
Abnormal Expenses	2,022	0.09	3,426	0.14	4,395	0.19	6,238	0.28	-3,343	-0.21
Payroll Tax	2,317	0.10	2,446	0.10	2,085	0.09	1,067	0.05	355	0.02
Workers' Compensation	3,510	0.15	3,969	0.16	3,901	0.17	4,163	0.18	3,118	0.20
Other Expenses	19,018	0.82	21,262	0.85	31,257	1.35	18,356	0.81	20,685	1.31
<b>TOTAL EXPENSES</b>	<b>572,371</b>	<b>24.65</b>	<b>621,131</b>	<b>24.83</b>	<b>538,049</b>	<b>23.22</b>	<b>471,017</b>	<b>20.87</b>	<b>308,579</b>	<b>19.53</b>
<b>TOTAL INCOME</b>	<b>205,471</b>	<b>8.85</b>	<b>195,172</b>	<b>7.80</b>	<b>210,915</b>	<b>9.10</b>	<b>223,118</b>	<b>9.89</b>	<b>164,697</b>	<b>10.42</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	99,684 1.18	4.29	100,841 1.23	4.03	107,086 1.27	4.62	110,201 1.31	4.88	101,114 1.19	6.40
Less Return on Capital (2)	0	0.00	1,941	0.08	17,492	0.75	10,259	0.45	4,493	0.28
<b>NET PROFIT/LOSS</b>	<b>105,787</b>	<b>4.56</b>	<b>92,390</b>	<b>3.69</b>	<b>86,337</b>	<b>3.73</b>	<b>102,658</b>	<b>4.55</b>	<b>59,090</b>	<b>3.74</b>
<b>SALES ANALYSIS</b>										
Prescriptions	959,233	41.69	1,397,448	56.20	1,515,936	65.91	1,684,594	75.22	1,340,912	85.28
Other Sales	1,341,602	58.31	1,088,994	43.80	784,103	34.09	555,005	24.78	231,532	14.72
<b>INVENTORY ANALYSIS</b>										
Prescription	57,084	2.46	58,858	2.35	77,720	3.35	82,211	3.64	67,964	4.30
Other	180,739	7.78	160,049	6.40	151,431	6.54	113,038	5.01	57,550	3.64
STOCK CARRIED (Total)	237,823	10.24	218,907	8.75	229,151	9.89	195,249	8.65	125,514	7.94
STOCK TURN (On Total Inventory)	6.31		7.40		7.17		8.58		8.96	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	16.80		23.74		19.51		20.49		19.73	
Other	7.42		6.80		5.18		4.91		4.02	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	145		201		169		153		100	
PRESCRIPTIONS DISPENSED (Total)	33,368		48,136		49,151		54,075		43,769	
PRESCRIPTIONS DISPENSED WEEKLY	642		926		945		1,040		842	
TOTAL HOURS OPEN per WEEK	63		65		61		59		56	
AV HRS WORKED BY PROPRIETORS/WEEK	45		47		48		50		45	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>87,903</b>	<b>3.79</b>	<b>42,632</b>	<b>1.70</b>	<b>34,859</b>	<b>1.50</b>	<b>39,330</b>	<b>1.74</b>	<b>35,366</b>	<b>2.24</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

**AUSTRALIAN PHARMACIES – WEEKLY HOURS OPEN**  
(Based on 12 Months of Trading to 30/06/03)

**Table 21**

	Less Than 50		50 - 70		70 - 84		84 or More	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,376,991</b>		<b>2,029,832</b>		<b>3,553,447</b>		<b>3,200,369</b>	
<b>COST OF GOODS SOLD</b>	<b>958,911</b>	<b>69.64</b>	<b>1,400,359</b>	<b>68.99</b>	<b>2,431,761</b>	<b>68.43</b>	<b>2,143,136</b>	<b>66.97</b>
<b>GROSS MARGIN</b>	<b>418,080</b>	<b>30.36</b>	<b>629,473</b>	<b>31.01</b>	<b>1,121,686</b>	<b>31.57</b>	<b>1,057,233</b>	<b>33.03</b>
Commissions Received	15,989		13,721		19,526		16,515	
<b>GROSS MARGIN PLUS COMMISSIONS</b>	<b>434,069</b>		<b>643,194</b>		<b>1,141,212</b>		<b>1,073,748</b>	
<b>TOTAL REVENUE</b>	<b>1,392,979</b>	<b>100.00</b>	<b>2,043,552</b>	<b>100.00</b>	<b>3,572,973</b>	<b>100.00</b>	<b>3,216,884</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	134,259	9.64	211,530	10.35	410,358	11.49	421,488	13.10
Rent Paid	24,691	1.77	64,221	3.14	135,382	3.79	89,263	2.77
Outgoings - Rental & Rates	1,466	0.11	2,698	0.13	6,144	0.17	3,934	0.12
Accounting	4,390	0.32	7,714	0.38	14,286	0.40	8,133	0.25
Advertising	6,821	0.49	15,022	0.74	31,937	0.89	22,563	0.70
Bank Charges	4,121	0.30	6,946	0.34	13,173	0.37	10,898	0.34
Computer Expenses	5,976	0.43	5,575	0.27	6,928	0.19	9,793	0.30
Depreciation	6,452	0.46	12,266	0.60	22,744	0.64	19,426	0.60
Electricity, Water, Heating	3,086	0.22	4,649	0.23	9,716	0.27	10,723	0.33
Insurance	6,187	0.44	7,733	0.38	8,409	0.24	9,571	0.30
Interest Paid	13,770	0.99	27,004	1.32	49,588	1.39	27,122	0.84
Leasing Expenses	3,256	0.23	8,826	0.43	14,104	0.39	19,044	0.59
Motor Vehicle Expenses	4,455	0.32	4,359	0.21	5,833	0.16	6,290	0.20
Postage, Freight, Printing	5,923	0.43	7,518	0.37	12,374	0.35	10,895	0.34
Repairs, Maintenance, Service	2,912	0.21	3,438	0.17	4,637	0.13	5,067	0.16
Subs and Registrations	6,452	0.46	6,936	0.34	9,328	0.26	9,139	0.28
Superannuation	11,056	0.79	19,072	0.93	35,645	1.00	36,806	1.14
Telephone	3,671	0.26	5,286	0.26	8,995	0.25	8,230	0.26
Training	1,553	0.11	2,018	0.10	3,096	0.09	2,867	0.09
Abnormal Expenses	2,598	0.19	2,657	0.13	2,185	0.06	10,751	0.33
Payroll Tax	469	0.03	524	0.03	5,180	0.14	6,244	0.19
Workers' Compensation	2,225	0.16	3,841	0.19	5,550	0.16	5,408	0.17
Other Expenses	12,472	0.90	25,464	1.25	23,162	0.65	36,244	1.13
<b>TOTAL EXPENSES</b>	<b>268,260</b>	<b>19.26</b>	<b>455,298</b>	<b>22.28</b>	<b>838,754</b>	<b>23.47</b>	<b>789,899</b>	<b>24.55</b>
<b>TOTAL INCOME</b>	<b>165,809</b>	<b>11.90</b>	<b>187,896</b>	<b>9.19</b>	<b>302,458</b>	<b>8.47</b>	<b>283,849</b>	<b>8.82</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	91,535	6.57	111,262	5.44	119,198	3.34	66,692	2.07
	1.12		1.31		1.43		0.82	
Less Return on Capital (2)	9,859	0.71	7,379	0.36	2,015	0.06	18,562	0.58
<b>NET PROFIT/LOSS</b>	<b>64,415</b>	<b>4.62</b>	<b>69,255</b>	<b>3.39</b>	<b>181,245</b>	<b>5.07</b>	<b>198,595</b>	<b>6.17</b>
<b>SALES ANALYSIS</b>								
Prescriptions	1,015,143	73.72	1,394,255	68.69	2,213,442	62.29	2,119,478	66.23
Other Sales	361,848	26.28	635,577	31.31	1,340,005	37.71	1,080,891	33.77
<b>INVENTORY ANALYSIS</b>								
Prescription	53,462	3.84	68,910	3.37	101,475	2.84	107,034	3.33
Other	73,231	5.26	116,707	5.71	209,274	5.86	151,889	4.72
STOCK CARRIED (Total)	126,693	9.10	185,617	9.08	310,749	8.70	258,923	8.05
STOCK TURN (On Total Inventory)	7.79		7.56		7.61		8.68	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	18.99		20.23		21.81		19.80	
Other	4.94		5.45		6.40		7.12	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	118		154		168		223	
PRESCRIPTIONS DISPENSED (Total)	34,366		45,129		72,658		69,532	
PRESCRIPTIONS DISPENSED WEEKLY	661		868		1,397		1,337	
TOTAL HOURS OPEN per WEEK	47		58		80		91	
AV HRS WORKED BY PROPRIETORS/WEEK	42		50		54		31	
<b>FUNDS RETAINED IN BUSINESS (3)</b>	<b>52,632</b>	<b>3.78</b>	<b>37,546</b>	<b>1.84</b>	<b>59,169</b>	<b>1.66</b>	<b>9,573</b>	<b>0.30</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) Return on Capital Employed is based on an opportunity interest rate of 6.0% (10 year Treasury Bonds), less interest paid on borrowed funds.

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

AUSTRALIAN PHARMACIES – BALANCE SHEET 2002-03

**Table 22**

	30 June 2002 (405 Pharmacies)		30 June 2003 (527 Pharmacies)		Amount and % of Change	
	\$	%	\$	%	\$	%
<b>Assets</b>	463,034	23.76	566,169	26.56	103,135	22.27
<b>Liabilities</b>	592,912	30.42	756,850	35.50	163,938	27.65
<b>Net Worth</b>	-129,878	-6.66	-190,681	-8.94	-60,803	46.82
<b>Total Revenue</b>	1,948,925	100.00	2,132,015	100.00	183,090	9.39
<b>Trading Profit</b>	200,463	10.29	201,460	9.45	997	0.50

**AUSTRALIAN PHARMACIES – BALANCE SHEET 2002-03  
BY TURNOVER GROUP**

**Table 23**

	Under \$500,000		\$500,000 - \$1.0M		\$1.0M - \$1.5M		\$1.5M - \$2.0M	
	\$	%	\$	%	\$	%	\$	%
<b>Assets</b>	187,284	41.10	245,579	30.60	396,329	31.60	469,339	26.80
<b>Liabilities</b>	75,335	16.50	231,721	28.90	485,231	38.70	664,596	37.90
<b>Net Worth</b>	111,949	24.60	13,859	1.70	-88,902	-7.10	-195,258	-11.10
<b>Total Revenue</b>	455,470	100.00	802,950	100.00	1,253,073	100.00	1,754,328	100.00
<b>Trading Profit</b>	37,084	8.10	76,298	9.50	115,866	9.20	158,978	9.10

	\$2.0M - \$2.5M		\$2.5M - \$3.0M		\$3.0M - \$3.5M		OVER \$3.5M	
	\$	%	\$	%	\$	%	\$	%
<b>Assets</b>	539,566	24.30	743,985	26.90	938,333	29.20	1,188,423	25.30
<b>Liabilities</b>	663,994	29.90	1,135,880	41.10	1,439,277	44.70	1,627,191	34.60
<b>Net Worth</b>	-124,428	-5.60	-391,896	-14.20	-500,943	-15.60	-438,768	-9.30
<b>Total Revenue</b>	2,222,363	100.00	2,765,555	100.00	3,218,629	100.00	4,704,539	100.00
<b>Trading Profit</b>	195,335	8.80	208,158	7.50	243,913	7.60	375,327	8.00

TABLE 24

## BENEFIT PRESCRIPTION STATISTICS, STATES AND TERRITORIES - 2002/2003

Benefit prescriptions	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
(\$'000)									
<b>COMMONWEALTH GOVERNMENT</b>									
<b>PAYMENTS ON BENEFIT PRESCRIPTIONS</b>									
General	258,584	195,253	130,241	58,338	71,996	15,219	4,696	16,237	750,544
Concessional	1,014,722	742,799	527,698	252,816	254,724	80,537	9,595	34,223	2,917,135
Safety Net (a)	335,820	222,133	164,295	76,560	71,307	27,429	1,542	8,440	907,524
TOTAL (b)	1,609,126	1,160,185	822,234	387,714	398,027	123,185	15,833	58,900	4,575,203
<b>PATIENT CONTRIBUTION ON BENEFIT PRESCRIPTIONS</b>									
General	165,222	116,360	84,622	35,069	45,285	10,095	3,108	10,774	470,555
Concessional	134,114	98,346	71,363	34,222	34,464	11,299	1,287	4,114	389,189
TOTAL (b)	299,336	214,706	155,985	69,291	79,749	21,394	4,395	14,888	859,744
<b>TOTAL BENEFIT PRESCRIPTION COST</b>	<b>1,908,462</b>	<b>1,374,891</b>	<b>978,219</b>	<b>457,005</b>	<b>477,776</b>	<b>144,579</b>	<b>20,228</b>	<b>73,788</b>	<b>5,434,947</b>
<b>DISSECTION OF COSTS (c)</b>									
Cost of Ingredients and containers	1,506,789	1,086,170	770,122	359,477	377,062	112,792	16,149	59,375	4,287,931
Suppliers' remuneration	401,673	288,721	208,097	97,528	100,714	31,787	4,079	14,413	1,147,016
Total	1,908,462	1,374,891	978,219	457,005	477,776	144,579	20,228	73,788	5,434,947
<b>BENEFIT PRESCRIPTIONS ('000)</b>									
General	7,271	5,120	3,723	1,543	1,993	444	137	474	20,705
Concessional	36,751	26,954	19,558	9,378	9,448	3,094	354	1,128	106,665
Safety Net (a)	11,385	7,684	5,656	2,673	2,468	989	53	269	31,178
Total (b)	55,407	39,758	28,937	13,594	13,909	4,527	544	1,871	158,548
<b>AVERAGE TOTAL COST PER PRESCRIPTION</b>									
General	58.29	60.86	57.71	60.54	58.85	57.01	56.96	56.99	58.98
Concessional	31.26	31.21	30.63	30.61	30.61	29.68	30.74	33.99	31.00
Safety Net (a)	29.50	28.91	29.05	28.64	28.89	27.73	29.09	31.38	29.11
Total	34.44	34.58	33.81	33.62	34.35	31.94	37.18	39.44	34.28

(a) Safety Net figures include payments made for PBS prescriptions dispensed for holders of Pharmaceutical Benefits Entitlement Cards (Safety Net Cards).

(b) As per Department of Health and Ageing statistics on payments to approved persons.

(c) Estimate only. Actual dissection of costs by State was not prepared for 2001/02

Source: Commonwealth Department of Health and Ageing.

TABLE 25

## COST OF PHARMACEUTICAL BENEFITS, 1997-98 TO 2003-04

(\$'000)

	1998	1999	2000	2001	2002	2003	2004
<b>COMMONWEALTH GOVERNMENT</b>							
<b>PAYMENTS ON BENEFIT PRESCRIPTIONS (a)</b>							
General	411,856	469,041	521,014	662,096	691,204	750,544	824,131
Safety Net	98,613	106,618	107,013	128,174	148,499	169,805	190,683
Concessional (b)	1,576,058	1,739,535	2,000,633	2,359,645	2,569,368	2,747,330	2,972,332
Concessional Safety Net	439,989	467,079	547,829	660,301	778,412	907,524	1,004,523
<b>TOTAL COMMONWEALTH PAYMENTS</b>	<b>2,526,517</b>	<b>2,782,273</b>	<b>3,176,489</b>	<b>3,810,216</b>	<b>4,187,483</b>	<b>4,575,203</b>	<b>4,991,669</b>
<b>PATIENT CONTRIBUTIONS</b>							
General Benefit Prescriptions	294,364	318,219	345,585	392,430	426,973	470,555	524,763
Concessional Benefit Prescriptions	276,440	283,118	306,182	351,732	379,074	389,188	413,053
<b>TOTAL PATIENT CONTRIBUTIONS</b>	<b>570,804</b>	<b>601,333</b>	<b>651,768</b>	<b>744,162</b>	<b>806,048</b>	<b>859,744</b>	<b>937,816</b>
<b>Total cost of benefit prescriptions (including patients' contributions)</b>	<b>3,097,322</b>	<b>3,383,606</b>	<b>3,828,256</b>	<b>4,554,378</b>	<b>4,993,531</b>	<b>5,434,947</b>	<b>5,929,485</b>
Commonwealth Government payments through miscellaneous services	258,950	287,468	311,727	347,902	396,387	477,352	570,500
Total cost of pharmaceutical benefits	3,356,271	3,671,078	4,139,983	4,902,280	5,389,918	5,912,299	6,499,985
Total Commonwealth Government payments	2,785,467	3,069,741	3,488,216	4,186,000	4,583,870	5,052,555	5,562,169

(a) Sourced from PBS claims processing at HIC and Department of Health and Ageing

(b) Prescriptions supplied to persons eligible to receive Concessional pharmaceutical benefits.

TABLE 26

## PHARMACEUTICAL BENEFITS YEAR ENDED 30 JUNE 2003

### ANALYSIS OF PAYMENTS MADE TO APPROVED CHEMISTS, DOCTORS AND PRIVATE HOSPITALS FOR PRESCRIPTION BENEFITS (INCLUDING PATIENTS' CONTRIBUTIONS)

State	Ingredient and container cost	Suppliers' Remuneration	Total Cost
	(\$'000)	(\$'000)	(\$'000)
NSW	1,506,789	401,673	1,908,462
VIC	1,086,170	288,721	1,374,891
QLD	770,122	208,097	978,219
SA	359,477	97,528	457,005
WA	377,062	100,714	477,776
TAS	112,792	31,787	144,579
NT	16,149	4,079	20,228
ACT	59,375	14,413	73,788
<b>TOTAL</b>	<b>4,287,936</b>	<b>1,147,012</b>	<b>5,434,947</b>

- NOTE: (1) Estimated dissection between ingredient costs and remuneration by State.  
(2) Includes mark-up on wholesale price and professional fees but does not include discounts allowed to pharmacists by wholesalers and manufacturers.  
(3) All figures relate only to prescriptions which have been subsidised by the Government through the Pharmaceutical Benefits Scheme. Non PBS prescriptions are not included.

TABLE 27

## REPATRIATION PHARMACEUTICAL BENEFITS

Year	Cost \$	Number of prescriptions	Average cost per prescription \$	% Change
1971/72	19,046,307	6,629,477	2.87	
1972/73	20,016,887	6,518,103	3.07	6.89%
1973/74	21,121,909	6,357,947	3.32	8.18%
1974/75	22,761,634	6,538,902	3.48	4.78%
1975/76	29,991,915	7,089,899	4.23	21.52%
1976/77	31,253,962	7,786,899	4.01	-5.12%
1977/78	33,427,821	7,662,328	4.36	8.69%
1978/79	35,553,066	7,484,528	4.75	8.88%
1979/80	38,984,952	8,116,373	4.80	1.12%
1980/81	44,921,391	8,997,730	4.99	3.94%
1981/82	54,851,219	9,661,876	5.68	13.71%
1982/83	61,029,969	9,816,044	6.22	9.52%
1983/84	66,087,396	10,585,324	6.24	0.42%
1984/85	77,089,793	11,248,654	6.85	9.77%
1985/86	86,507,716	11,515,486	7.51	9.62%
1986/87	94,829,444	11,153,714	8.50	13.18%
1987/88	85,725,923	9,008,826	9.52	11.92%
1988/89	80,879,482	7,914,298	10.22	7.39%
1989/90	83,684,977	7,593,329	11.02	7.84%
1990/91	86,043,778	7,224,499	11.91	8.07%
1991/92	92,947,647	6,654,306	13.97	17.28%
1992/93	92,202,894	5,876,127	15.69	12.34%
1993/94	98,671,107	5,686,939	17.35	10.58%
1994/95	104,193,758	5,449,513	19.12	10.20%
1995/96	122,888,989	6,515,884	18.86	-1.36%
1996/97	197,146,559	9,208,882	21.41	13.51%
1997/98	204,715,632	9,928,485	20.62	-3.69%
1998/99	229,869,461	10,690,911	21.50	4.28%
1999/00	272,323,263	12,045,595	22.61	5.15%
2000/01	325,142,363	13,099,032	24.82	9.79%
2001/02	371,279,280	14,243,945	26.07	5.01%
2002/03	425,885,375	15,362,564	27.72	6.36%
2003/04	456,299,564	15,627,475	29.20	5.33%

SOURCE: Commonwealth Department of Veterans' Affairs.

TABLE 28

**PHARMACEUTICAL BENEFITS**  
**PRESCRIPTIONS AND DERIVED STATISTICS FOR THE YEAR ENDED 30 JUNE 2003**

State	Number of Prescriptions				Average Cost Per Prescription			
	Total	For General Patients	For Concessional Patients	For Safety Net Patients	Total \$	For General Patients \$	For Concessional Patients \$	For Safety Net Patients \$
<b>NSW</b>	55,407,182	7,271,362	36,750,374	11,385,446	34.44	58.29	31.26	29.50
<b>VIC</b>	39,758,419	5,120,097	26,954,539	7,683,783	34.58	60.86	31.21	28.91
<b>QLD</b>	28,937,243	3,723,221	19,557,968	5,656,054	33.81	57.71	30.63	29.05
<b>SA</b>	13,594,091	1,542,679	9,378,113	2,673,299	33.62	60.54	30.61	28.64
<b>WA</b>	13,908,996	1,992,654	9,448,109	2,468,233	34.35	58.85	30.61	28.89
<b>TAS</b>	4,527,372	444,046	3,094,307	989,019	31.94	57.01	29.68	27.73
<b>NT</b>	543,643	136,860	353,359	53,424	37.18	56.96	30.74	29.09
<b>ACT</b>	1,871,437	474,060	1,128,234	269,143	39.44	56.99	33.99	31.38
<b>TOTAL</b>	158,548,383	20,704,979	106,665,003	31,178,401	34.28	58.98	31.00	29.11

Note: Concessional figures include Pensioner prescriptions which attract the co-payment.

TABLE 29

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

From	To	RP ITEMS		EP ITEMS	
		Professional Fee \$	Markup on Wholesale Price %	Professional Fee \$	Markup on Wholesale Price %
1 January 1972	30 April 1972	0.39	33 1/3	0.64	50
1 May 1972	30 September 1972	0.42	33 1/3	0.64	50
1 October 1972	30 November 1972	0.44	33 1/3	0.64	50
1 December 1972	31 December 1972	0.45	33 1/3	0.64	50
1 January 1973	30 June 1973	0.50	33 1/3	0.72	50
1 July 1973	31 December 1973	0.61	33 1/3	0.83	50
1 January 1974	30 June 1974	0.68	33 1/3	0.90	50
1 July 1974	30 June 1975	0.84	33 1/3	1.06	50
1 July 1975	30 June 1976	0.90	33 1/3	1.12	50
1 July 1976	31 December 1976	1.02	33 1/3	1.24	50
1 January 1977	30 June 1977	1.07	33 1/3	1.29	50
1 July 1977	31 July 1978	1.21	33 1/3	1.43	50
1 August 1978	30 April 1980	1.35	25	1.95	33 1/3
1 May 1980	30 June 1980	1.31 *	25	1.91 *	33 1/3
1 July 1980	30 November 1980	1.31 1.39	25	1.91 1.99	33 1/3
1 December 1980	31 December 1980	1.26 1.34	25	1.89 1.97	33 1/3
1 January 1981	30 June 1981	1.26 1.44	25	1.89 2.07	33 1/3
1 July 1981	31 December 1981	1.51	25	2.14	33 1/3
1 January 1982	30 June 1982	1.66	25	2.29	33 1/3
1 July 1982	31 December 1983	1.73	25	2.54	33 1/3
1 January 1984	30 June 1984	1.98	25	2.89	33 1/3
1 July 1984	30 June 1985	2.13	25	3.09	33 1/3
1 July 1985	31 December 1985	2.30	25	3.33	33 1/3
1 January 1986	30 June 1986	2.35	25	3.40	33 1/3
1 July 1986	31 August 1986	2.40	25	3.47	33 1/3
1 September 1986	31 May 1987	2.46	25	3.56	33 1/3
1 June 1987	30 June 1988	2.50	25	3.62	33 1/3
1 July 1988	31 July 1988	2.59	25	3.76	33 1/3
1 August 1988	31 January 1989	2.64	25	3.83	33 1/3
1 February 1989	31 December 1989	2.59	25	3.76	33 1/3
1 January 1990	30 June 1990	2.54	25	3.68	33 1/3
1 July 1990	31 December 1990	2.57	25	3.72	33 1/3
1 January 1991	31 July 1992	3.43	10 **	4.96	10 **
1 August 1992	31 December 1992	3.57	10 **	5.16	10 **
1 January 1993	30 June 1993	3.69	10 **	5.34	10 **
1 July 1993	31 December 1993	3.75	10 **	5.43	10 **
1 January 1994	30 June 1994	3.83	10 **	5.55	10 **
1 July 1994	31 December 1994	3.98	10 **	5.77	10 **
1 January 1995	30 June 1995	4.06	10 **	5.89	10 **
1 July 1995	30 June 1996	4.27	10 **	6.10	10 **
1 July 1996	30 June 1997	4.29	10 **	6.13	10 **
1 July 1997	30 June 1998	4.34	10 **	6.20	10 **
1 July 1998	30 June 1999	4.34	10 **	6.20	10 **
1 July 1999	30 June 2000	4.39	10 **	6.27	10 **
1 July 2000	30 January 2001	4.40	10 ***	6.28	10 ***
1 February 2001	30 June 2001	4.50	10 ***	6.38	10 ***
1 July 2001	30 September 2001	4.53	10 ***	6.44	10 ***
1 October 2001	30 January 2002	4.68	10 ***	6.59	10 ***
1 February 2002	30 June 2002	4.58	10 ***	6.49	10 ***
1 July 2002	30 June 2003	4.62	10 ***	6.56	10 ***
1 July 2003	30 June 2004	4.66	10 ***	6.63	10 ***
1 July 2004		4.70	10 ***	6.70	10 ***

\* 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.

TABLE 30

### 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 %

TABLE 31

## P B S REMUNERATION PER PRESCRIPTION

Year	Average Price per prescription \$	Mark-up* \$	Average professional fee \$	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 @@	2.76	4.66	7.42	20.69	165,435

\* Excludes wholesalers' surcharges, discounts and rebates.

\*\* Percentage mark-up changed.

@ Adjusted for retrospective payments.

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

TABLE 32

## HIGHEST GOVERNMENT COST PBS DRUGS BY GENERIC NAME

(Year ended 30 June 2003)

Ranking	Drug Name	Prescriptions	% of Total Scripts	Government Cost (\$)	% of Total Cost
1	ATORVASTATIN	5,848,277	3.69	314,430,315	6.89
2	SIMVASTATIN	5,056,541	3.19	294,159,174	6.44
3	OMEPRAZOLE	4,281,913	2.70	187,616,176	4.11
4	SALMETEROL and FLUTICASONE	2,354,087	1.49	144,983,983	3.18
5	OLANZAPINE	656,166	0.41	140,283,078	3.07
6	PRAVASTATIN	1,796,074	1.13	103,032,372	2.26
7	CELECOXIB	3,276,756	2.07	86,680,080	1.90
8	ROFECOXIB	2,709,713	1.71	82,972,554	1.82
9	CLOPIDOGREL	1,023,755	0.65	81,173,216	1.78
10	PANTOPRAZOLE	1,845,851	1.16	77,953,816	1.71
11	INSULIN (HUMAN)	412,121	0.26	77,027,792	1.69
12	ALENDRONIC ACID	1,445,217	0.91	74,623,621	1.63
13	SERTRALINE	2,321,988	1.46	66,980,933	1.47
14	VENLAFAXINE	1,358,842	0.86	61,188,159	1.34
15	IRBESARTAN	2,859,697	1.80	59,565,886	1.30
16	IRBESARTAN with HYDROCHLOROTHAZ	2,243,913	1.42	51,711,014	1.13
17	AMLODIPINE BESYLATE	2,140,499	1.35	49,655,643	1.09
18	ESOMEPRAZOLE	944,849	0.60	48,861,880	1.07
19	SALBUTAMOL	3,103,963	1.96	48,425,811	1.06
20	RAMIPRIL	2,277,813	1.44	46,768,502	1.02
21	IPRATROPIUM BROMIDE	1,019,883	0.64	42,903,638	0.94
22	PAROXETINE	1,306,325	0.82	40,637,900	0.89
23	CITALOPRAM	1,546,341	0.98	40,586,734	0.89
24	GOSERELIN	53,088	0.03	40,320,437	0.88
25	PERINDOPRIL	2,161,837	1.36	39,632,199	0.87
26	INTERFERON BETA-1b	32,005	0.02	37,294,479	0.82
27	RANITIDINE HYDROCHLORIDE	1,931,537	1.22	37,230,337	0.82
28	LANSOPRAZOLE	826,600	0.52	37,081,916	0.81
29	VALACICLOVIR	194,765	0.12	35,421,035	0.78
30	LATANOPROST	1,222,628	0.77	35,315,296	0.77
31	MORPHINE	812,300	0.51	32,831,921	0.72
32	RITUXIMAB	16,233	0.01	31,803,984	0.70
33	DILTIAZEM HYDROCHLORIDE	1,378,376	0.87	30,245,737	0.66
34	RISPERIDONE	219,714	0.14	30,146,881	0.66
35	INTERFERON BETA-1a	25,252	0.02	30,004,967	0.66
36	METFORMIN HYDROCHLORIDE	2,281,837	1.44	28,817,185	0.63
37	FELODIPINE	1,395,060	0.88	28,279,419	0.62
38	FLUTICASONE	875,767	0.55	27,652,404	0.61
39	CARVEDILOL	292,713	0.18	26,676,865	0.58
40	PERINDOPRIL and INDAPAMIDE	1,092,871	0.69	26,354,930	0.58
41	FAMCICLOVIR	91,830	0.06	26,142,897	0.57
42	FLUOXETINE HYDROCHLORIDE	807,156	0.51	25,799,281	0.57
43	GLUCOSE INDICATOR--BLOOD	522,642	0.33	24,687,337	0.54
44	ENALAPRIL MALEATE	1,189,480	0.75	24,411,996	0.53
45	LAMOTRIGINE	197,089	0.12	23,290,145	0.51
46	LISINOPRIL	1,150,623	0.73	22,454,176	0.49
47	PARACETAMOL	4,125,774	2.60	21,671,877	0.47
48	SODIUM VALPROATE	510,746	0.32	21,401,866	0.47
49	DONEPEZIL	135,019	0.09	21,072,253	0.46
50	QUETIAPINE	103,361	0.07	20,940,796	0.46
		<b>75,476,887</b>	<b>47.61</b>	<b>3,009,204,893</b>	<b>65.91</b>

TABLE 33

## MOST FREQUENTLY PRESCRIBED PBS DRUGS BY GENERIC NAME

(Year ended 30 June 2003)

Ranking	Drug Name	Prescriptions	% of Total Scripts	Government Cost (\$)	% of Total Cost
1	ATORVASTATIN	5,848,277	3.69	314,430,315	6.89
2	SIMVASTATIN	5,056,541	3.19	294,159,174	6.44
3	OMEPRAZOLE	4,281,913	2.70	187,616,176	4.11
4	PARACETAMOL	4,125,774	2.60	21,671,877	0.47
5	CELECOXIB	3,276,756	2.07	86,680,080	1.90
6	SALBUTAMOL	3,103,963	1.96	48,425,811	1.06
7	IRBESARTAN	2,859,697	1.80	59,565,886	1.30
8	ATENOLOL	2,718,486	1.71	19,775,545	0.43
9	ROFECOXIB	2,709,713	1.71	82,972,554	1.82
10	CODEINE with PARACETAMOL	2,528,828	1.60	19,121,482	0.42
11	SALMETEROL and FLUTICASONE	2,354,087	1.49	144,983,983	3.18
12	SERTRALINE	2,321,988	1.46	66,980,933	1.47
13	METFORMIN HYDROCHLORIDE	2,281,837	1.44	28,817,185	0.63
14	RAMIPRIL	2,277,813	1.44	46,768,502	1.02
15	IRBESARTAN with HYDROCHLOROTHIAZ	2,243,913	1.42	51,711,014	1.13
16	AMOXYCILLIN	2,169,403	1.37	15,818,016	0.35
17	PERINDOPRIL	2,161,837	1.36	39,632,199	0.87
18	AMLODIPINE BESYLATE	2,140,499	1.35	49,655,643	1.09
19	TEMAZEPAM	2,109,715	1.33	8,426,136	0.18
20	RANITIDINE HYDROCHLORIDE	1,931,537	1.22	37,230,337	0.82
21	PANTOPRAZOLE	1,845,851	1.16	77,953,816	1.71
22	PRAVASTATIN	1,796,074	1.13	103,032,372	2.26
23	CEPHALEXIN	1,684,354	1.06	13,859,075	0.30
24	DIAZEPAM	1,569,201	0.99	6,504,615	0.14
25	WARFARIN	1,563,699	0.99	7,958,322	0.17
26	CITALOPRAM	1,546,341	0.98	40,586,734	0.89
27	ALENDRONIC ACID	1,445,217	0.91	74,623,621	1.63
28	FELODIPINE	1,395,060	0.88	28,279,419	0.62
29	DILTIAZEM HYDROCHLORIDE	1,378,376	0.87	30,245,737	0.66
30	TRAMADOL	1,378,006	0.87	19,434,192	0.43
31	VENLAFAXINE	1,358,842	0.86	61,188,159	1.34
32	PAROXETINE	1,306,325	0.82	40,637,900	0.89
33	AMOXYCILLIN with CLAVULANIC ACID	1,253,915	0.79	16,715,080	0.37
34	LATANOPROST	1,222,628	0.77	35,315,296	0.77
35	OXAZEPAM	1,204,311	0.76	4,214,708	0.09
36	ENALAPRIL MALEATE	1,189,480	0.75	24,411,996	0.53
37	FRUSEMIDE	1,177,603	0.74	6,645,473	0.15
38	LISINOPRIL	1,150,623	0.73	22,454,176	0.49
39	ROXITHROMYCIN	1,104,015	0.70	10,749,195	0.24
40	PERINDOPRIL and INDAPAMIDE	1,092,871	0.69	26,354,930	0.58
41	ASPIRIN	1,090,405	0.69	4,000,272	0.09
42	VERAPAMIL HYDROCHLORIDE	1,070,795	0.68	15,097,245	0.33
43	ISOSORBIDE MONONITRATE	1,067,466	0.67	15,232,779	0.33
44	CLOPIDOGREL	1,023,755	0.65	81,173,216	1.78
45	IPRATROPIUM BROMIDE	1,019,883	0.64	42,903,638	0.94
46	NIFEDIPINE	961,020	0.61	19,469,700	0.43
47	ESOMEPRAZOLE	944,849	0.60	48,861,880	1.07
48	GLICLAZIDE	934,147	0.59	12,084,807	0.26
49	GLYCERYL TRINITRATE	930,287	0.59	20,063,617	0.44
50	BETAMETHASONE	921,977	0.58	7,184,121	0.16
		<b>96,129,953</b>	<b>60.64</b>	<b>2,541,678,939</b>	<b>55.67</b>

TABLE 34

## 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

TABLE 35

## TRENDS IN POPULATION TO PHARMACY RATIOS

30 JUNE 2003				30 JUNE 2004			
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>	6,662.2	1,709	3,898	6,716.3	1,699	3,953	1.4
<b>VIC</b>	4,885.0	1,160	4,211	4,948.0	1,160	4,266	1.3
<b>QLD</b>	3,754.1	944	3,977	3,840.1	953	4,029	1.3
<b>SA</b>	1,522.5	386	3,944	1,531.4	389	3,937	-0.2
<b>WA</b>	1,936.9	484	4,002	1,969.0	489	4,027	0.6
<b>TAS</b>	474.3	139	3,412	480.0	135	3,556	4.2
<b>NT</b>	198.1	28	7,075	198.7	28	7,096	0.3
<b>ACT</b>	322.2	57	5,653	322.6	57	5,660	0.1
<b>AUSTRALIA</b>	19,757.9	4,907	4,026	20,008.7	4,910	4,075	1.2

TABLE 36

PHARMACIES DISPENSING PHARMACEUTICAL BENEFITS  
STATES AND TERRITORIES 1991 TO 2004

(Number at 30 June)

STATE OR TERRITORY	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>NSW</b>	1,900	1,795	1,759	1,745	1,736	1,731	1,729	1,727	1,724	1,723	1,722	1,727	1,709	1,699
<b>VIC</b>	1,328	1,261	1,245	1,225	1,213	1,200	1,190	1,181	1,169	1,159	1,161	1,159	1,160	1,160
<b>QLD</b>	991	946	936	935	931	942	952	959	959	954	951	948	944	953
<b>SA</b>	421	399	392	390	386	386	385	383	386	386	387	385	386	389
<b>WA</b>	470	460	458	456	457	467	470	474	477	478	479	480	484	489
<b>TAS</b>	148	145	144	144	142	143	144	143	140	140	140	140	139	135
<b>NT</b>	27	25	25	26	26	26	27	27	28	28	28	30	28	28
<b>ACT</b>	66	60	59	59	58	58	57	58	59	57	57	57	57	57
<b>AUSTRALIA</b>	5,351	5,091	5,018	4,980	4,949	4,953	4,954	4,952	4,942	4,925	4,925	4,926	4,907	4,910

Source: Commonwealth Department of and Health and Ageing

TABLE 37

## 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

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

(b) All Males.

# Chart 6

