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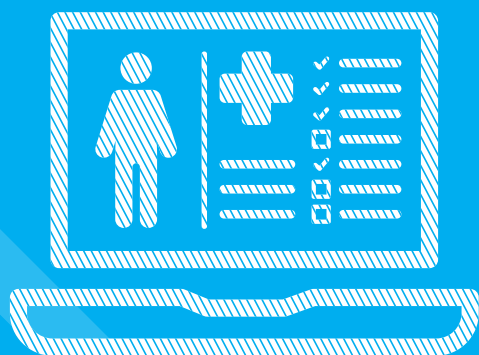


Guild Digest

2018

**A SURVEY OF INDEPENDENT
PHARMACY OPERATIONS IN AUSTRALIA**

FINANCIAL YEAR 2016-17





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INTRODUCTION TO GUILD DIGEST

This year marks the 46th edition of the Guild Digest. The 2018 Digest presents a snapshot of pharmacy operations in Australia for the financial year 2016-17. Community pharmacy plays a pivotal role in providing primary healthcare and delivers a wide range of services including dispensing prescriptions; distributing pharmacy-only and pharmacist-only medicines and over-the-counter products; medication management; advice on minor ailments; and preventive care services.

The analyses contained in the *2018 Digest* are based largely on the sample of 397 community pharmacies.

COMMUNITY PHARMACY INDUSTRY SNAPSHOT 2016-2017

The Australian community pharmacy industry is an \$18.9 billion health sector which comprises around 5,665 community pharmacies as of June 2017. It directly employs around 87,000 highly skilled staff (including proprietors). The average revenue per pharmacy is \$3.34 million and almost 71% of revenue is derived from the sale of prescription medicines. The other 29% includes pharmacy professional services, pharmacy-only and pharmacist-only medicines and over-the-counter products. The gross margin (sales less cost of goods sold) is \$1.11 million for the average pharmacy and average annual net profit equates to nearly \$101,000.

Rural pharmacies represent 16% of the total of 5,665 community pharmacies and there is one pharmacy for every 4,341 Australians. The accessibility of community pharmacy is a strong factor underpinning the high regard in which community pharmacy is held. On average, each community pharmacy is open 64.9 hours a week, and is open for an average of 9 hours a day during the week.

Average Pharmacy	Industry
\$100,756 Net Profit/Loss	\$570.8 m Net Profit/Loss
\$1.11 m Gross Margin	\$6.30 b Gross Margin
\$3.34 m Revenue	\$18.9 b Revenue
59,747 Prescriptions	338 m Prescriptions

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INDUSTRY TREND – LAST DECADE (2007 -2017)

This section of the *Digest* includes the key industry trends and performance of community pharmacy covering more than a decade (Table 1). This is particularly important in highlighting the evolution of the industry over time.

There have been ongoing changes in the operating landscape of pharmacies, particularly over the past 10 years due to growing regulatory and competitive pressure from internal and external forces. The community pharmacy landscape has evolved from small, independent pharmacies to more sophisticated banner groups operating in a more competitive environment.

Industry sales have grown at 1.94% compounded annual growth rate (CAGR) over the past 10 years, with growth in the two most recent years reversing the trend of declining sales from 2012 to 2015. Historically, pharmacy sales were growing at the rate of 4.11% (CAGR) from 2005-2010, significantly higher compared to the 2.02% growth rate of 2010 to 2017. This reduction in revenue post-2010 is attributed to the dampening effect of Pharmaceutical Benefits Scheme (PBS) reforms introduced by the Government as a cost-saving measure, with the subsequent increase post 2015-16 in part due to the addition of high cost (but low margin) hepatitis C drugs on the PBS.

Figure 1: Total Sales and Gross Margin

 Sales  Gross Margin

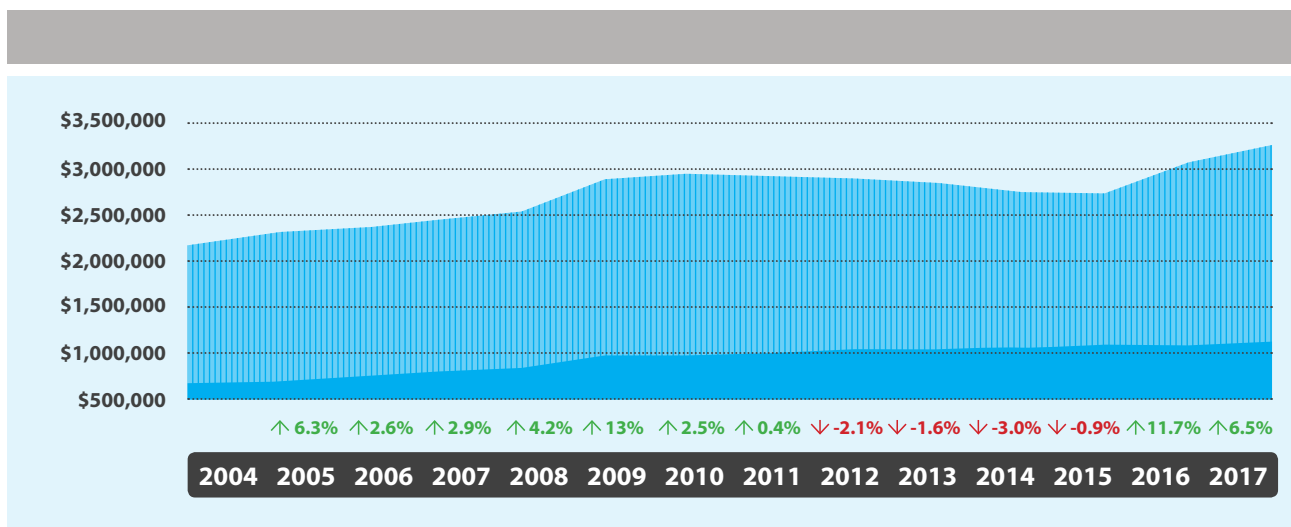


Figure 2: Net Profit/loss

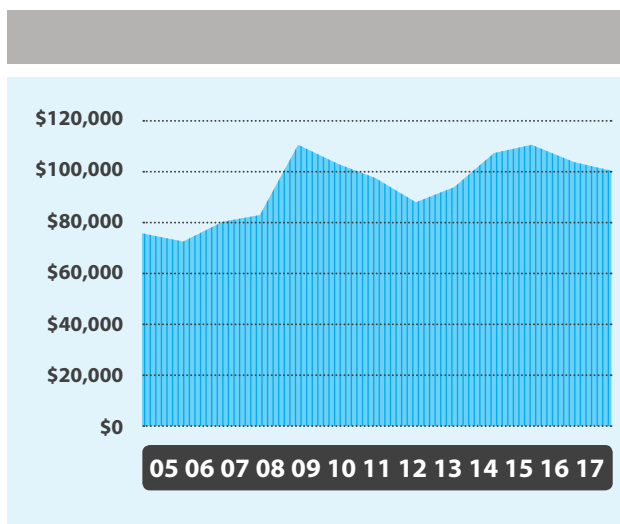
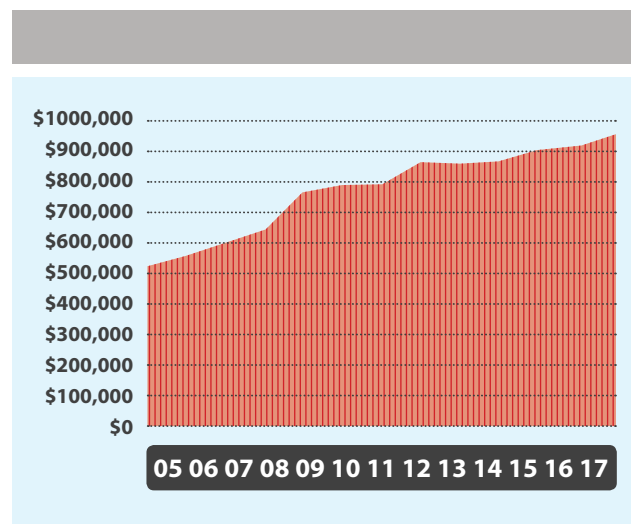


Figure 3: Expenses



KEY PERFORMANCE COMPARISON OF 2015-16 WITH 2016-17

Pharmacies are operating on a very small margin with an average pharmacy net profit of \$100,756. The industry has seen 2.09% annual growth rate (CAGR) over the past 10 years for net profit as compared to rising expenses of 4.32% (CAGR) per annum, exerting downward pressure on the viability of the industry.

There is a potential threat to pharmacy viability due to declining net profit as a result of Pharmaceutical Benefit Scheme reforms, increases in expenses and price competition initiated by the continued rise of discount pharmacies.

This section of the Digest includes a comparison of performance for pharmacies which have responded in two consecutive years, highlighting movements in key indicators from one year to the next. (Table 3)

The 2016-17 figures show a minor increase in overall sales by 0.89% with gross margin rising by 7.21%.

Salaries and wages for the comparative sample decreased by 4.3% while rents increased by 7.2%. Total expenses decreased by 0.7% in dollar terms and remained static as a percentage of revenue, at 31.3% in 2016-17. Gross margin plus other income increased by 9.51% compared to the previous year.

Figure 4: Key Performance Indicators Comparison

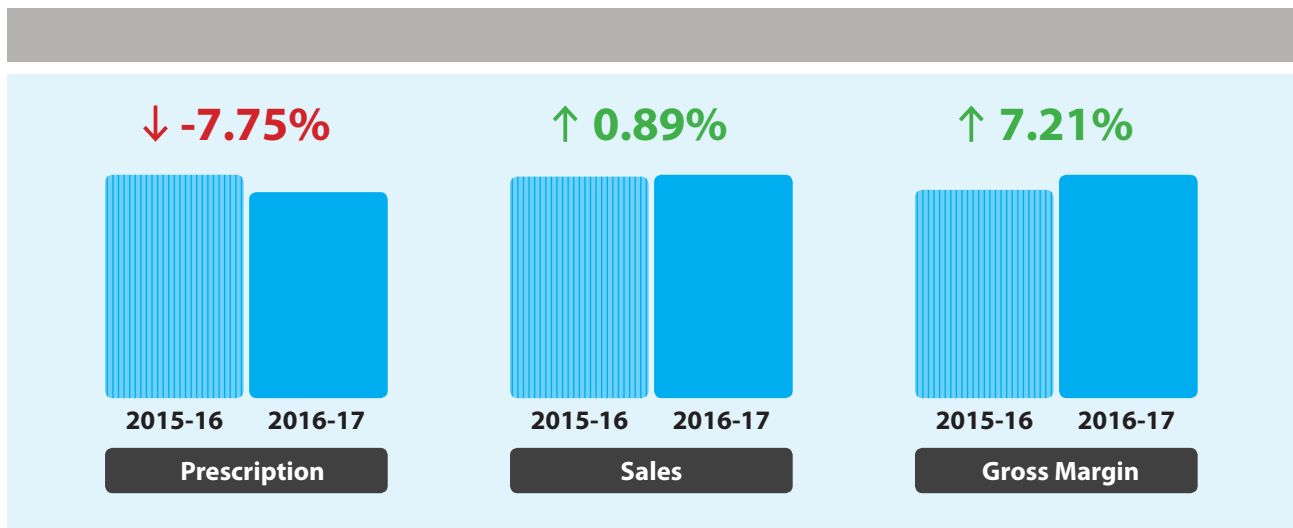
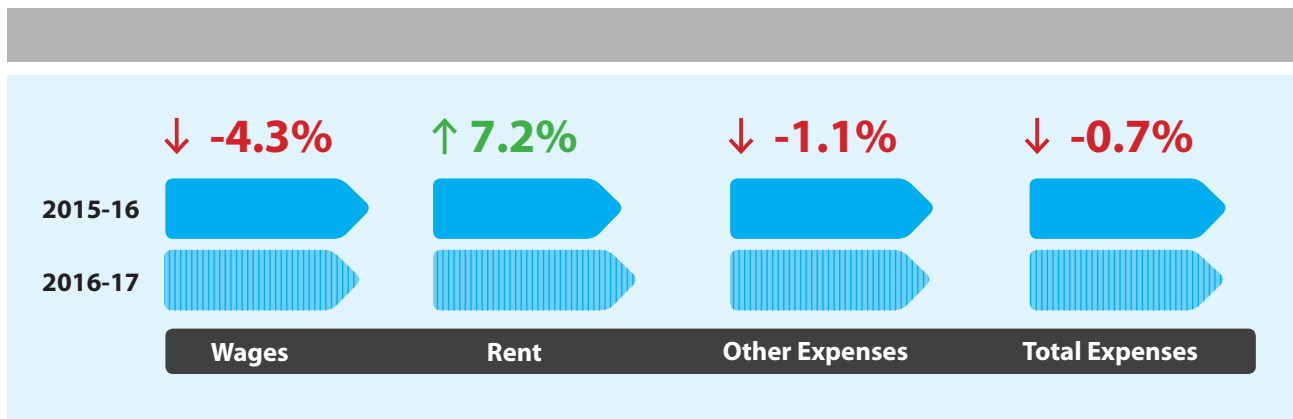


Figure 5: Change in Expenses



Note: The expenses is a downward metric, lower expense is better

Guild Digest

2018

A survey of independent pharmacy operations in Australia
Financial year 2016-17

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FOREWORD

This year marks the 46th edition of the *Digest* – the pre-eminent publication examining the operation of Australian community pharmacies. The *Guild Digest 2018* presents a snapshot of pharmacy operations in Australia for the financial year 2016-17.

Community pharmacies continue to play a pivotal role in providing primary healthcare and deliver a wide range of services including dispensing prescriptions; distributing pharmacy-only and pharmacist-only medicines and over-the-counter products; medication management; advice on minor ailments; and preventive care services. Ultimately, community pharmacies operate to improve the timely access and quality use of medicines in Australia.

The 2016-17 year was the second year of the *Sixth Community Pharmacy Agreement (6CPA)* between the Federal Government and the Pharmacy Guild of Australia, as stewards of the Pharmaceutical Benefits Scheme (PBS). The 6CPA saw the introduction of beneficial measures to assist in the sustainability and accessibility of the community pharmacy network, such as a new Administration, Handling and Infrastructure (AHI) fee, which replaced the previous pharmacy mark-up; dispensing remuneration indexed to the Consumer Price Index; and increased investment in community pharmacy programs and services.

It is pleasing to see that for 2016-17 there was a 2.7 per cent increase in gross margin and other income for the average community pharmacy although total expenses increased by 3.1 per cent and after allowing for proprietors' salary, net profit for the average pharmacy of \$100,756 was not significantly different to that in 2015-16.

In 2016-17 there was an absolute drop in the aggregate number of PBS subsidised prescriptions dispensed, falling 4.4 per cent from 2015-16. Moreover, the number of PBS subsidised scripts dispensed in 2016-17 was 27.8 million (or 12 per cent) lower than anticipated for 2016-17 at the time of signing the 6CPA. During the same year the level of under co-payment prescriptions were 4.6 per cent higher than anticipated at the time of the 6CPA signing. Partly as a result, by the end of 2016-17 we had an *Amended and Restated Sixth Community Pharmacy Agreement (6CPA)* going into 2017-18 to address the prescription volumes shortfall.

The prescription volumes result for 2016-17 point to the increasing movement of prescriptions from above to below co-payment categories on the back of price reductions and the need for pharmacies to diversify into services beyond dispensing prescriptions in order to maintain growth in their businesses. Indeed this is what is occurring, with many successful community pharmacies responding to the changing business landscape by moving to a greater services orientation through, for example, incorporating dedicated consultation rooms for the provision of professional health programs and services. This is evident in the 'other income' category which, for the average pharmacy, rose 35 per cent in 2016-17. Further expansion of pharmacy services delivered during 2016-17 included pharmacist-delivered vaccination programs and absence from work certificates.

Other notable features of the community pharmacy network landscape in 2016-17 included ongoing cash flow challenges, particularly for smaller pharmacies, through the ongoing listing of high-cost medicines onto the PBS and continued net savings to the Government from the PBS Access and Sustainability Package reforms, some of which is being reinvested in new PBS listings. The *Digest* results are suggestive of the impact of high cost medicines, with the cost of goods sold for the average pharmacy rising by 9.3 per cent in 2016-17.

During 2017, the ADHA also reached out through agreements with key stakeholders such as the Guild to support their MHR awareness and adoption strategy and by the end of 2017, the ADHA had started its work on the National Digital Health Strategy for which the better availability and access to prescriptions and medicines information is a strategic priority. This medicines data is one of the cornerstones of the MHR system, supported by the efficient and

effective work of the Prescription Exchange Services (eRx) which now cover more than 22,000 GPs and 90% of Australian community pharmacies and in December 2017, reached 2 billion clinical records whilst delivering the majority of electronic prescriptions in less than one second.

The *Digest* provides valuable management information to pharmacy owners and managers as well as providing insight into this integral component of the broader health sector. The analyses contained in the *Guild Digest 2018* are based largely on the sample of 397 community pharmacies, marginally higher than the previous year (321).

The Guild records its appreciation to all community pharmacy participants in this crucially important annual survey during a period of transition to the 6CPA. Without their contribution and support this edition of the *Digest* would not have been possible. The Guild also recognises the strong support of the pharmacy accounting firms that have lent their tangible support by contributing de-identified information to the *Digest* on behalf of their pharmacy clients. In particular we formally record our appreciation to RSM Bird Cameron, PPS Professional Pharmacy Services, Kendall Morphett, Bacchus Associates, Rose Health Accountants & Advisers, Pitcher Pharmacy Accountants and MSI Taylor. Thanks are extended to National Secretariat staff, in particular Lisa Todd and Stuart Watts of the Economic Analysis and Data Team for their dedication in the preparation of this edition.

GEORGE TAMBASSIS PRESIDENT THE PHARMACY GUILD OF AUSTRALIA	TRENT TWOMEY SENIOR VICE PRESIDENT THE PHARMACY GUILD OF AUSTRALIA
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METHODOLOGY FOR THE 2018 GUILD DIGEST

With the exception of Table 3, the analysis contained in this edition of the *Digest* is based largely on operating information supplied by 397 respondents weighted according to their stratification by prescription volume.

Table 3 is based on responses from participating pharmacists who submitted operating data for both consecutive years – i.e. 2015-16 and 2016-17.

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

Distribution of prescription volume for weighting

	Prescription Volumes	Number of Pharmacies	Distribution National
Stratum 1	Less than 39,279	1,974	34.8%
Stratum 2	39,280 – 67,336	1,743	30.8%
Stratum 3	67,337 – 106,616	1,427	25.2%
Stratum 4	More than 106,617	521	9.2%
TOTAL		5,665	

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.

Users of the *Digest* who are comparing older years should note that the 2008-09 weightings (*2010 Guild Digest*) were significantly different to those for 2007-08 (*2009 Guild Digest*). This resulted in some large movements in results between those two years. The changes in weightings were only minor in subsequent years. Table 3, which uses a matched sample approach and is not impacted by weightings or changes in the make-up of the responding pharmacies, remains the more appropriate table to use when reviewing percentage movements in figures from one year to the next.

SURVEY RESPONSE

After excluding responses with incomplete information, the final number of responses analysed for the purposes of the main sample for 2016-17 was 397.

Response rates are reasonably consistent with the distribution of pharmacies by State, with the exception of Western Australia and Queensland which had higher-than-average responses. New South Wales, the Northern Territory and South Australia received slightly lower-than-anticipated response rates.

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

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

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

STATISTICAL APPRAISAL OF RESULTS

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

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

How seriously can pharmacies take the survey findings? One issue is whether the survey results are representative of all pharmacies. Another is the amount of difference between well-run pharmacies that 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 397 pharmacies responded to this year's survey. The current analyses are based on weightings derived from the distribution of Australian pharmacies in accordance with their annual prescription volumes.

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

As the characteristics of the responding pharmacies change from one survey to the next, primarily because of the restructuring that has taken place over the past 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. In total 92 respondents formed part of this category for 2016-17.

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.

Inter-quartile range relative to sample size

Number of Respondents	Division for inter-quartile range
397	27
400	27
350	25
300	23
200	19
100	14
50	10
20	6
10	4

Precision of the estimates

The precision of the estimated averages in the tables depends on the spread of the distribution of values and the number of responding pharmacies. It is common sense that an average based on 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. This number is approximately 1.35 multiplied by the square root of the sample size:

For example, the mean total expenses (based on 397 respondents) is \$ 941,771 (see Table 2). The inter-quartile range (from Table 4) is 13.04% (= 36.16% – 23.12%), so the approximate standard error of this estimate is 0.5% (=13.04% /24).

Standard statistical theory shows that there is a 95% certainty that the true mean is within twice the standard error of the estimate. In this case, the 95% confidence interval for the true mean total expenses, based on 397 respondents, is between 28.78% and 30.78%.

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

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

Using this survey

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

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

DEFINITION OF KEY INCOME AND EXPENSE ITEMS IN TABLES

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 services income, government payments such as rural allowances, 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 2018 Digest* section. Percentage shown is of sales.

Gross Margin: This is derived by deducting cost of goods sold from sales. Percentage shown is of sales.

Other Income: Income from items which do not involve cost of goods sold. They may, for example, be related to Community Pharmacy Agreement programs or professional services. Dividend and rent income, and other such income not connected with the pharmacy's operation, are also included here.

Gross Margin Plus Other Income: The arithmetic total of the gross margin and other income and it represents the total gross margin from trading.

Total Revenue: The arithmetic total of sales and other income; all expenses are expressed as a percentage of total revenue (not sales) since a portion of all expenses is also incurred in earning other income.

Salaries and Wages: Include wages paid to all staff and locums but exclude proprietors' earnings (since the latter are represented by proprietors' notional salary). Percentage shown is of total revenue.

Expenses: All expense items are expressed as a percentage of total revenue.

Total Income: 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.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation reflects net income before interest, taxes, depreciation and amortisation expenses are deducted.

Proprietors' Notional: A notional estimate of a reasonable professional salary for hours worked in the pharmacy.

Salary: Pharmacy-by-pharmacy proprietors. It is adjusted for over-award payments but includes only work performed within the pharmacy. This is consistent with the rationale that a proprietor should expect remuneration at least equivalent to the salary 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, superannuation, provision for annual leave, provision for long-service leave and sick leave (collectively termed on-costs) and overtime worked.

In 2016-17, the normal hourly rate was estimated at \$54.21 for the first 38 hours - equivalent to an annual salary of \$107,119. Additional hours were calculated at time-and-a-half rate to reflect overtime. A rate of 1.2547 was applied to reflect on-cost provisions. (Refer also to detailed explanation under Section titled '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.

It is worth noting that where a pharmacy was manager-operated, the proprietors' notional salary was based on the actual number of hours worked by the proprietors in that pharmacy, if any.

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

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

Net Profit/Loss: Calculated by subtracting proprietors' notional salary from total income.

Please note that taxation is not considered in the Guild's survey or the published results. All figures are before tax. The corresponding percentage is expressed as 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 other income.

The corresponding percentage is expressed as percent of sales.

Stock Turn: The cost of goods sold in a given year divided by the mathematical average of the opening and closing stock in the same year. It is a measure of the frequency with which stocks are turned over in the financial year.

Funds Retained in Business: These are necessary to refinance 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.
(All financial values are exclusive of GST)

AUSTRALIAN PHARMACIES HISTORICAL FINANCIAL PERFORMANCE 2002 - 2017
(Average, based on all participating pharmacies)

Table 1	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	(408)	(528)	(427)	(418)	(385)	(353)	(326)	(302)	(289)	(281)	(308)	(313)	(436)	(313)	(321)	(397)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
SALES	1,930,960	2,116,736	2,195,552	2,334,145	2,394,030	2,464,443	2,568,388	2,901,620	2,972,997	2,984,920	2,922,245	2,875,574	2,789,716	2,763,240	3,085,229	3,285,928
GROSS MARGIN	616,179	660,229	684,059	722,192	756,166	797,473	838,984	980,871	987,422	999,199	1,055,389	1,046,132	1,066,420	1,090,599	1,097,108	1,112,641
SALARIES & WAGES	210,770	227,379	227,712	254,689	263,115	280,355	295,931	341,052	345,136	350,638	347,313	336,399	343,244	369,417	385,656	394,717
RENT	60,566	65,566	65,427	73,183	77,862	85,460	90,049	115,547	121,236	119,091	136,499	140,454	141,145	148,352	157,350	158,603
OTHER EXPENSES	162,343	181,101	179,567	191,412	205,955	225,749	250,126	298,739	321,248	320,098	370,322	373,013	371,209	381,343	370,504	388,452
TOTAL EXPENSES	320,679	474,046	472,706	519,284	546,932	591,564	636,107	755,339	787,619	789,826	854,134	849,866	855,598	899,111	913,511	941,771
TRADING PROFIT	182,500	186,183	211,353	202,908	209,234	205,909	202,877	225,532	199,803	209,373	201,255	196,267	210,822	191,488	183,597	170,870
OTHER INCOME	17,966	15,276	15,112	14,445	23,721	30,681	24,597	34,024	38,758	28,936	34,485	41,012	46,098	43,319	44,785	60,402
TOTAL INCOME	200,466	201,459	226,465	217,353	240,355	236,590	227,474	259,556	238,562	238,309	235,740	237,279	256,920	234,807	228,382	231,272
PROPRIETORS' SALARIES	97,400	104,809	136,619	142,167	160,349	156,316	145,055	148,106	134,992	141,127	147,555	143,788	149,654	124,892	127,333	130,516
NET PROFIT/LOSS	103,066	96,650	89,846	75,186	72,606	80,274	82,419	111,370	103,570	97,182	88,185	93,490	107,266	109,914	101,049	100,756
STOCK CARRIED	183,802	186,903	186,409	197,893	204,134	219,388	231,567	246,943	280,867	276,898	271,361	288,039	265,790	247,847	281,479	294,932

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AVERAGE AUSTRALIAN PHARMACY - COMPARISON BETWEEN 2016 AND 2017
(Based on 12 Months of Trading to 30/06/2017, All Digest 2018 Respondents)

Table 2

	2016 AVERAGES		2017 AVERAGES		AMOUNT AND PERCENT OF CHANGE	
	\$	%	\$	%	\$	%
SALES, EXPENSES & PROFITABILITY						
SALES	3,085,229		3,285,928		200,699	6.51
COST OF GOODS SOLD (3)	1,988,122	64.44	2,173,287	66.14	185,165	9.31
GROSS MARGIN (3)	1,097,108	35.56	1,112,641	33.86	15,533	1.42
Other Income	44,785		60,402		15,617	34.87
GROSS MARGIN PLUS OTHER INCOME	1,141,893		1,173,043		31,150	2.73
TOTAL REVENUE	3,097,139		3,346,330		249,191	8.05
EXPENSES						
Salaries and Wages	385,656	12.45	394,717	11.80	9,060	2.35
Rent Paid	157,350	5.08	158,603	4.74	1,253	0.80
Outgoings - Rental & Rates	21,079	0.68	19,783	0.59	-1,297	-6.15
Accounting	7,905	0.26	10,622	0.32	2,717	34.36
Advertising	37,183	1.20	44,439	1.33	7,256	19.52
Bank Charges	9,253	0.30	15,140	0.45	5,887	63.63
Computer Expenses	11,795	0.38	17,950	0.54	6,155	52.18
Depreciation	34,289	1.11	31,900	0.95	-2,389	-6.97
Electricity, Water, Heating	11,915	0.38	12,116	0.36	201	1.69
Insurance	10,107	0.33	10,309	0.31	202	2.00
Interest Paid	54,231	1.75	52,707	1.58	-1,524	-2.81
Leasing Expenses	5,340	0.17	7,475	0.22	2,135	39.98
Motor Vehicle Expenses	4,942	0.16	4,334	0.13	-607	-12.29
Postage, Freight, Printing	12,255	0.40	10,252	0.31	-2,003	-16.34
Repairs, Maintenance, Service	4,812	0.16	4,743	0.14	-69	-1.43
Subs and Registrations	8,910	0.29	9,132	0.27	223	2.50
Superannuation	39,940	1.29	39,407	1.18	-534	-1.34
Telephone	5,640	0.18	5,064	0.15	-576	-10.21
Training	2,450	0.08	2,181	0.07	-269	-10.98
Abnormal Expenses*	14,350	0.46	14,709	0.44	359	2.50
Payroll Tax	5,885	0.19	6,358	0.19	473	8.05
Workers' Compensation	3,615	0.12	3,605	0.11	-9	-0.26
Other Expenses	64,610	2.09	66,226	1.98	1,615	2.50
TOTAL EXPENSES	913,511	29.50	941,771	28.14	28,261	3.09
TOTAL INCOME	228,382	7.37	231,272	6.91	2,890	1.27
Less Proprietors' Salary (1,4) [Full-Time-Equivalents]	127,333 0.95	4.11	130,516 0.95	3.90	3,183 0.00	2.50 0.00
NET PROFIT/LOSS	101,049	3.26	100,756	3.01	-294	-0.29
EBITDA	189,570	6.12	185,363	5.54	-4,207	-2.22
SALES ANALYSIS						
Prescriptions (3)	1,865,221	60.46	2,340,871	71.24	475,650	25.50
Other Sales (3)	1,220,008	39.54	945,057	28.76	-274,951	-22.54
INVENTORY ANALYSIS						
Prescription	78,655	2.54	134,546	4.02	55,890	71.06
Other	202,824	6.55	160,386	4.79	-42,438	-20.92
STOCK CARRIED (Total)	281,479	9.09	294,932	8.81	13,452	4.78
STOCK TURN (On Total Inventory)	7.06		7.37		0.31	4.33
SALES PER INVENTORY DOLLAR						
Prescription	23.71		17.40	-	6.32	26.63
Other	6.02		5.89	-	0.12	2.04
STATISTICS						
PHARMACY SIZE (square metres)	239		239		0	-0.10
PRESCRIPTIONS DISPENSED (Total)	57,442		59,747		2,305	4.01
PRESCRIPTIONS DISPENSED WEEKLY	1,105		1,149		44	4.01
TOTAL HOURS OPEN per WEEK	62.0		64.9		2.8	4.58
AV HRS WORKED BY PROPRIETORS/WEEK	36.0		36.0		0.0	0.00
FUNDS RETAINED IN BUSINESS (2)	113,031	3.80	166,162	4.97	53,131	47.01

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

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

(3) Percentages against Pharmacy Sales

(4) A methodological change has occurred for Notional Proprietor's Salary and Average Hours worked by Proprietors per Week from 2014-15.

Adjusted figures have been supplied for 2013-14 for the purposes of comparison but these figures are incomparable to previous years.

SUMMARY OF PHARMACY PERFORMANCE 2016-17

This section examines the 2016-17 survey results, after applying weightings to remove any distortion caused by the responding sample being skewed towards larger pharmacies. Table 2 also presents the 2016-17 averages for comparison purposes. However, for more accurate analysis of the movements from one period to the next, it is useful to compare the performance of pharmacies which participated in both years. Those results are summarised in the next section by reference to Table 3.

The following are a few key characteristics of community pharmacy in Australia:

- + Community pharmacy is an \$18.9 billion health sector, including \$13.3 billion in prescription sales per year.
- + Community pharmacies dispense 338 million prescriptions annually, including 295 million PBS/RPBS subsidised prescriptions.
- + Community pharmacy employs around 87,000 highly skilled staff (including proprietors), the majority of whom are women.
- + Total dispensary sales represent around 71.24% of all sales through pharmacies.
- + The average community pharmacy dispenses 59,747 prescriptions per year.
- + As of 30 June 2017 there were 5,665 community pharmacies, each serving on average a community of 4,341 people across Australia.

The key results of the 2016-17 financial year based on the national weighted averages in Table 2:

- + Average total sales are \$3,285,928 of which 71.24% is from prescriptions and the remaining 28.76% is from non-prescription sales.
- + Average gross margin as a percentage of sales is 33.86%, down from 35.56% in 2015-16.
- + Average revenue from other income increased from the previous year's figure of \$44,785 to \$60,402 in 2016-17.
- + Expenses ended the year at 28.14% of sales, marginally down from 29.5% in 2015-16. Expenses have significantly grown at the rate of 4.32% (CAGR) a year for the past decade.
- + Salaries and wages as a percentage of sales marginally decreased from 12.45% to 11.80%.
- + Rent as a percentage of sales decreased from 5.08% of sales to 4.74%.
- + Wages and rent combined make up 58.75% of total expenses.
- + Proprietors' notional salary represented 3.90% of turnover, down from 4.11% in 2015-16.
- + The average prescription volume per pharmacy increased (4%) and has remained greater than one thousand per week (1,146), after reaching this milestone in 2008-09.

Chart 1

Revenue in real terms, 1992 to 2017

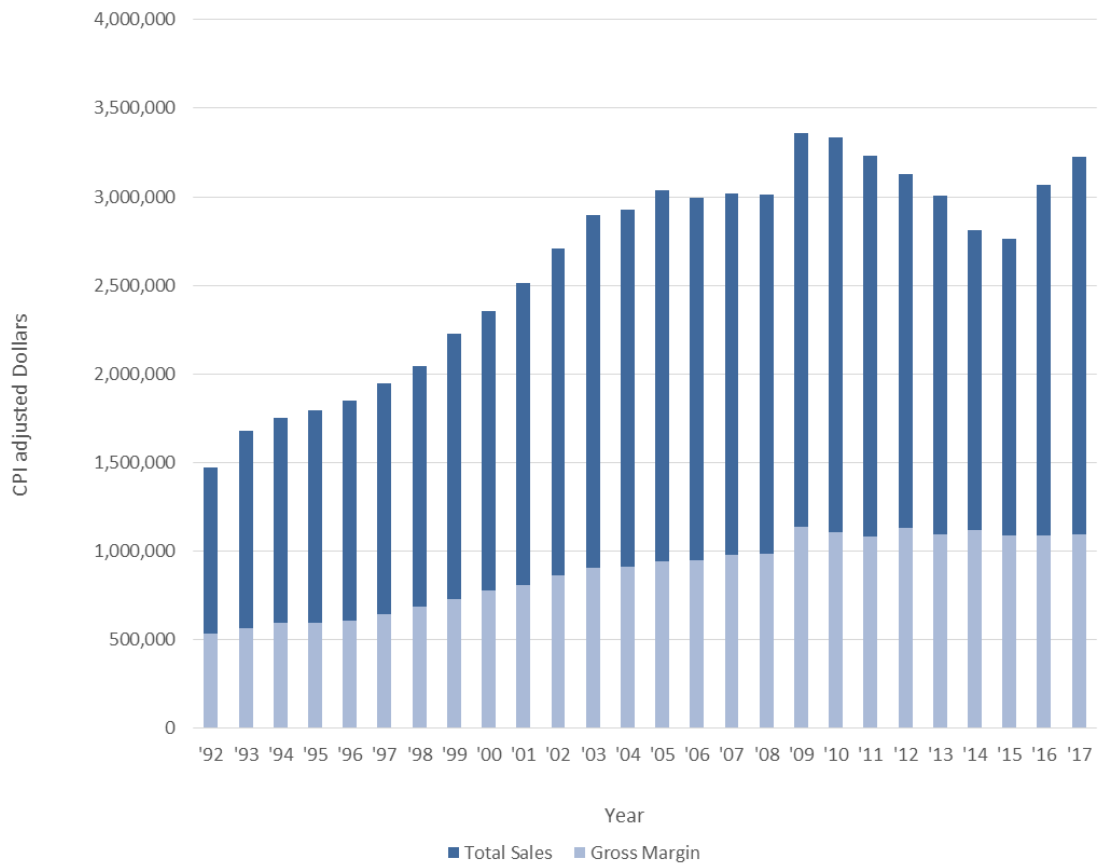
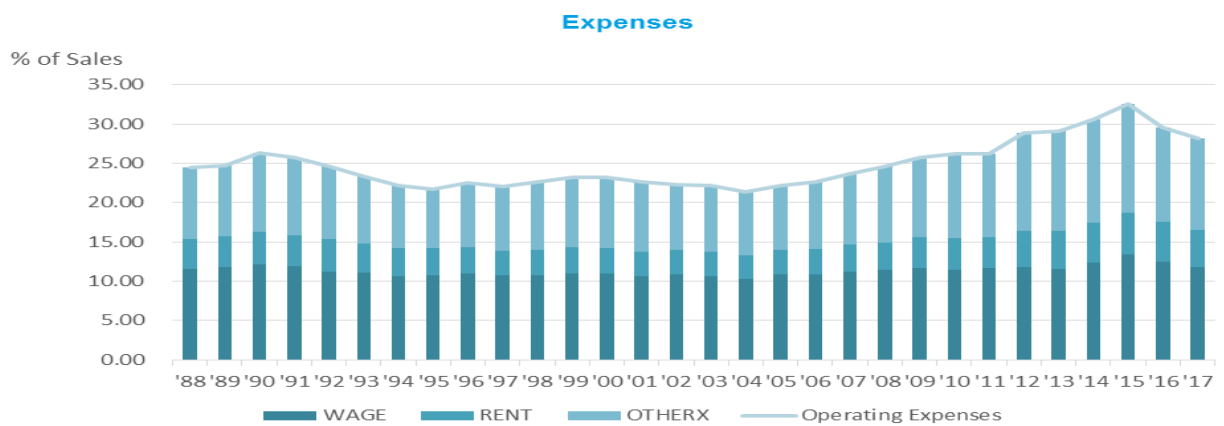
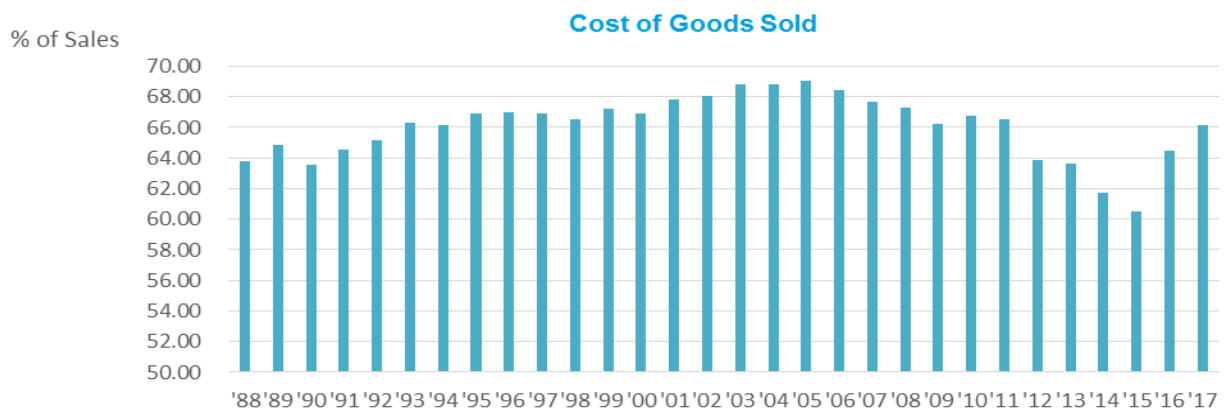
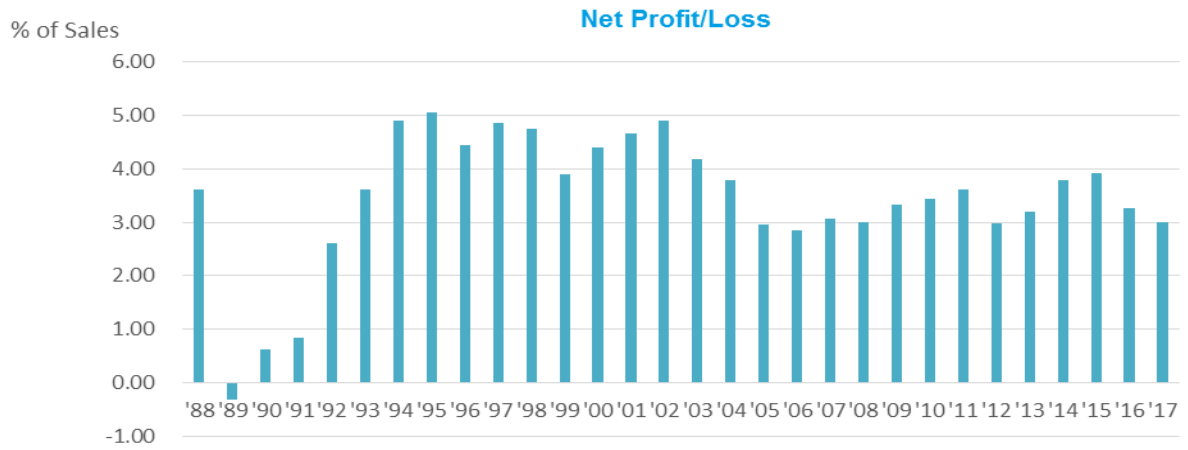


Chart 2

Trends in pharmacy operations, 1988 – 2017



AUSTRALIAN PHARMACIES - COMPARISON BETWEEN 2016 AND 2017
(Based on 12 Months of Trading to 30/06/2017)

Table 3

	2016 AVERAGES		2017 AVERAGES		AMOUNT AND PERCENT OF CHANGE	
	\$	%	\$	%	\$	%
SALES, EXPENSES & PROFITABILITY						
SALES	3,189,240		3,217,558		28,318	0.89
COST OF GOODS SOLD (3)	2,082,662	65.30	2,031,217	63.13	-51,445	-2.47
GROSS MARGIN (3)	1,106,578	34.70	1,186,341	36.87	79,763	7.21
Other Income	44,685		74,465		29,780	66.64
GROSS MARGIN PLUS OTHER INCOME	1,151,263		1,260,806		109,543	9.51
TOTAL REVENUE	3,233,926		3,292,023		58,098	1.80
EXPENSES						
Salaries and Wages	427,819	13.23	409,471	12.44	-18,348	-4.29
Rent Paid	210,847	6.52	226,122	6.87	15,275	7.24
Outgoings - Rental & Rates	27,139	0.84	26,655	0.81	-484	-1.78
Accounting	7,404	0.23	6,808	0.21	-596	-8.05
Advertising	43,467	1.34	52,484	1.59	9,017	20.74
Bank Charges	14,235	0.44	9,748	0.30	-4,487	-31.52
Computer Expenses	15,715	0.49	16,193	0.49	478	3.04
Depreciation	36,085	1.12	33,724	1.02	-2,362	-6.55
Electricity, Water, Heating	14,663	0.45	14,170	0.43	-493	-3.36
Insurance	10,162	0.31	14,432	0.44	4,270	42.02
Interest Paid	60,162	1.86	53,023	1.61	-7,139	-11.87
Leasing Expenses	12,534	0.39	13,622	0.41	1,088	8.68
Motor Vehicle Expenses	2,819	0.09	2,699	0.08	-119	-4.24
Postage, Freight, Printing	11,244	0.35	11,446	0.35	202	1.80
Repairs, Maintenance, Service	4,788	0.15	4,043	0.12	-745	-15.56
Subs and Registrations	21,501	0.66	18,401	0.56	-3,100	-14.42
Superannuation	38,179	1.18	39,209	1.19	1,029	2.70
Telephone	4,209	0.13	3,969	0.12	-240	-5.69
Training	2,152	0.07	1,279	0.04	-873	-40.57
Abnormal Expenses	n.a	n.a	n.a	n.a	n.a	n.a
Payroll Tax	20,636	0.19	26,865	0.82	6,229	30.19
Workers' Compensation	4,139	0.13	4,440	0.13	300.62	7.26
Other Expenses	47,953	1.48	41,733	1.27	-6,220	-12.97
TOTAL EXPENSES	1,037,854	32.09	1,030,537	31.30	-7,318	-0.71
TOTAL INCOME	113,409	3.51	230,269	6.99	116,860	103.04
Less Proprietors' Salary (1) [Full-Time-Equivalents]	155,138 1.15	4.80	154,214 1.15	4.68		
NET PROFIT/LOSS	-41,728	-1.29	76,055	2.31	117,784	282.26
EBITDA	54,519	1.69	162,802	4.95	108,283	198.62
SALES ANALYSIS						
Prescriptions (3)	1,883,061	59.04	2,067,919	64.27	184,858	9.82
Other Sales (3)	1,306,179	40.96	1,149,639	35.73	-156,541	-11.98
INVENTORY ANALYSIS						
Prescription	n.a.	n.a.	226,229	6.87	n.a.	n.a.
Other	216,446	6.69	189,397	5.75	-27,049	-12.50
STOCK CARRIED (Total)	352,359	10.90	415,627	12.63		
STOCK TURN (On Total Inventory)	5.91		4.89			
SALES PER INVENTORY DOLLAR						
Prescription	21		7		-13	-64.06
Other	5		3		-2	-40.92
STATISTICS						
PHARMACY SIZE (square metres)	n.a.		203		n.a.	n.a.
PRESCRIPTIONS DISPENSED (Total)	56,053		51,710		-4,343	-7.75
PRESCRIPTIONS DISPENSED WEEKLY	1,078		994		-84	-7.75
TOTAL HOURS OPEN per WEEK	n.a.		n.a.		n.a.	n.a.
AV HRS WORKED BY PROPRIETORS/WEEK	43.9		43.6		0	-0.60
FUNDS RETAINED IN BUSINESS (2)	-104,248	-3.22	-155,401	-4.72		

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

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

(3) Percentages against Pharmacy Sales

COMPARISON OF PHARMACIES REPORTING IN CONSECUTIVE YEARS

The *Digest* includes a comparison of performance for pharmacies which have responded in two consecutive years (Table 3). This is particularly important in highlighting movements in key indicators from one year to the next. It is usually more relevant in assessing movements than the estimates provided in Table 2 (i.e. the entire sample).

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

A sample of 92 pharmacies provided responses for both 2015-16 and 2016-17. The following section offers an overview of the results summarised in Table 3.

- + Total sales increased by 0.89%.
- + Cost of goods sold decreased by 2.47%. This combined with the slight increase in sales has a positive impact on gross margin, at 36.87% compared with 34.70% in 2015-16.
- + Total expenses decreased by 0.71% in dollar terms and as a percentage of sales, from 32.09% to 31.30% in 2016-17.
- + Salaries and wages for the comparative sample decreased by 4.29% while rents increased by 7.24%.
- + Prescription revenue as a percentage of sales rose by 5.23% with a decrease of 7.75% in per pharmacy script volume.
- + Non-prescription sales posted a decrease of 12.5%.

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-hour's record-keeping.
- + Ensure a reasonable return on the funds invested in the business at a rate appropriate to the level of risk involved.
- + 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 healthcare 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.

Quartile analysis (Table 4)

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 1st quartile; normal or 2nd quartile (or median); and high or 3rd 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 3rd or high quartile means that 75% achieved less and 25% achieved greater than the value indicated.

Similarly, the median or normal 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 (12.6%) bears no relationship to the sales figure in the same quartile (\$2,979,454). The correct interpretation is that the normal quartile for salaries and wages is 12.6% of the sales figure reported by that median respondent. The sales figure of \$2,979,454 is independent of the 12.6%. Conversely, the median respondent who reported the sales figure of \$2,979,454 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.

Quartile Analysis of Gross Margin and Salaries

Gross Margin	<30%	less than desirable
	>40%	excellent
Salaries and Wages	<9%	excellent
	>14%	room for improvement

Examples

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

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

PROPRIETORS' 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 and superannuation.

In 2016-17, the normal hourly rate was estimated at \$54.21 for the first 38 hours - equivalent to an annual salary of \$107,119. Additional hours were calculated at time-and-a-half rate to reflect overtime. A rate of 1.2547 was applied to reflect on-cost provisions.

Calculation of salary loading

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

AUSTRALIAN PHARMACIES: QUARTILE ANALYSIS 2016-17
(Based on 12 Months of Trading to 30/06/2017)

Table 4

	2017 AVERAGES		LOW	NORMAL	HIGH
SALES, EXPENSES & PROFITABILITY	\$	%			
SALES	3,285,928		1,808,427	2,979,454	4,310,086
COST OF GOODS SOLD (3)	2,173,287	66.14	63.66	66.67	73.20
GROSS MARGIN (3)	1,112,641	33.86	27.27	33.34	36.38
Other Income	60,402		0.72	1.42	3.24
GROSS MARGIN PLUS OTHER INCOME	1,173,043		27.34	33.64	37.97
TOTAL REVENUE	3,346,330		100.00	100.00	100.00
EXPENSES					
Salaries and Wages	394,717	11.80	9.06	12.60	16.14
Rent Paid	158,603	4.74	2.83	4.75	7.51
Outgoings - Rental & Rates	19,783	0.59	0.14	0.52	0.97
Accounting	10,622	0.32	0.14	0.21	0.40
Advertising	44,439	1.33	0.29	0.68	1.07
Bank Charges	15,140	0.45	0.30	0.50	0.70
Computer Expenses	17,950	0.54	0.50	0.74	1.16
Depreciation	31,900	0.95	0.35	0.50	0.86
Electricity, Water, Heating	12,116	0.36	0.21	0.31	0.45
Insurance	10,309	0.31	0.05	0.30	0.45
Interest Paid	52,707	1.58	0.36	1.54	2.58
Leasing Expenses	7,475	0.22	0.00	0.00	0.09
Motor Vehicle Expenses	4,334	0.13	0.01	0.08	0.23
Postage, Freight, Printing	10,252	0.31	0.01	0.12	0.42
Repairs, Maintenance, Service	4,743	0.14	0.03	0.07	0.18
Subs and Registrations	9,132	0.27	0.30	0.50	0.94
Superannuation	39,407	1.18	0.84	1.11	1.47
Telephone	5,064	0.15	0.07	0.12	0.19
Training	2,181	0.07	0.01	0.03	0.07
Abnormal Expenses	14,709	0.44	0.14	1.08	3.40
Payroll Tax	6,358	0.19	0.10	0.40	0.71
Workers' Compensation	3,605	0.11	0.06	0.10	0.13
Other Expenses	66,226	1.98	0.00	0.09	1.66
TOTAL EXPENSES	941,771	28.14	23.12	29.78	36.16
TOTAL INCOME	231,272	6.91	-3.15	4.63	10.68
Less Proprietors' Salary (1) [Full-Time-Equivalents]	130,516 0.95	3.90	108,763 0.79	130,516 0.95	163,145 1.18
NET PROFIT/LOSS	100,756	3.01	-13.46	0.98	7.28
EBITDA	185,363	5.54	-10.26	1.89	8.05
SALES ANALYSIS					
Prescriptions (3)	2,340,871	71.24	1,231,408	1,975,826	2,958,662
Other Sales (3)	945,057	28.76	381,010	649,823	1,151,877
INVENTORY ANALYSIS					
Prescription	134,546	4.02	55,500	83,663	133,275
Other	160,386	4.79	81,074	140,510	214,650
STOCK CARRIED (Total)	294,932	8.81	136,574	224,173	347,924
STOCK TURN (On Total Inventory)	7.37		5.93	7.80	10.25
SALES PER INVENTORY DOLLAR					
Prescription	17.40		14.25	20.61	28.02
Other	5.89		3.76	4.75	7.11
STATISTICS					
PHARMACY SIZE (square metres)	239		128.5	213.0	330.0
PRESCRIPTIONS DISPENSED (Total)	59,747		33,514	59,618	84,467
PRESCRIPTIONS DISPENSED WEEKLY	1,149		644	1,147	1,624
TOTAL HOURS OPEN per WEEK	64.9		51.0	63.0	75.5
AV HRS WORKED BY PROPRIETORS/WEEK	36.0		30.0	36.0	45.0
FUNDS RETAINED IN BUSINESS (2)	166,162	4.97	14,506	192,939	408,659

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

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

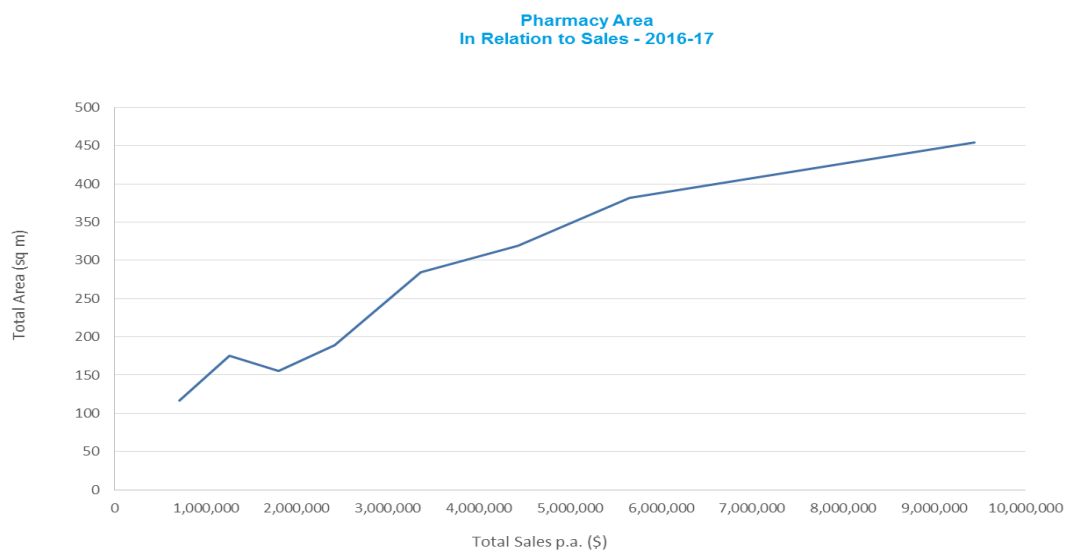
(3) Percentages against Pharmacy Sales

PLANNING TOOLS AND PRODUCTIVITY MEASURES

Sales per square metre is a useful benchmarking tool to guide merchandising and display. 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 \$7,776 to \$26,950.

The relationship between shop area and sales is illustrated in Chart 3. Refer to Table 5 for details according to turnover range.

Chart 3



Total sales vs number of prescriptions

The average prescription generated between \$41.80 and \$57.75 in sales revenue in 2016-17. With an average value per prescription of about \$35.59, each prescription induced between \$6 and \$22 extra revenue in the non-prescription sector.

In practice, customer numbers far exceed the number of prescriptions dispensed. *Digest* data indicates the average number of customers per pharmacy per year is approximately 71,956 (compared with 59,747 dispensed prescriptions). Therefore the average sale per customer may be lower than the sales per script figures. It is nevertheless important to note that prescriptions contribute significantly to other sales and the important nexus between the two should not be underestimated. The close correlation between the number of prescriptions dispensed and total sales is illustrated in Chart 4, and the long-term trend towards an increase in the proportion of dispensary to total sales is shown in Chart 5.

Pharmacy metrics by turnover range

TURNOVER RANGE	Average Script Value (\$)	Non-Prescription	Script Sales/ Total Sales	TURNOVER PER SQ M SHOP	RENT \$ PER SQ M SHOP SPACE
\$	\$	\$	%		
UNDER \$1,000,000	36.09	7.68	75.1%	\$8,591	\$347
\$1,000,000 - \$1,500,000	30.29	14.93	76.5%	\$9,029	\$395
\$1,500,000 - \$2,000,000	31.45	10.34	71.5%	\$17,263	\$624
\$2,000,000 - \$3,000,000	34.00	9.79	75.1%	\$16,069	\$622
\$3,000,000 - \$4,000,000	34.52	14.51	70.0%	\$14,649	\$568
\$4,000,000 - \$5,000,000	30.98	15.30	66.8%	\$15,453	\$730
\$5,000,000 - \$7,000,000	39.38	17.44	60.4%	\$16,488	\$689
OVER \$7,000,000	43.09	14.46	45.9%	\$28,064	\$1,001

Chart 4

Prescriptions
In Relation to Sales - 2016-17

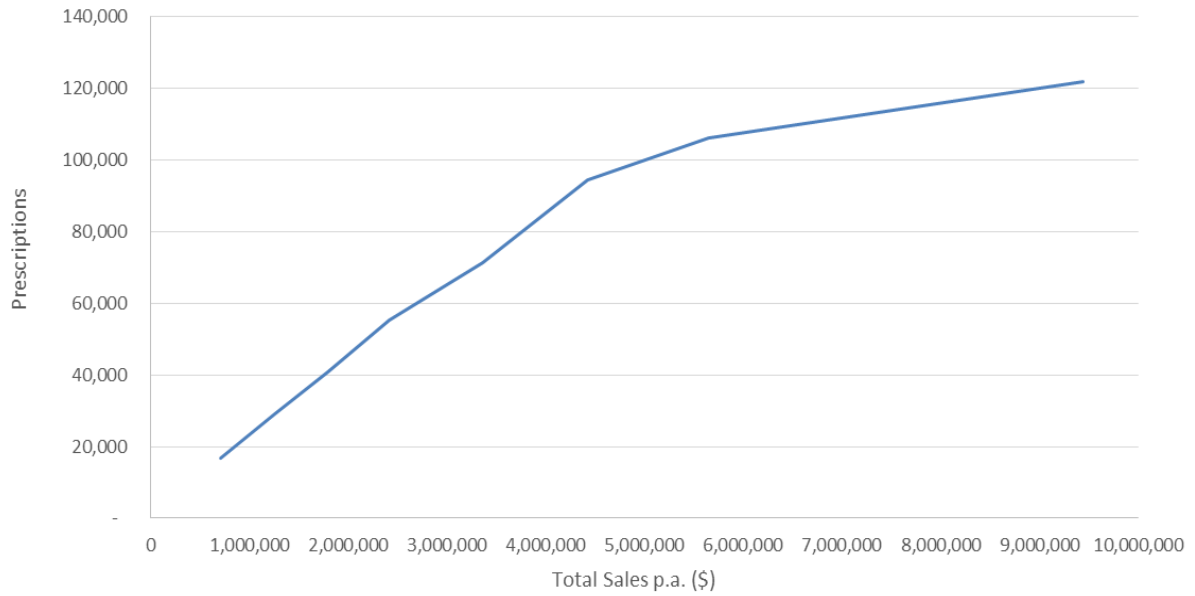


Chart 5

Prescription Sales as % of Total Sales, 1992-2017

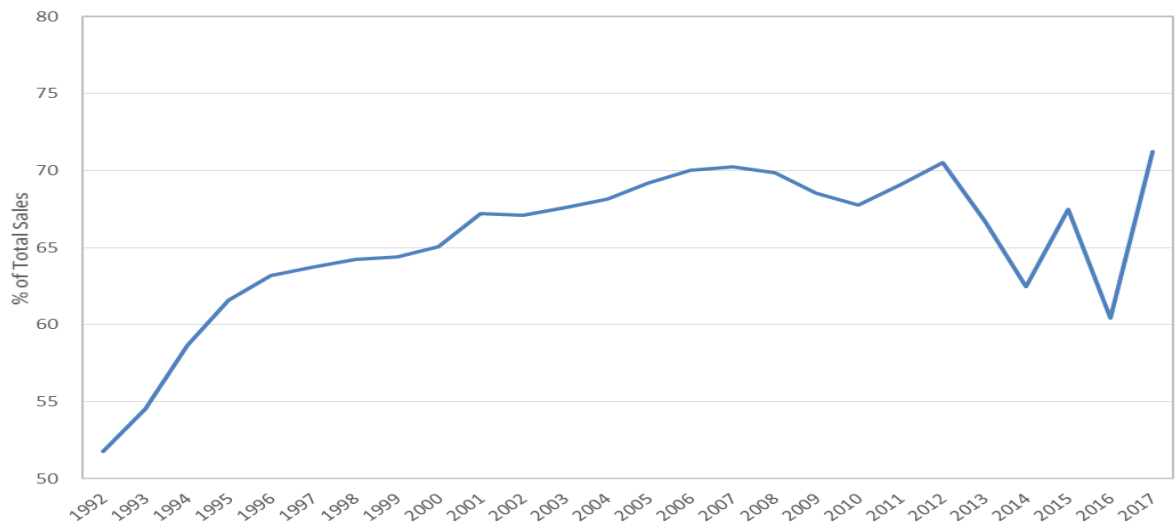


Table 5

SUMMARY OF PRODUCTIVITY MEASURES – 2016-17

TURNOVER RANGE	AVERAGE TURNOVER \$	TURNOVER PER \$ STAFF WAGES	TURNOVER \$	TURNOVER	RENT \$ PER
			PER FULL TIME EQUIVALENT EMPLOYEE	PER SQ M SHOP SPACE	SQ M SHOP SPACE
UNDER \$1,000,000	727,529	6.04	280,882	7,776	326
\$1,000,000 - \$1,500,000	1,299,061	8.51	315,932	10,108	464
\$1,500,000 - \$2,000,000	1,876,394	8.12	383,435	16,313	612
\$2,000,000 - \$3,000,000	2,479,637	8.23	380,684	16,362	636
\$3,000,000 - \$4,000,000	3,458,060	8.85	414,666	15,129	647
\$4,000,000 - \$5,000,000	4,457,749	9.15	405,857	16,689	756
\$5,000,000 - \$7,000,000	5,847,350	10.65	397,021	17,058	780
OVER \$7,000,000	9,980,873	15.00	469,894	26,950	1,054
AUSTRALIA					
ALL PHARMACIES - WEIGHTED	3,346,330	8.41	384,092	15,452	633
METROPOLITAN	3,535,721	8.79	376,119	16,982	787
COUNTRY	3,235,515	8.72	414,389	16,887	439
OWNER OPERATED	4,111,825	8.44	355,046	16,420	699
MANAGER OPERATED	2,793,137	7.14	431,430	12,355	606

Chart 6

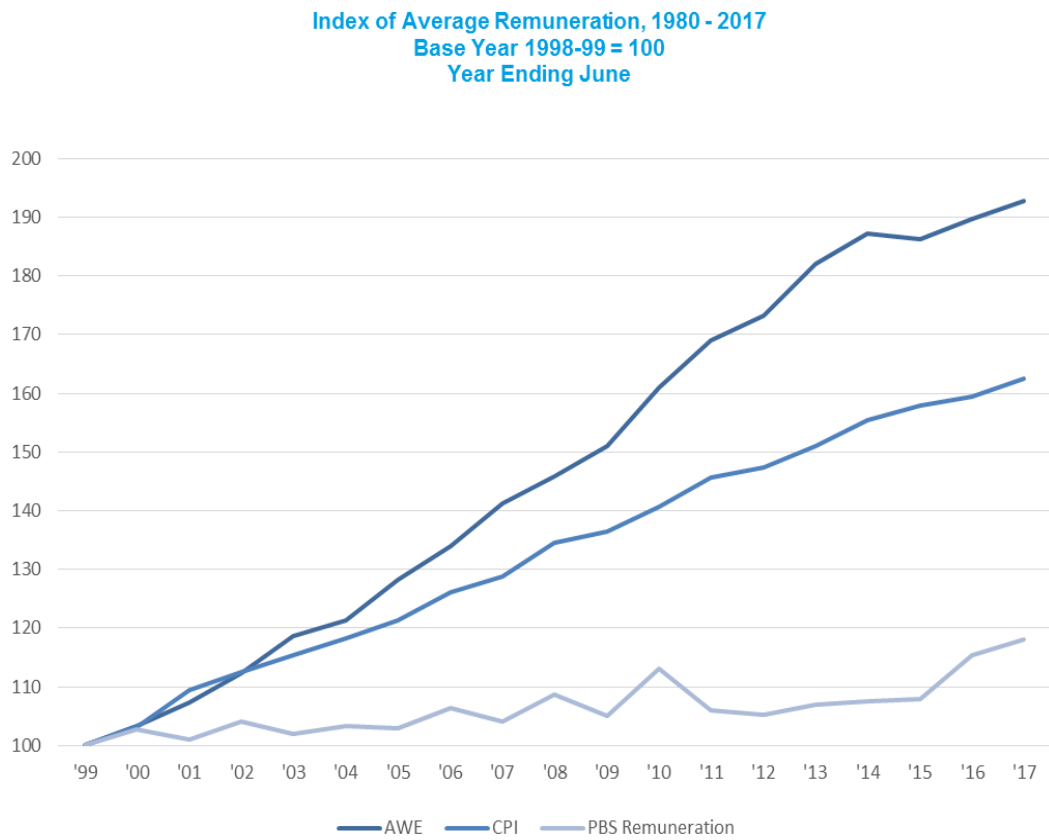


Chart 7

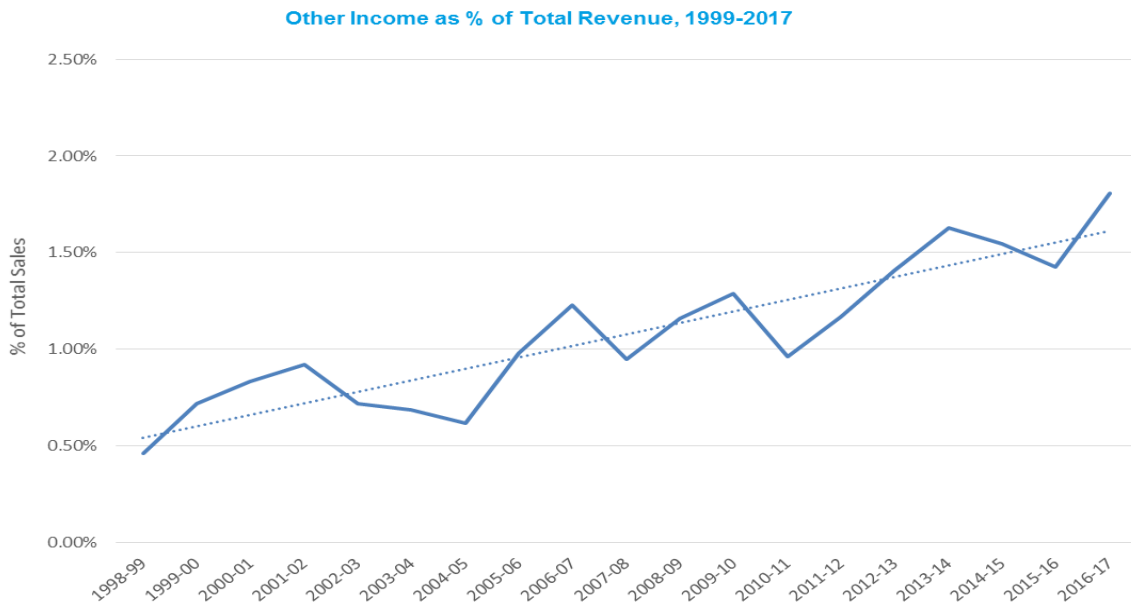
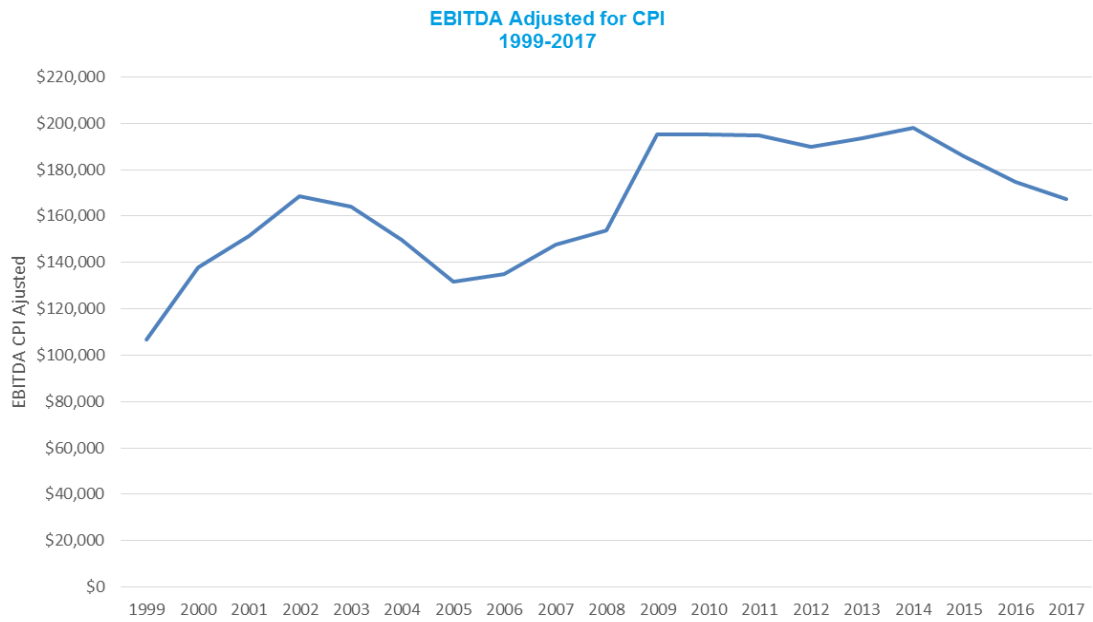


Chart 8



AUSTRALIAN PHARMACIES: BY TURNOVER RANGE 2016-17
(Based on 12 Months of Trading to 30/06/2017)

Table 6

	Up to \$1,000,000		\$1,000,000 to \$1,500,000		\$1,500,000 to \$2,000,000		\$2,000,000 to \$3,000,000	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
SALES	707,605		1,261,675		1,796,579		2,412,751	
COST OF GOODS SOLD (3)	403,801	57.07	788,569	62.50	1,187,922	66.12	1,609,149	66.69
GROSS MARGIN (3)	303,804	42.93	473,106	37.50	608,657	33.88	803,602	33.31
Other Income	19,924		37,386		79,816		66,886	
GROSS MARGIN PLUS OTHER INCOME	323,728		510,492		688,472		870,488	
TOTAL REVENUE	727,529		1,299,061		1,876,394		2,479,637	
EXPENSES								
Salaries and Wages	120,358	16.54	152,664	11.75	231,016	12.31	301,205	12.15
Rent Paid	39,046	5.37	80,625	6.21	79,073	4.21	103,809	4.19
Outgoings - Rental & Rates	5,832	0.80	11,268	0.87	14,354	0.76	8,662	0.35
Accounting	6,203	0.85	6,574	0.51	8,810	0.47	7,265	0.29
Advertising	6,141	0.84	14,169	1.09	17,179	0.92	14,986	0.60
Bank Charges	4,933	0.68	10,900	0.84	9,849	0.52	10,195	0.41
Computer Expenses	8,321	1.14	14,104	1.09	14,713	0.78	15,895	0.64
Depreciation	9,292	1.28	21,121	1.63	16,825	0.90	15,898	0.64
Electricity, Water, Heating	3,500	0.48	7,330	0.56	8,193	0.44	8,878	0.36
Insurance	4,930	0.68	5,692	0.44	8,274	0.44	7,350	0.30
Interest Paid	3,342	0.46	26,581	2.05	18,696	1.00	46,853	1.89
Leasing Expenses	1,288	0.18	0	0.00	5,630	0.30	1,923	0.08
Motor Vehicle Expenses	5,333	0.73	4,165	0.32	3,461	0.18	5,696	0.23
Postage, Freight, Printing	2,243	0.31	4,711	0.36	4,921	0.26	7,199	0.29
Repairs, Maintenance, Service	2,990	0.41	4,841	0.37	2,433	0.13	3,055	0.12
Subs and Registrations	6,513	0.90	11,401	0.88	14,845	0.79	16,363	0.66
Superannuation	8,975	1.23	18,910	1.46	25,556	1.36	26,947	1.09
Telephone	2,143	0.29	2,471	0.19	3,818	0.20	4,253	0.17
Training	1,809	0.25	750	0.06	1,223	0.07	1,660	0.07
Abnormal Expenses	4,406	0.61	10,251	0.79	36,767	1.96	78,029	3.15
Payroll Tax	7,785	1.07	11,284	0.87	14,723	0.78	9,983	0.40
Workers' Compensation	1,107	0.15	2,165	0.17	1,955	0.10	2,578	0.10
Other Expenses	6,018	0.83	20,696	1.59	61,342	3.27	81,858	3.30
TOTAL EXPENSES	262,510	36.08	442,673	34.08	603,654	32.17	780,540	31.48
TOTAL INCOME	61,218	8.41	67,819	5.22	84,818	4.52	89,947	3.63
Less Proprietors' Salary (1) [Full-Time-Equivalents]	128,703 0.93	17.69	171,605 1.25	13.21	137,767 1.00	7.34	113,737 0.83	4.59
NET PROFIT/LOSS	-67,485	-9.28	-103,785	-7.99	-52,949	-2.82	-23,790	-0.96
EBITDA	-54,851	7.54	-56,084	4.32	-17,428	0.93	38,961	1.57
SALES ANALYSIS								
Prescriptions (3)	546,487	77.23	911,926	72.28	1,297,217	72.20	1,838,251	76.19
Other Sales (3)	161,118	22.77	349,749	27.72	499,361	27.80	574,500	23.81
INVENTORY ANALYSIS								
Prescription	44,651	6.14	50,624	3.90	103,878	5.54	80,173	3.23
Other	57,662	7.93	96,641	7.44	123,558	6.58	142,100	5.73
STOCK CARRIED (Total)	102,313	14.06	147,265	11.34	227,436	12.12	222,272	8.96
STOCK TURN (On Total Inventory)	3.95		5.35		5.22		7.24	
SALES PER INVENTORY DOLLAR								
Prescription	12.24		18.01		12.49		22.93	
Other	2.79		3.62		4.04		4.04	
STATISTICS								
PHARMACY SIZE (square metres)	117		175		155		189	
PRESCRIPTIONS DISPENSED (Total)	16,705		29,129		40,855		55,241	
PRESCRIPTIONS DISPENSED WEEKLY	321		560		786		1,062	
TOTAL HOURS OPEN per WEEK	54		56		62		65	
AV HRS WORKED BY PROPRIETORS/WEEK	36		47		38		31	
FUNDS RETAINED IN BUSINESS (2)	49,355	6.78	22,634	1.74	n.a.	n.a.	133,950	5.40

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

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

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES: BY TURNOVER RANGE 2016-17
(Based on 12 Months of Trading to 30/06/2017)

Table 6

	\$3,000,000 to \$4,000,000		\$4,000,000 to \$5,000,000		\$5,000,000 to \$7,000,000		Over \$7,000,000	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
SALES	3,363,237		4,425,790		5,648,301		9,436,947	
COST OF GOODS SOLD (3)	2,243,145	66.70	3,007,314	67.95	3,872,184	68.55	6,648,438	70.45
GROSS MARGIN (3)	1,120,091	33.30	1,418,476	32.05	1,776,117	31.45	2,788,509	29.55
Other Income	34,976		64,986		79,707		116,993	
GROSS MARGIN PLUS OTHER INCOME	1,155,068		1,483,462		1,855,824		2,905,502	
TOTAL REVENUE	3,458,060		4,457,749		5,847,350		9,980,873	
EXPENSES								
Salaries and Wages	390,669	11.30	487,358	10.93	549,020	9.39	665,411	6.67
Rent Paid	177,590	5.14	231,206	5.19	283,882	4.85	398,958	4.00
Outgoings - Rental & Rates	33,657	0.97	29,420	0.66	40,887	0.70	38,335	0.38
Accounting	11,409	0.33	12,657	0.28	14,594	0.25	19,578	0.20
Advertising	29,450	0.85	36,087	0.81	66,923	1.14	133,447	1.34
Bank Charges	19,243	0.56	20,276	0.45	20,009	0.34	25,058	0.25
Computer Expenses	22,308	0.65	21,860	0.49	20,687	0.35	21,484	0.22
Depreciation	32,717	0.95	49,211	1.10	51,498	0.88	73,015	0.73
Electricity, Water, Heating	11,297	0.33	16,734	0.38	17,582	0.30	24,245	0.24
Insurance	13,269	0.38	10,502	0.24	10,962	0.19	21,174	0.21
Interest Paid	59,257	1.71	170,185	3.82	74,584	1.28	32,264	0.32
Leasing Expenses	6,874	0.20	7,772	0.17	11,209	0.19	15,110	0.15
Motor Vehicle Expenses	5,294	0.15	3,792	0.09	3,492	0.06	4,221	0.04
Postage, Freight, Printing	9,959	0.29	13,825	0.31	20,494	0.35	20,819	0.21
Repairs, Maintenance, Service	4,061	0.12	4,474	0.10	5,417	0.09	12,691	0.13
Subs and Registrations	16,612	0.48	21,950	0.49	20,841	0.36	19,179	0.19
Superannuation	36,683	1.06	49,979	1.12	64,843	1.11	90,662	0.91
Telephone	4,644	0.13	5,239	0.12	6,583	0.11	11,098	0.11
Training	1,679	0.05	2,837	0.06	4,543	0.08	4,487	0.04
Abnormal Expenses	86,690	2.51	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Payroll Tax	15,474	0.45	20,095	0.45	18,653	0.32	43,802	0.44
Workers' Compensation	3,264	0.09	4,091	0.09	5,771	0.10	9,308	0.09
Other Expenses	37,879	1.10	52,752	1.18	n.a.	n.a.	150,264	1.51
TOTAL EXPENSES	1,029,979	29.78	1,272,301	28.54	1,312,474	22.45	1,834,610	18.38
TOTAL INCOME	125,089	3.62	211,161	4.74	543,350	9.29	1,070,892	10.73
Less Proprietors' Salary (1) [Full-Time-Equivalents]	112,641 0.82	3.26	111,483 0.81	2.50	163,145 1.18	2.79	163,145 1.18	1.63
NET PROFIT/LOSS	12,448	0.36	99,678	2.24	380,205	6.50	907,747	9.09
EBITDA	104,422	3.02	319,074	7.16	506,286	8.66	1,013,025	10.15
SALES ANALYSIS								
Prescriptions	2,403,679	71.47	3,043,679	68.77	3,575,779	63.31	5,721,570	60.63
Other Sales	959,557	28.53	1,382,111	31.23	2,072,522	36.69	3,715,377	39.37
INVENTORY ANALYSIS								
Prescription	138,426	4.00	148,662	3.33	255,428	4.37	332,042	3.33
Other	256,801	7.43	301,210	6.76	407,072	6.96	427,425	4.28
STOCK CARRIED (Total)	395,227	11.43	449,872	10.09	662,500	11.33	759,467	7.61
STOCK TURN (On Total Inventory)	5.68		6.68		5.84		8.75	
SALES PER INVENTORY DOLLAR								
Prescription	17.36		20.47		14.00		17.23	
Other	3.74		4.59		5.09		8.69	
STATISTICS								
PHARMACY SIZE (square metres)	285		319		382		454	
PRESCRIPTIONS DISPENSED (Total)	71,263		94,513		106,055		121,889	
PRESCRIPTIONS DISPENSED WEEKLY	1,370		1,818		2,040		2,344	
TOTAL HOURS OPEN per WEEK	67		71		76		76	
AV HRS WORKED BY PROPRIETORS/WEEK	31		31		45		45	
FUNDS RETAINED IN BUSINESS (2)	230,958	6.68	206,893	4.64	317,081	5.42	348,155	3.49

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

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

(3) Percentages against Pharmacy Sales

COMPARISON OF PERFORMANCE - LOCATION AND TYPE OF PHARMACY
(Based on 12 Months of Trading to 30/06/2017)

Table 7

	Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
SALES	3,209,191		3,125,801		3,346,104		3,393,008	
COST OF GOODS SOLD (3)	2,153,175	67.09	2,118,658	67.78	2,204,530	65.88	2,290,855	67.52
GROSS MARGIN (3)	1,056,016	32.91	1,007,142	32.22	1,141,574	34.12	1,102,152	32.48
Other Income	43,223		60,711		39,661		115,623	
GROSS MARGIN PLUS OTHER INCOME	1,099,239		1,067,853		1,181,234		1,217,775	
TOTAL REVENUE	3,252,415		3,186,512		3,385,765		3,508,631	
EXPENSES								
Salaries and Wages	372,606	11.46	376,488	11.82	413,141	12.20	232,599	6.63
Rent Paid	193,279	5.94	90,198	2.83	175,267	5.18	135,470	3.86
Outgoings - Rental & Rates	25,211	0.78	10,908	0.34	25,111	0.74	14,502	0.41
Accounting	8,904	0.27	13,336	0.42	9,645	0.28	13,822	0.39
Advertising	34,990	1.08	19,610	0.62	34,456	1.02	47,728	1.36
Bank Charges	14,595	0.45	15,848	0.50	16,101	0.48	14,019	0.40
Computer Expenses	19,883	0.61	21,738	0.68	21,860	0.65	7,723	0.22
Depreciation	27,436	0.00	33,173	0.00	29,064	0.00	41,701	0.00
Electricity, Water, Heating	12,263	0.38	9,976	0.31	12,149	0.36	12,967	0.37
Insurance	10,462	0.32	10,398	0.33	8,913	0.26	14,673	0.42
Interest Paid	68,694	2.11	23,828	0.75	65,041	1.92	19,449	0.55
Leasing Expenses	7,574	0.23	4,688	0.15	7,759	0.23	5,806	0.17
Motor Vehicle Expenses	4,076	0.13	6,519	0.20	4,454	0.13	4,751	0.00
Postage, Freight, Printing	8,067	0.25	9,258	0.29	8,068	0.24	16,325	0.47
Repairs, Maintenance, Service	4,196	0.13	4,887	0.15	3,772	0.11	7,538	0.21
Subs and Registrations	18,564	0.57	13,510	0.42	18,481	0.55	11,711	0.33
Superannuation	38,681	1.19	33,383	1.05	38,419	1.13	44,332	1.26
Telephone	4,252	0.13	5,441	0.17	4,298	0.13	6,969	0.20
Training	1,844	0.06	3,997	0.13	2,126	0.06	2,636	0.08
Abnormal Expenses	n.a.	n.a.	23,375	0.73	59,148	1.75	6,062	0.17
Payroll Tax	20,517	0.63	13,765	0.43	20,420	0.60	22,672	0.65
Workers' Compensation	3,443	0.11	3,188	0.10	3,353	0.10	4,533	0.13
Other Expenses	25,756	0.79	25,354	0.80	24,830	0.73	n.a.	n.a.
TOTAL EXPENSES	925,293	28.45	772,865	24.25	1,005,874	29.71	687,986	19.61
TOTAL INCOME	173,947	5.35	294,989	9.26	175,360	5.18	529,789	15.10
Less Proprietors' Salary (1)	122,392	3.76	136,911	4.30	124,688	3.68	113,460	3.23
[Full-Time-Equivalents]	0.89		0.99		0.91		0.82	
NET PROFIT/LOSS	51,554	1.59	158,078	4.96	50,672	1.50	416,329	11.87
EBITDA	120,248	3.70	181,906	5.71	115,713	3.42	435,778	12.42
SALES ANALYSIS								
Prescriptions (3)	2,193,909	68.36	2,264,427	72.44	2,311,507	69.08	2,758,261	81.29
Other Sales (3)	1,015,282	31.64	861,374	27.56	1,034,597	30.92	634,747	18.71
INVENTORY ANALYSIS								
Prescription	159,700	4.91	133,339	4.18	159,666	4.72	104,755	2.99
Other	204,999	6.30	163,358	5.13	210,183	6.21	219,821	6.27
STOCK CARRIED (Total)	364,698	11.21	296,697	9.31	369,849	10.92	324,576	9.25
STOCK TURN (On Total Inventory)	5.90		7.14		5.96		7.06	
SALES PER INVENTORY DOLLAR								
Prescription	13.74		16.98		14.48		26.33	
Other	4.95		5.27		4.92		2.89	
STATISTICS								
PHARMACY SIZE (square metres)	242		232		266		180	
PRESCRIPTIONS DISPENSED (Total)	60,714		59,227		66,884		48,266	
PRESCRIPTIONS DISPENSED WEEKLY	1,168		1,139		1,286		928	
TOTAL HOURS OPEN per WEEK	72		58		66		56	
AV HRS WORKED BY PROPRIETORS/WEEK	33.8		37.8		34.4		31.3	
FUNDS RETAINED IN BUSINESS (2)	120,520	3.71	27,880	0.87	109,758	3.24	281,722	8.03

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

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

(3) Percentages against Pharmacy Sales

COMPARISON OF PERFORMANCE - LOCATION CHARACTERISTICS
(Based on 12 Months of Trading to 30/06/2017)

Table 8

	Shopping Centre		Strip or Isolated		Medical Centre		Servicing Nursing Homes (50+ beds)	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
SALES	3,970,531		2,569,861		2,441,237		3,594,486	
COST OF GOODS SOLD (3)	2,701,228	68.03	1,698,289	66.08	1,491,586	61.10	2,211,497	61.52
GROSS MARGIN (3)	1,269,304	31.97	871,573	33.92	949,650	38.90	1,382,989	38.48
Other Income	75,607		63,046		81,601		68,890	
GROSS MARGIN PLUS OTHER INCOME	1,344,911		934,619		1,031,251		1,451,879	
TOTAL REVENUE	4,046,139		2,632,907		2,522,837		3,663,375	
EXPENSES								
Salaries and Wages	493,353	12.19	350,176	13.30	403,070	15.98	497,010	13.57
Rent Paid	265,996	6.57	70,530	2.68	118,392	4.69	130,221	3.55
Outgoings - Rental & Rates	40,439	1.00	9,358	0.36	19,560	0.78	13,381	0.37
Accounting	6,327	0.16	10,788	0.41	5,699	0.23	19,075	0.52
Advertising	39,569	0.98	14,386	0.55	6,922	0.27	19,197	0.52
Bank Charges	19,292	0.48	11,057	0.42	7,872	0.31	33,191	0.91
Computer Expenses	20,964	0.52	17,045	0.65	16,712	0.66	27,936	0.76
Depreciation	60,205	1.49	23,051	0.88	16,875	0.67	43,003	1.17
Electricity, Water, Heating	17,744	0.44	11,720	0.45	16,135	0.64	15,176	0.41
Insurance	12,715	0.31	10,296	0.39	8,231	0.33	14,362	0.39
Interest Paid	65,776	1.63	57,270	2.18	53,240	2.11	32,238	0.88
Leasing Expenses	6,403	0.16	1,968	0.07	53,240	2.11	5,798	0.16
Motor Vehicle Expenses	3,718	0.09	5,968	0.23	783	0.03	7,999	0.22
Postage, Freight, Printing	15,649	0.39	9,835	0.37	9,960	0.39	15,807	0.43
Repairs, Maintenance, Service	5,392	0.13	7,007	0.27	2,895	0.11	9,746	0.27
Subs and Registrations	32,443	0.80	18,090	0.69	23,305	0.92	16,745	0.46
Superannuation	51,690	1.28	33,554	1.27	33,792	1.34	47,286	1.29
Telephone	5,725	0.14	4,681	0.18	2,931	0.12	9,394	0.26
Training	1,771	0.04	3,297	0.13	1,313	0.05	11,266	0.31
Abnormal Expenses	n.a.	n.a.	44,734	1.70	n.a.	n.a.	7,200	0.20
Payroll Tax	20,204	0.50	10,960	0.42	n.a.	n.a.	15,884	0.43
Workers' Compensation	3,826	0.09	2,935	0.11	2,842	0.11	4,722	0.13
Other Expenses	n.a.	n.a.	n.a.	n.a.	49,434	1.96	54,497	1.49
TOTAL EXPENSES	1,189,199	29.39	728,706	27.68	853,201	33.82	1,051,132	28.69
TOTAL INCOME	155,712	3.85	205,913	7.82	178,050	7.06	400,747	10.94
Less Proprietors' Salary (1)	133,157	3.29	128,349	4.87	33,838	1.34	106,372	2.90
[Full-Time-Equivalents]	0.97		0.93		0.25		0.77	
NET PROFIT/LOSS	22,556	0.56	77,563	2.95	144,212	5.72	294,375	8.04
EBITDA	148,537	3.67	157,884	6.00	214,326	8.50	369,616	10.09
SALES ANALYSIS								
Prescriptions (3)	2,486,126	62.61	1,845,221	71.80	1,881,668	77.08	2,813,272	78.27
Other Sales (3)	1,484,405	37.39	724,641	28.20	559,569	22.92	781,213	21.73
INVENTORY ANALYSIS								
Prescription	84,805	2.10	78,762	2.99	79,627	3.16	80,407	2.19
Other	286,121	7.07	164,512	6.25	125,322	4.97	163,353	4.46
STOCK CARRIED (Total)	370,926	9.17	243,273	9.24	204,949	8.12	243,760	6.65
STOCK TURN (On Total Inventory)	7.28		6.98		7.28		9.07	
SALES PER INVENTORY DOLLAR								
Prescription	29.32		23.43		23.63		34.99	
Other	5.19		4.40		4.47		4.78	
STATISTICS								
PHARMACY SIZE (square metres)	298		237		157		286	
PRESCRIPTIONS DISPENSED (Total)	75,998		57,411		70,026		85,503	
PRESCRIPTIONS DISPENSED WEEKLY	1,461		1,104		1,347		1,644	
TOTAL HOURS OPEN per WEEK	68		59		74		58	
AV HRS WORKED BY PROPRIETORS/WEEK	36.7		35.4		9.3		29.3	
FUNDS RETAINED IN BUSINESS (2)	88,400	2.18	161,106	6.12	n.a.	n.a.	475,816	12.99

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

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

(3) Percentages against Pharmacy Sales

NSW PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2017)

Table 9

	State Averages Weighted		Metro		Country		Banner		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
SALES, EXPENSES & PROFITABILITY										
SALES	4,141,998		4,137,407		4,229,316		4,774,015		2,711,646	
COST OF GOODS SOLD (3)	2,693,033	65.02	2,583,628	62.45	2,937,536	69.46	3,041,946	63.72	1,923,256	70.93
GROSS MARGIN (3)	1,448,965	34.98	1,553,779	37.55	1,291,780	30.54	1,732,069	36.28	788,390	29.07
Other Income	77,292		95,738		47,317		97,134		55,466	
GROSS MARGIN PLUS OTHER INCOME	1,526,257		1,649,518		1,339,097		1,829,203		843,856	
TOTAL REVENUE	4,219,290		4,233,146		4,276,633		4,871,149		2,767,112	
EXPENSES										
Salaries and Wages	399,681	9.47	359,986	8.50	427,863	10.00	478,917	9.83	253,399	9.16
Rent Paid	196,420	4.66	232,959	5.50	127,524	2.98	232,316	4.77	122,834	4.44
Outgoings - Rental & Rates	11,530	0.27	14,982	0.35	8,077	0.19	18,774	0.39	1,870	0.07
Accounting	12,676	0.30	13,374	0.32	11,002	0.26	13,789	0.28	10,242	0.37
Advertising	57,845	1.37	72,398	1.71	24,697	0.58	77,113	1.58	10,241	0.37
Bank Charges	12,548	0.30	11,032	0.26	16,084	0.38	14,815	0.30	6,812	0.25
Computer Expenses	18,011	0.43	15,030	0.36	24,635	0.58	20,841	0.43	10,582	0.38
Depreciation	34,272	0.81	37,379	0.88	27,511	0.64	40,412	0.83	20,909	0.76
Electricity, Water, Heating	12,388	0.29	13,918	0.33	9,156	0.21	14,598	0.30	6,346	0.23
Insurance	16,330	0.39	19,423	0.46	9,051	0.21	12,216	0.25	26,873	0.97
Interest Paid	23,036	0.55	31,433	0.74	11,840	0.28	26,526	0.54	20,419	0.74
Leasing Expenses	7,506	0.18	7,170	0.17	9,119	0.21	8,066	0.17	5,748	0.21
Motor Vehicle Expenses	4,414	0.10	4,228	0.10	4,973	0.12	3,130	0.06	7,240	0.26
Postage, Freight, Printing	10,699	0.25	12,088	0.29	7,535	0.18	11,055	0.23	9,819	0.35
Repairs, Maintenance, Service	5,777	0.14	7,001	0.17	2,897	0.07	4,681	0.10	8,584	0.31
Subs and Registrations	10,843	0.26	9,807	0.23	13,205	0.31	11,966	0.25	8,071	0.29
Superannuation	46,488	1.10	50,358	1.19	37,673	0.88	53,369	1.10	29,488	1.07
Telephone	5,896	0.14	6,476	0.15	4,573	0.11	6,265	0.13	4,984	0.18
Training	2,586	0.06	2,613	0.06	2,519	0.06	2,534	0.05	2,722	0.10
Abnormal Expenses	4,365	0.10	0	0.00	6,985	0.16	6,985	0.14	0	0.00
Payroll Tax	28,767	0.68	30,338	0.72	23,005	0.54	31,998	0.66	13,904	0.50
Workers' Compensation	5,505	0.13	5,921	0.14	4,702	0.11	6,024	0.12	3,895	0.14
Other Expenses	35,750	0.85	66,339	1.57	11,278	0.26	37,825	0.78	29,820	1.08
TOTAL EXPENSES	963,331	22.83	1,024,254	24.20	825,902	19.31	1,134,213	23.28	614,800	22.22
TOTAL INCOME	562,926	13.34	625,264	14.77	513,194	12.00	694,989	14.27	229,056	8.28
Less Proprietors' Salary (1) [Full-Time-Equivalents]	132,625 0.96	3.14 0.99	136,122 0.99	3.22	124,232 0.90	2.90	158,743 1.15	3.26	114,343 0.83	4.13
NET PROFIT/LOSS	430,301	10.20	489,142	11.56	388,962	9.10	536,246	11.01	114,713	4.15
EBITDA	487,609	11.56	557,953	13.18	428,313	10.02	603,183	12.38	156,041	5.64
SALES ANALYSIS										
Prescriptions (3)	3,011,618	72.71	2,901,040	70.12	3,214,057	75.99	3,398,903	71.20	2,168,264	79.96
Other Sales (3)	1,130,380	27.29	1,236,368	29.88	1,015,259	24.01	1,375,112	28.80	543,382	20.04
INVENTORY ANALYSIS										
Prescription	307,964	7.30	324,506	7.67	241,796	5.65	403,837	8.29	145,718	5.27
Other	55,033	1.30	66,435	1.57	37,931	0.89	44,645	0.92	70,615	2.55
STOCK CARRIED (Total)	362,997	8.60	390,941	9.24	279,727	6.54	448,482	9.21	216,333	7.82
STOCK TURN (On Total Inventory)	7.42		6.61		10.50		6.78		8.89	
SALES PER INVENTORY DOLLAR										
Prescription	9.78		8.94		13.29		8.42		14.88	
Other	20.54		18.61		26.77		30.80		7.69	
STATISTICS										
PHARMACY SIZE (square metres)	255		265		233		291		151	
PRESCRIPTIONS DISPENSED (Total)	64,607		52,745		70,939		71,474		50,874	
PRESCRIPTIONS DISPENSED WEEKLY	1,242		1,014		1,364		1,374		978	
TOTAL HOURS OPEN per WEEK	68		66		69		71		60	
AV HRS WORKED BY PROPRIETORS/WEEK	36.6		37.5		34.3		44		32	
FUNDS RETAINED IN BUSINESS (2)	150,647	3.57	150,647	3.56	320,809	7.50	150,647	3.09	150,647	5.44

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

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

(3) Percentages against Pharmacy Sales

VICTORIAN PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2017)

Table 10

	State Averages Weighted		Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
SALES	2,959,330		2,567,628				3,685,616		2,233,044	
COST OF GOODS SOLD (3)	1,878,583	63.48	1,547,320	60.26	Insufficient sample to publish		2,368,541	64.26	1,410,108	63.15
GROSS MARGIN (3)	1,080,748	36.52	1,020,308	39.74			1,317,075	35.74	822,936	36.85
Other Income	123,364		147,220				141,391		69,281	
GROSS MARGIN PLUS OTHER INCOME	1,204,111		1,167,528				1,458,466		892,217	
TOTAL REVENUE	3,082,694		2,714,848				3,827,007		2,302,325	
EXPENSES										
Salaries and Wages	387,489	12.57	375,350	13.83			438,820	11.47	322,910	14.03
Rent Paid	132,429	4.30	167,791	6.18			179,447	4.69	79,712	3.46
Outgoings - Rental & Rates	19,176	0.62	20,646	0.76			n.a.	n.a.	3,821	0.17
Accounting	6,197	0.20	3,435	0.13			7,338	0.19	3,914	0.17
Advertising	30,460	0.99	29,025	1.07			39,656	1.04	2,870	0.12
Bank Charges	4,638	0.15	4,404	0.16			5,822	0.15	2,269	0.10
Computer Expenses	17,060	0.55	16,555	0.61			21,058	0.55	9,065	0.39
Depreciation	31,748	1.03	30,439	1.12			46,781	1.22	6,692	0.29
Electricity, Water, Heating	9,472	0.31	9,888	0.36			12,768	0.33	2,878	0.13
Insurance	8,368	0.27	8,835	0.33			9,843	0.26	5,419	0.24
Interest Paid	38,921	1.26	46,705	1.72			44,265	1.16	28,231	1.23
Leasing Expenses	13,704	0.44	16,338	0.60			20,555	0.54	n.a.	n.a.
Motor Vehicle Expenses	920	0.03	978	0.04			591	0.02	1,358	0.06
Postage, Freight, Printing	9,233	0.30	9,791	0.36			13,176	0.34	2,661	0.12
Repairs, Maintenance, Service	3,451	0.11	3,302	0.12			4,796	0.13	1,210	0.05
Subs and Registrations	19,159	0.62	20,420	0.75			24,637	0.64	8,204	0.36
Superannuation	38,747	1.26	38,650	1.42			54,040	1.41	8,159	0.35
Telephone	4,815	0.16	4,540	0.17			6,134	0.16	2,176	0.09
Training	5,033	0.16	3,678	0.14			6,369	0.17	1,027	0.04
Abnormal Expenses	15,483	0.50	19,213	0.71			n.a.	n.a.	35,495	1.54
Payroll Tax	14,448	0.47	15,197	0.56			19,805	0.52	n.a.	n.a.
Workers' Compensation	2,052	0.07	1,955	0.07			3,004	0.08	466	0.02
Other Expenses	21,120	0.69	22,247	0.82			29,848	0.78	3,664	0.16
TOTAL EXPENSES	834,122	27.06	869,382	32.02			988,756	25.84	532,203	23.12
TOTAL INCOME	369,990	12.00	298,146	10.98			469,710	12.27	360,015	15.64
Less Proprietors' Salary (1) [Full-Time-Equivalents]	131,483 0.95	4.27	134,142 0.97	4.94			147,838 1.07	3.86	130,516 0.95	5.67
NET PROFIT/LOSS	238,507	7.74	164,005	6.04			321,872	8.41	229,498	9.97
EBITDA	309,175	10.03	241,149	8.88			412,919	10.79	264,422	11.49
SALES ANALYSIS										
Prescriptions (3)	2,156,301	72.86	1,855,924	72.28			2,530,057	68.65	1,761,417	78.88
Other Sales (3)	803,029	27.14	711,704	27.72			1,155,560	31.35	471,627	21.12
INVENTORY ANALYSIS										
Prescription	101,226	3.28	n.a.	n.a.			124,542	3.25	n.a.	n.a.
Other	166,363	5.40	n.a.	n.a.			223,243	5.83	n.a.	n.a.
STOCK CARRIED (Total)	267,589	8.68	n.a.	n.a.			347,784	9.09	n.a.	n.a.
STOCK TURN (On Total Inventory)	7.02		n.a.				6.81		n.a.	
SALES PER INVENTORY DOLLAR										
Prescription	21.30		n.a.				20.31		n.a.	
Other	4.83		n.a.				5.18		n.a.	
STATISTICS										
PHARMACY SIZE (square metres)	262		243				321		n.a.	
PRESCRIPTIONS DISPENSED (Total)	60,326		50,085				72,617		46,917	
PRESCRIPTIONS DISPENSED WEEKLY	1,160		963				1,396		902	
TOTAL HOURS OPEN per WEEK	61		72				65		57	
AV HRS WORKED BY PROPRIETORS/WEEK	36.3		37.0				41		36	
FUNDS RETAINED IN BUSINESS (2)	338,723	10.99	n.a.	n.a.			342,922	8.96	334,014	14.51

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

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

(3) Percentages against Pharmacy Sales

QUEENSLAND PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2017)

Table 11

	State Averages Weighted		Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
SALES	2,957,626		3,167,177		2,132,627		3,039,012		1,991,165	
COST OF GOODS SOLD (3)	1,942,126	65.67	2,115,847	66.81	1,362,401	63.88	2,002,202	65.88	1,193,497	59.94
GROSS MARGIN (3)	1,015,500	34.33	1,051,330	33.19	770,226	36.12	1,036,810	34.12	797,667	40.06
Other Income	21,882		18,399		71,240		21,728		28,594	
GROSS MARGIN PLUS OTHER INCOME	1,037,382		1,069,729		841,466		1,058,537		826,261	
TOTAL REVENUE	2,979,507		3,185,576		2,203,867		3,060,739		2,019,758	
EXPENSES										
Salaries and Wages	335,632	11.26	344,480	10.81	299,064	13.57	346,399	11.32	233,339	11.55
Rent Paid	149,004	5.00	166,904	5.24	68,631	3.11	155,461	5.08	71,517	3.54
Outgoings - Rental & Rates	10,609	0.36	13,713	0.43	5,731	0.26	11,181	0.37	883	0.04
Accounting	8,284	0.28	7,923	0.25	10,724	0.49	8,296	0.27	7,806	0.39
Advertising	21,689	0.73	22,536	0.71	12,733	0.58	21,911	0.72	11,923	0.59
Bank Charges	18,649	0.63	17,959	0.56	23,064	1.05	18,968	0.62	4,597	0.23
Computer Expenses	23,776	0.80	23,683	0.74	19,236	0.87	24,181	0.79	6,355	0.31
Depreciation	18,139	0.61	16,448	0.52	36,844	1.67	18,451	0.60	5,203	0.26
Electricity, Water, Heating	9,510	0.32	9,736	0.31	10,534	0.48	9,506	0.31	9,870	0.49
Insurance	6,338	0.21	5,788	0.18	11,034	0.50	6,346	0.21	6,026	0.30
Interest Paid	77,780	2.61	100,431	3.15	29,645	1.35	79,426	2.59	38,277	1.90
Leasing Expenses	1,267	0.04	2,027	0.06	n.a.	n.a.	1,267	0.04	n.a.	n.a.
Motor Vehicle Expenses	6,262	0.21	6,127	0.19	5,969	0.27	6,334	0.21	4,554	0.23
Postage, Freight, Printing	3,942	0.13	3,529	0.11	10,055	0.46	4,003	0.13	1,348	0.07
Repairs, Maintenance, Service	2,861	0.10	2,536	0.08	7,181	0.33	2,648	0.09	11,812	0.58
Subs and Registrations	16,025	0.54	16,507	0.52	11,485	0.52	15,355	0.50	45,507	2.25
Superannuation	30,058	1.01	31,223	0.98	28,248	1.28	30,179	0.99	24,738	1.22
Telephone	3,365	0.11	3,245	0.10	4,803	0.22	3,305	0.11	5,946	0.29
Training	1,901	0.06	1,733	0.05	4,416	0.20	1,918	0.06	565	0.03
Abnormal Expenses	20,214	0.68	22,727	0.71	14,351	0.65	21,753	0.71	6,367	0.32
Payroll Tax	14,523	0.49	17,418	0.55	8,733	0.40	14,523	0.47	n.a.	n.a.
Workers' Compensation	2,402	0.08	2,502	0.08	2,195	0.10	2,441	0.08	804	0.04
Other Expenses	8,531	0.29	5,334	0.17	46,099	2.09	8,215	0.27	21,954	1.09
TOTAL EXPENSES	790,760	26.54	844,510	26.51	670,775	30.44	812,066	26.53	519,390	25.72
TOTAL INCOME	246,621	8.28	225,219	7.07	170,691	7.75	246,471	8.05	306,871	15.19
Less Proprietors' Salary (1) [Full-Time-Equivalents]	101,392 0.74	3.40	85,561 0.62	2.69	130,516 0.95	5.92	103,883 0.75	3.39	85,198 0.62	4.22
NET PROFIT/LOSS	145,230	4.87	139,658	4.38	40,175	1.82	142,588	4.66	221,673	10.98
EBITDA	241,149	8.09	256,538	8.05	106,665	4.84	240,465	7.86	265,153	13.13
SALES ANALYSIS										
Prescriptions (3)	2,180,547	73.73	2,327,479	73.49	1,406,099	65.93	2,243,811	73.83	1,466,480	73.65
Other Sales (3)	777,079	26.27	839,698	26.51	726,527	34.07	795,201	26.17	524,685	26.35
INVENTORY ANALYSIS										
Prescription	78,466	2.63	91,019	2.86	57,545	2.61	78,466	2.56	n.a.	n.a.
Other	180,155	6.05	150,676	4.73	232,562	10.55	179,272	5.86	201,347	9.97
STOCK CARRIED (Total)	258,621	8.68	241,695	7.59	290,107	13.16	257,739	8.42	n.a.	n.a.
STOCK TURN (On Total Inventory)	7.51		8.75		4.70		7.77		n.a.	
SALES PER INVENTORY DOLLAR										
Prescription	27.79		25.57		24.43		28.60		n.a.	
Other	4.31		5.57		3.12		4.44		2.61	
STATISTICS										
PHARMACY SIZE (square metres)	207		213		208		211		163	
PRESCRIPTIONS DISPENSED (Total)	60,042		60,977		43,757		62,080		38,532	
PRESCRIPTIONS DISPENSED WEEKLY	1,155		1,173		841		1,194		741	
TOTAL HOURS OPEN per WEEK	69		76		53		70		55	
AV HRS WORKED BY PROPRIETORS/WEEK	28.0		23.6		36.0		29		24	
FUNDS RETAINED IN BUSINESS (2)	220,484	7.40	188,623	5.92	49,836	2.26	209,854	6.86	345,382	17.10

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

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

(3) Percentages against Pharmacy Sales

SOUTH AUSTRALIA PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2017)

Table 12

	State Averages Weighted		Metro		Country	Banner	No Group
SALES, EXPENSES & PROFITABILITY	\$	%					
SALES	2,548,395		2,412,448			2,520,656	
COST OF GOODS SOLD (3)	1,653,318	64.88	1,590,676	65.94	Insufficient sample to publish	1,604,023	63.64
GROSS MARGIN (3)	895,077	35.12	821,771	34.06		916,633	36.36
Other Income	78,536		78,536			33,129	
GROSS MARGIN PLUS OTHER INCOME	973,613		900,307			949,762	
TOTAL REVENUE	2,626,931		2,490,984			2,553,785	
EXPENSES							
Salaries and Wages	356,074	13.55	334,720	13.44		363,145	14.22
Rent Paid	108,324	4.12	131,139	5.26		97,018	3.80
Outgoings - Rental & Rates	5,788	0.22	5,788	0.23		9,220	0.36
Accounting	9,780	0.37	9,780	0.39		10,269	0.40
Advertising	26,631	1.01	26,631	1.07		27,828	1.09
Bank Charges	13,438	0.51	13,438	0.54		15,769	0.62
Computer Expenses	11,538	0.44	11,538	0.46		11,667	0.46
Depreciation	16,202	0.62	16,202	0.65		15,858	0.62
Electricity, Water, Heating	10,675	0.41	10,675	0.43		10,339	0.40
Insurance	5,792	0.22	5,792	0.23		3,629	0.14
Interest Paid	55,796	2.12	55,796	2.24		84,510	3.31
Leasing Expenses	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
Motor Vehicle Expenses	4,479	0.17	4,479	0.18		1,827	0.07
Postage, Freight, Printing	2,928	0.11	2,928	0.12		2,666	0.10
Repairs, Maintenance, Service	2,065	0.08	2,065	0.08		2,207	0.09
Subs and Registrations	11,480	0.44	11,480	0.46		12,095	0.47
Superannuation	32,168	1.22	32,168	1.29		32,674	1.28
Telephone	5,114	0.19	5,114	0.21		4,711	0.18
Training	1,560	0.06	1,560	0.06		1,652	0.06
Abnormal Expenses	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
Payroll Tax	16,585	0.63	16,585	0.67		13,273	0.52
Workers' Compensation	3,921	0.15	3,921	0.16		3,443	0.13
Other Expenses	398	0.02	398	0.02		429	0.02
TOTAL EXPENSES	700,738	26.68	702,199	28.19		724,232	28.36
TOTAL INCOME	272,875	10.39	198,109	7.95		225,530	8.83
Less Proprietors' Salary (1)	150,456	5.73	130,516	5.24		9,064	0.35
[Full-Time-Equivalents]	1.09		0.95			0.07	
NET PROFIT/LOSS	122,419	4.66	67,593	2.71		216,466	8.48
EBITDA	194,416	7.40	139,590	5.60		316,835	12.41
SALES ANALYSIS							
Prescriptions (3)	1,633,637	64.10	1,597,308	66.21		883,491	35.05
Other Sales (3)	914,757	35.90	815,139	33.79		1,637,165	64.95
INVENTORY ANALYSIS							
Prescription	225,021	8.57	225,021	9.03		498,922	19.54
Other	168,480	6.41	168,480	6.76		n.a.	n.a.
STOCK CARRIED (Total)	393,501	14.98	393,501	15.80		n.a.	n.a.
STOCK TURN (On Total Inventory)	4.20		4.04			n.a.	
SALES PER INVENTORY DOLLAR							
Prescription	7.26		7.10			1.77	
Other	5.43		4.84			n.a.	
STATISTICS							
PHARMACY SIZE (square metres)	298		191			312	
PRESCRIPTIONS DISPENSED (Total)	57,843		53,217			60,193	
PRESCRIPTIONS DISPENSED WEEKLY	1,112		1,023			1,158	
TOTAL HOURS OPEN per WEEK	54		61			55	
AV HRS WORKED BY PROPRIETORS/WEEK	41.5		36.0			3	
FUNDS RETAINED IN BUSINESS (2)	245,457	9.34	84,533	3.39		287,476	11.26

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

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

(3) Percentages against Pharmacy Sales

Caution should be taken interpreting results for South Australia for this year due to low sample size.

WESTERN AUSTRALIA PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2017)

Table 13

	State Averages Weighted		Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
SALES	2,456,580		2,516,285		1,681,845		2,455,231			
COST OF GOODS SOLD (3)	1,764,178	71.81	1,851,453	73.58	1,090,239	64.82	1,778,054	72.42	Insufficient sample to publish	
GROSS MARGIN (3)	692,402	28.19	664,831	26.42	591,606	35.18	677,177	27.58		
Other Income	49,348		49,549		48,174		48,887			
GROSS MARGIN PLUS OTHER INCOME	741,749		714,380		639,780		726,065			
TOTAL REVENUE	3,198,329		3,230,665		2,321,624		2,504,119			
EXPENSES										
Salaries and Wages	377,858	11.81	381,654	11.81	326,790	14.08	385,711	15.40		
Rent Paid	181,717	5.68	203,183	6.29	66,571	2.87	184,351	7.36		
Outgoings - Rental & Rates	27,545	0.86	29,548	0.91	16,195	0.70	27,545	1.10		
Accounting	6,760	0.21	4,774	0.15	16,689	0.72	6,760	0.27		
Advertising	19,192	0.60	20,923	0.65	10,039	0.43	19,192	0.77		
Bank Charges	11,384	0.36	12,313	0.38	6,470	0.28	11,384	0.45		
Computer Expenses	19,537	0.61	19,280	0.60	20,897	0.90	19,537	0.78		
Depreciation	33,111	1.04	32,744	1.01	35,054	1.51	33,111	1.32		
Electricity, Water, Heating	13,972	0.44	14,329	0.44	12,086	0.52	13,972	0.56		
Insurance	9,558	0.30	9,412	0.29	10,329	0.44	9,558	0.38		
Interest Paid	56,903	1.78	60,997	1.89	20,058	0.86	56,903	2.27		
Leasing Expenses	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
Motor Vehicle Expenses	3,452	0.11	1,516	0.05	9,261	0.40	3,452	0.14		
Postage, Freight, Printing	10,852	0.34	10,783	0.33	11,214	0.48	10,852	0.43		
Repairs, Maintenance, Service	4,130	0.13	3,896	0.12	5,365	0.23	4,130	0.16		
Subs and Registrations	23,781	0.74	25,756	0.80	13,345	0.57	23,781	0.95		
Superannuation	34,154	1.07	34,897	1.08	30,229	1.30	34,154	1.36		
Telephone	3,728	0.12	3,109	0.10	7,002	0.30	3,728	0.15		
Training	1,074	0.03	862	0.03	2,514	0.11	1,074	0.04		
Abnormal Expenses	121,634	3.80	127,506	3.95	68,790	2.96	121,634	4.86		
Payroll Tax	12,260	0.38	12,241	0.38	n.a.	n.a.	12,260	0.49		
Workers' Compensation	2,759	0.09	2,945	0.09	1,617	0.07	2,759	0.11		
Other Expenses	45,258	1.42	46,738	1.45	27,011	1.16	45,258	1.81		
TOTAL EXPENSES	1,020,620	31.91	1,059,404	32.79	717,526	30.91	1,031,108	41.18		
TOTAL INCOME	-278,870	8.72	-345,024	10.68	-77,746	3.35	-305,043	12.18		
Less Proprietors' Salary (1)	130,516	4.08	130,516	4.04	130,516	5.62	130,516	5.21		
[Full-Time-Equivalents]	0.95		0.95		0.95		0.95			
NET PROFIT/LOSS	-409,386	-12.80	-475,540	-14.72	-208,262	-8.97	-435,559	-17.39		
EBITDA	-319,372	9.99	-381,799	11.82	-153,151	6.60	-345,545	13.80		
SALES ANALYSIS										
Prescriptions (3)	1,419,868	57.80	1,412,213	56.12	952,702	56.65	2,297,028	93.56		
Other Sales (3)	1,036,711	42.20	1,104,071	43.88	729,143	43.35	158,203	6.44		
INVENTORY ANALYSIS										
Prescription	n.a.	n.a.	n.a.	n.a.	109,420	4.71	n.a.	n.a.		
Other	n.a.	n.a.	n.a.	n.a.	109,283	4.71	n.a.	n.a.		
STOCK CARRIED (Total)	n.a.	n.a.	n.a.	n.a.	218,703	9.42	n.a.	n.a.		
STOCK TURN (On Total Inventory)	n.a.	n.a.	n.a.	n.a.	4.99	n.a.	n.a.	n.a.		
SALES PER INVENTORY DOLLAR										
Prescription	n.a.	n.a.	n.a.	n.a.	8.71	n.a.	n.a.	n.a.		
Other	n.a.	n.a.	n.a.	n.a.	6.67	n.a.	n.a.	n.a.		
STATISTICS										
PHARMACY SIZE (square metres)	284		286		229		289			
PRESCRIPTIONS DISPENSED (Total)	58,904		60,543		44,791		58,906			
PRESCRIPTIONS DISPENSED WEEKLY	1,133		1,164		861		1,133			
TOTAL HOURS OPEN per WEEK	66		70		48		67			
AV HRS WORKED BY PROPRIETORS/WEEK	36		36		36		36			
FUNDS RETAINED IN BUSINESS (2)	-456,384	14.27	-588,527	18.22	-100,189	4.32	-483,405	19.30		

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

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

(3) Percentages against Pharmacy Sales

TASMANIAN PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2017)

Table 14

	State Averages Weighted		Metro		Country		Banner		No Group	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
SALES	2,128,013						2,228,561			
COST OF GOODS SOLD (3)	1,333,776	62.68	Insufficient sample to publish		Insufficient sample to publish		1,424,501	63.92	Insufficient sample to publish	
GROSS MARGIN (3)	794,237	37.32					804,060	36.08		
Other Income	17,121						17,121			
GROSS MARGIN PLUS OTHER INCOME	811,358						821,181			
TOTAL REVENUE	2,145,134						2,245,682			
EXPENSES										
Salaries and Wages	287,590	13.41					295,709	13.17		
Rent Paid	47,851	2.23					46,241	2.06		
Outgoings - Rental & Rates	n.a.	n.a.					n.a.	n.a.		
Accounting	13,980	0.65					13,980	0.62		
Advertising	265	0.01					265	0.01		
Bank Charges	4,577	0.21					4,577	0.20		
Computer Expenses	17,680	0.82					17,680	0.79		
Depreciation	11,216	0.52					11,216	0.50		
Electricity, Water, Heating	3,266	0.15					3,266	0.15		
Insurance	0	0.00					7,378	0.33		
Interest Paid	7,378	0.34					0	0.00		
Leasing Expenses	71	0.00					n.a.	n.a.		
Motor Vehicle Expenses	n.a.	n.a.					71	0.00		
Postage, Freight, Printing	2,077	0.10					2,077	0.09		
Repairs, Maintenance, Service	728	0.03					728	0.03		
Subs and Registrations	18,064	0.84					18,064	0.80		
Superannuation	25,521	1.19					25,521	1.14		
Telephone	3,147	0.15					3,147	0.14		
Training	0	0.00					0	0.00		
Abnormal Expenses	n.a.	n.a.					n.a.	n.a.		
Payroll Tax	n.a.	n.a.					n.a.	n.a.		
Workers' Compensation	1,495	0.07					1,495	0.07		
Other Expenses	19,732	0.92					19,732	0.88		
TOTAL EXPENSES	464,638	21.66					471,148	20.98		
TOTAL INCOME	346,720	16.16					350,033	15.59		
Less Proprietors' Salary (1) [Full-Time-Equivalents]	184,898 1.34	8.62					184,898 1.34	8.23		
NET PROFIT/LOSS	161,822	7.54					165,135	7.35		
EBITDA	180,416	8.41					176,351	7.85		
SALES ANALYSIS										
Prescriptions (3)	1,690,965	79.46					1,795,142	80.55		
Other Sales (3)	437,048	20.54					433,419	19.45		
INVENTORY ANALYSIS										
Prescription	72,633	3.39					72,633	3.23		
Other	46,907	2.19					46,907	2.09		
STOCK CARRIED (Total)	119,540	5.57					119,540	5.32		
STOCK TURN (On Total Inventory)	11.16						11.92			
SALES PER INVENTORY DOLLAR										
Prescription	23.28						24.72			
Other	9.32						9.24			
STATISTICS										
PHARMACY SIZE (square metres)	239						219			
PRESCRIPTIONS DISPENSED (Total)	49,173						49,624			
PRESCRIPTIONS DISPENSED WEEKLY	946						954			
TOTAL HOURS OPEN per WEEK	50						51			
AV HRS WORKED BY PROPRIETORS/WEEK	51.0						51			
FUNDS RETAINED IN BUSINESS (2)	317,418	14.80					304,424	13.56		

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

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

(3) Percentages against Pharmacy Sales

SUMMARY OF MANAGER OPERATED PHARMACIES BY STATE
(Based on 12 Months of Trading to 30/06/2017)

Table 15

	AUSTRALIA Manager Operated		NEW SOUTH WALES		VICTORIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
SALES	3,449,835		4,561,655		2,968,825	
COST OF GOODS SOLD (3)	2,164,678	62.75	2,771,977	60.77	1,723,672	58.06
GROSS MARGIN (3)	1,285,157	37.25	1,789,678	39.23	1,245,153	41.94
Other Income	71,558		55,354		n.a.	
GROSS MARGIN PLUS OTHER INCOME	1,356,715		1,845,032		1,245,153	
TOTAL REVENUE	3,521,393		4,617,009		2,968,825	
EXPENSES						
Salaries and Wages	402,355	11.43	476,041	10.31	369,247	12.44
Rent Paid	173,191	4.92	312,614	6.77	122,389	4.12
Outgoings - Rental & Rates	9,453	0.27	n.a.	n.a.	n.a.	n.a.
Accounting	10,731	0.30	7,984	0.17	2,450	0.08
Advertising	96,387	2.74	109,332	2.37	78,252	2.64
Bank Charges	8,974	0.25	8,858	0.19	n.a.	n.a.
Computer Expenses	16,063	0.46	14,131	0.31	13,953	0.47
Depreciation	44,870	1.27	48,671	1.05	n.a.	n.a.
Electricity, Water, Heating	19,681	0.56	16,923	0.37	11,631	0.39
Insurance	10,969	0.31	9,663	0.21	7,359	0.25
Interest Paid	11,348	0.32	22,772	0.49	n.a.	n.a.
Leasing Expenses	11,348	0.32	10,060	0.22	24,723	0.83
Motor Vehicle Expenses	3,040	0.09	2,223	0.05	2,073	0.07
Postage, Freight, Printing	14,590	0.41	14,412	0.31	7,860	0.26
Repairs, Maintenance, Service	6,265	0.18	5,387	0.12	2,827	0.10
Subs and Registrations	10,736	0.30	9,950	0.22	12,601	0.42
Superannuation	54,395	1.54	53,523	1.16	44,102	1.49
Telephone	5,688	0.16	5,113	0.11	4,219	0.14
Training	2,587	0.07	2,463	0.05	1,808	0.06
Abnormal Expenses	27,761	0.79	3,600	0.08	n.a.	n.a.
Payroll Tax	27,798	0.79	33,671	0.73	15,044	0.51
Workers' Compensation	6,128	0.17	6,774	0.15	2,003	0.07
Other Expenses	15,831	0.45	12,946	0.28	4,809	0.16
TOTAL EXPENSES	990,190	28.12	1,187,112	25.71	727,347	24.50
TOTAL INCOME	366,525	10.41	657,920	14.25	517,806	17.44
Less Proprietors' Salary (1)	68,430	1.94	116,014	2.51	130,516	4.40
[Full-Time-Equivalents]	0.50		0.84		0.95	
NET PROFIT/LOSS	298,095	8.47	541,905	11.74	387,290	13.05
EBITDA	354,312	10.06	613,348	13.28	n.a.	n.a.
SALES ANALYSIS						
Prescriptions (3)	2,410,620	69.88	3,316,747	72.71	2,163,219	72.86
Other Sales (3)	1,039,215	30.12	1,244,908	27.29	805,606	27.14
INVENTORY ANALYSIS						
Prescription	346,682	9.85	387,232	8.39	n.a.	n.a.
Other	253,456	7.20	67,500	1.46	n.a.	n.a.
STOCK CARRIED (Total)	600,138	17.04	454,732	9.85	n.a.	n.a.
STOCK TURN (On Total Inventory)	3.61		6.10		n.a.	
SALES PER INVENTORY DOLLAR						
Prescription	6.01		8.57		n.a.	
Other	3.55		18.44		n.a.	
STATISTICS						
PHARMACY SIZE (square metres)	305		345		308	
PRESCRIPTIONS DISPENSED (Total)	59,325		61,964		56,238	
PRESCRIPTIONS DISPENSED WEEKLY	1,150		1,192		1,081	
TOTAL HOURS OPEN per WEEK	59		64		53	
AV HRS WORKED BY PROPRIETORS/WEEK	18.9		32		36	
FUNDS RETAINED IN BUSINESS (2)	235,932	6.70	21,357	0.46	364,405	12.27

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

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

(3) Percentages against Pharmacy Sales

SUMMARY OF MANAGER OPERATED PHARMACIES BY STATE
(Based on 12 Months of Trading to 30/06/2017)

Table 15

	QUEENSLAND		SOUTH AUSTRALIA		WESTERN AUSTRALIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
SALES	1,923,023		3,107,067			
COST OF GOODS SOLD (3)	1,251,165	65.06	2,146,389	69.08	Insufficient sample to publish	
GROSS MARGIN (3)	671,858	34.94	960,678	30.92		
Other Income	20,711		229,426			
GROSS MARGIN PLUS OTHER INCOME	692,569		1,190,104			
TOTAL REVENUE	1,943,734		3,336,493			
EXPENSES						
Salaries and Wages	265,153	13.64	434,591	13.03		
Rent Paid	51,485	2.65	112,823	3.38		
Outgoings - Rental & Rates	2,867	0.15	10,424	0.31		
Accounting	19,830	1.02	25,150	0.75		
Advertising	48,065	2.47	66,026	1.98		
Bank Charges	5,890	0.30	8,271	0.25		
Computer Expenses	13,028	0.67	12,051	0.36		
Depreciation	33,146	1.71	34,496	1.03		
Electricity, Water, Heating	36,830	1.89	19,123	0.57		
Insurance	13,631	0.70	7,830	0.23		
Interest Paid	17,419	0.90	n.a.	n.a.		
Leasing Expenses	n.a.	n.a.	1,670	0.05		
Motor Vehicle Expenses	5,552	0.29	94,421	2.83		
Postage, Freight, Printing	14,449	0.74	7,854	0.24		
Repairs, Maintenance, Service	17,797	0.92	2,421	0.07		
Subs and Registrations	10,380	0.53	10,912	0.33		
Superannuation	39,185	2.02	46,526	1.39		
Telephone	5,957	0.31	7,761	0.23		
Training	792	0.04	2,670	0.08		
Abnormal Expenses	n.a.	n.a.	39,000	1.17		
Payroll Tax	17,383	0.89	9,354	0.28		
Workers' Compensation	2,916	0.15	5,041	0.15		
Other Expenses	8,401	0.43	3,000	0.09		
TOTAL EXPENSES	630,150	32.42	961,412	28.82		
TOTAL INCOME	62,420	3.21	228,692	6.85		
Less Proprietors' Salary (1) [Full-Time-Equivalents]	32,629 0.24	1.68	9,064 0.07	0.27		
NET PROFIT/LOSS	29,790	1.53	219,628	6.58		
EBITDA	80,354	4.13	n.a.	n.a.		
SALES ANALYSIS						
Prescriptions (3)	1,417,773	73.73	1,991,772	64.10		
Other Sales (3)	505,250	26.27	1,115,295	35.90		
INVENTORY ANALYSIS						
Prescription	282,747	14.55	479,772	14.38		
Other	390,229	20.08	n.a.	n.a.		
STOCK CARRIED (Total)	672,976	34.62	n.a.	n.a.		
STOCK TURN (On Total Inventory)	1.86		n.a.			
SALES PER INVENTORY DOLLAR						
Prescription	5.01		4.15			
Other	1.29		n.a.			
STATISTICS						
PHARMACY SIZE (square metres)	212		320			
PRESCRIPTIONS DISPENSED (Total)	31,451		75,098			
PRESCRIPTIONS DISPENSED WEEKLY	605		1,444			
TOTAL HOURS OPEN per WEEK	52		57			
AV HRS WORKED BY PROPRIETORS/WEEK	9		3			
FUNDS RETAINED IN BUSINESS (2)	215,352	11.08	377,484	11.31		

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

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

(3) Percentages against Pharmacy Sales

SUMMARY OF OWNER OPERATED PHARMACIES BY STATE
(Based on 12 Months of Trading to 30/06/2017)

Table 16

	AUSTRALIA Owner Operated		NEW SOUTH WALES		VICTORIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
SALES	3,181,271		3,891,895		3,197,308	
COST OF GOODS SOLD (3)	2,087,340	65.61	2,676,244	68.76	2,013,829	62.99
GROSS MARGIN (3)	1,093,932	34.39	1,215,651	31.24	1,183,479	37.01
Other Income	26,777		75,334		n.a.	
GROSS MARGIN PLUS OTHER INCOME	1,120,709		1,290,985		1,183,479	
TOTAL REVENUE	3,208,048		3,967,229		3,197,308	
EXPENSES						
Salaries and Wages	357,131	11.13	335,758	8.46	424,876	13.29
Rent Paid	140,351	4.37	135,235	3.41	133,441	4.17
Outgoings - Rental & Rates	14,835	0.46	18,674	0.47	23,439	0.73
Accounting	10,656	0.33	13,639	0.34	12,127	0.38
Advertising	22,740	0.71	28,375	0.72	19,017	0.59
Bank Charges	16,966	0.53	14,683	0.37	5,744	0.18
Computer Expenses	21,439	0.67	19,072	0.48	16,732	0.52
Depreciation	20,906	0.65	25,730	0.65	42,074	1.32
Electricity, Water, Heating	8,844	0.28	9,875	0.25	5,360	0.17
Insurance	10,027	0.31	20,053	0.51	6,966	0.22
Interest Paid	3,324	0.10	29,701	0.75	21,665	0.68
Leasing Expenses	3,324	0.10	1,674	0.04	n.a.	n.a.
Motor Vehicle Expenses	6,220	0.19	5,865	0.15	569	0.02
Postage, Freight, Printing	4,488	0.14	7,309	0.18	9,652	0.30
Repairs, Maintenance, Service	3,628	0.11	6,051	0.15	4,827	0.15
Subs and Registrations	14,120	0.44	12,017	0.30	9,140	0.29
Superannuation	32,560	1.01	39,945	1.01	34,876	1.09
Telephone	4,308	0.13	5,511	0.14	4,927	0.15
Training	2,400	0.07	2,770	0.07	7,234	0.23
Abnormal Expenses	9,873	0.31	6,667	0.17	12,950	0.41
Payroll Tax	15,315	0.48	18,431	0.46	8,445	0.26
Workers' Compensation	2,818	0.09	4,419	0.11	2,093	0.07
Other Expenses	9,873	0.31	37,272	0.94	13,926	0.44
TOTAL EXPENSES	736,146	22.95	798,725	20.13	820,078	25.65
TOTAL INCOME	384,562	11.99	492,261	12.41	363,402	11.37
Less Proprietors' Salary (1) [Full-Time-Equivalents]	138,504 1.01	4.32	134,113 0.97	3.38	131,483 0.95	4.11
NET PROFIT/LOSS	246,059	7.67	358,148	9.03	231,919	7.25
EBITDA	270,288	8.43	413,579	10.42	295,657	9.25
SALES ANALYSIS						
Prescriptions (3)	2,039,340	64.10	2,829,769	72.71	2,329,702	72.86
Other Sales (3)	1,141,931	35.90	1,062,125	27.29	867,606	27.14
INVENTORY ANALYSIS						
Prescription	153,665	4.79	n.a.	n.a.	84,509	2.64
Other	129,724	4.04	n.a.	n.a.	185,304	5.80
STOCK CARRIED (Total)	283,389	8.83	n.a.	n.a.	269,813	8.44
STOCK TURN (On Total Inventory)	7.37		n.a.		7.46	
SALES PER INVENTORY DOLLAR						
Prescription	13.27		n.a.		27.57	
Other	8.80		n.a.		4.68	
STATISTICS						
PHARMACY SIZE (square metres)	225		223		242	
PRESCRIPTIONS DISPENSED (Total)	61,455		62,318		67,248	
PRESCRIPTIONS DISPENSED WEEKLY	1,150		1,198		1,293	
TOTAL HOURS OPEN per WEEK	65		68		61	
AV HRS WORKED BY PROPRIETORS/WEEK	38		37		36	
FUNDS RETAINED IN BUSINESS (2)	289,479	9.02	238,982	6.02	396,839	12.41

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

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

(3) Percentages against Pharmacy Sales

SUMMARY OF OWNER OPERATED PHARMACIES BY STATE
(Based on 12 Months of Trading to 30/06/2017)

Table 16

	QUEENSLAND		SOUTH AUSTRALIA		WESTERN AUSTRALIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
SALES	2,996,924		3,261,132		2,436,306	
COST OF GOODS SOLD (3)	1,978,157	66.01	2,201,735	67.51	1,447,764	59.42
GROSS MARGIN (3)	1,018,767	33.99	1,059,397	32.49	988,542	40.58
Other Income	8,655		n.a.		51,279	
GROSS MARGIN PLUS OTHER INCOME	1,027,422		1,059,397		1,039,820	
TOTAL REVENUE	3,005,579		3,261,132		2,487,585	
EXPENSES						
Salaries and Wages	325,770	10.84	436,289	13.38	349,983	14.07
Rent Paid	147,907	4.92	152,596	4.68	128,060	5.15
Outgoings - Rental & Rates	7,476	0.25	n.a.	n.a.	n.a.	n.a.
Accounting	8,426	0.28	7,790	0.24	25,103	1.01
Advertising	21,998	0.73	21,758	0.67	8,282	0.33
Bank Charges	19,976	0.66	17,160	0.53	7,268	0.29
Computer Expenses	23,858	0.79	13,906	0.43	23,004	0.92
Depreciation	16,263	0.54	14,414	0.44	39,587	1.59
Electricity, Water, Heating	8,308	0.28	11,072	0.34	12,727	0.51
Insurance	5,754	0.19	6,717	0.21	12,334	0.50
Interest Paid	106,597	3.55	41,449	1.27	53,683	2.16
Leasing Expenses	1,548	0.05	n.a.	n.a.	n.a.	n.a.
Motor Vehicle Expenses	7,311	0.24	6,141	0.19	7,942	0.32
Postage, Freight, Printing	2,599	0.09	1,989	0.06	10,036	0.40
Repairs, Maintenance, Service	2,403	0.08	2,319	0.07	5,939	0.24
Subs and Registrations	15,816	0.53	13,796	0.42	8,537	0.34
Superannuation	28,276	0.94	36,613	1.12	32,583	1.31
Telephone	3,191	0.11	5,800	0.18	8,280	0.33
Training	1,989	0.07	1,512	0.05	2,880	0.12
Abnormal Expenses	14,333	0.48	n.a.	n.a.	n.a.	n.a.
Payroll Tax	14,105	0.47	n.a.	n.a.	n.a.	n.a.
Workers' Compensation	2,281	0.08	4,655	0.14	2,022	0.08
Other Expenses	5,959	0.20	86	0.00	56,267	2.26
TOTAL EXPENSES	792,145	26.36	796,061	24.41	794,515	31.94
TOTAL INCOME	235,278	7.83	263,336	8.07	245,305	9.86
Less Proprietors' Salary (1)	124,021	4.13	119,640	3.67	190,336	7.65
[Full-Time-Equivalents]	0.90		0.87		1.38	
NET PROFIT/LOSS	111,257	3.70	143,696	4.41	54,969	2.21
EBITDA	234,118	7.79	199,559	6.12	148,239	5.96
SALES ANALYSIS						
Prescriptions (3)	2,209,520	73.73	2,090,534	64.10	1,408,150	57.80
Other Sales (3)	787,404	26.27	1,170,597	35.90	1,028,156	42.20
INVENTORY ANALYSIS						
Prescription	60,063	2.00	n.a.	n.a.	116,242	4.67
Other	166,897	5.55	n.a.	n.a.	46,712	1.88
STOCK CARRIED (Total)	226,960	7.55	n.a.	n.a.	162,954	6.55
STOCK TURN (On Total Inventory)	8.72		n.a.		8.88	
SALES PER INVENTORY DOLLAR						
Prescription	36.79		n.a.		12.11	
Other	4.72		n.a.		22.01	
STATISTICS						
PHARMACY SIZE (square metres)	207		281		215	
PRESCRIPTIONS DISPENSED (Total)	59,480		66,537		49,039	
PRESCRIPTIONS DISPENSED WEEKLY	1,144		1,280		943	
TOTAL HOURS OPEN per WEEK	68		66		54	
AV HRS WORKED BY PROPRIETORS/WEEK	34		33		53	
FUNDS RETAINED IN BUSINESS (2)	277,758	9.24	177,075	5.43	266,507	10.71

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

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

(3) Percentages against Pharmacy Sales

Table 17

**AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED
(By State, Based on 12 Months of Trading to 30/06/2017)**

EMPLOYEES	STATE						
	NSW	VIC	QLD	SA	WA	TAS	AUST
PROPRIETORS :							
Full Time	0.9	0.8	1.0	1.4	0.2	1.0	0.9
Part Time & Casual	0.9	0.8	1.0	1.4	0.2	1.0	0.9
Hours worked per week	43.5	41.4	42.4	56.5	15.3	38.5	39.6
MANAGERS :							
Full Time	1.0	0.4	0.7	0.4	0.6	1.0	0.7
Part Time & Casual	0.7	1.0	0.4	1.0	0.3	1.0	0.7
Hours worked per week	54.0	21.4	30.5	24.4	19.0	23.1	28.7
PHARMACISTS IN CHARGE :							
Full Time	0.6	0.4	0.7	0.4	1.0	0.6	0.6
Part Time & Casual	1.6	0.7	1.6	0.7	1.2	0.5	1.1
Hours worked per week	26.9	13.9	36.4	13.9	46.9	26.5	27.4
OTHER QUALIFIED :							
Full Time	1.5	n.a.	0.6	n.a.	0.2	0.2	0.6
Part Time & Casual	0.5	0.9	1.1	0.8	1.2	1.2	0.9
Hours worked per week	20.8	4.4	18.5	8.0	16.1	16.1	14.0
PHARMACY ASSISTANTS :							
Full Time	1.1	0.5	1.4	1.4	1.8	2.0	1.4
Part Time & Casual	3.3	2.9	4.2	1.0	4.1	1.0	2.8
Hours worked per week	59.1	45.9	94.9	56.5	111.9	63.1	71.9
SALES & OTHER STAFF :							
Full Time	2.1	2.7	1.7	3.1	0.5	1.3	1.9
Part Time & Casual	4.7	2.8	2.9	2.0	0.8	4.8	3.0
Hours worked per week	66.8	131.0	56.2	72.6	16.7	71.8	69.2
TOTAL STAFF :							
Full Time	7.2	5.0	6.0	6.7	4.3	6.1	6.1
Part Time & Casual	11.7	9.2	11.2	6.9	7.8	9.4	9.4
Hours worked per week	271.1	258.0	278.8	231.9	225.9	239.2	250.8

Table 18

**AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED
(By Turnover Range, Based on 12 Months of Trading to 30/06/2017)**

EMPLOYEES	BY TURNOVER CATEGORY (\$)							
	Up to \$1,000,000	\$1,000,000 to \$1,500,000	\$1,500,000 to \$2,000,000	\$2,000,000 to \$3,000,000	\$3,000,000 to \$4,000,000	\$4,000,000 to \$5,000,000	\$5,000,000 to \$7,000,000	Over \$7,000,000
PROPRIETORS :								
Full Time	0.9	0.9	1.1	0.8	1.0	1.2	0.6	1.5
Part Time & Casual	1.4	0.9	1.3	0.9	1.0	1.2	2.0	1.0
Hours worked per week	55.4	59.6	65.1	53.3	56.7	67.1	77.3	86.4
MANAGERS :								
Full Time	0.7	0.7	0.7	0.7	1.0	0.8	1.4	1.7
Part Time & Casual	0.8	1.0	0.8	0.6	0.8	1.0	n.a.	n.a.
Hours worked per week	53.4	50.0	47.9	33.3	85.7	60.2	39.0	69.7
PHARMACISTS IN CHARGE :								
Full Time	0.4	0.9	0.7	0.9	1.2	1.4	1.8	1.8
Part Time & Casual	1.4	1.5	1.5	1.6	1.5	1.3	1.5	1.3
Hours worked per week	31.7	52.0	68.8	52.2	88.8	73.2	67.4	107.5
OTHER QUALIFIED :								
Full Time	0.2	0.8	0.2	0.7	1.5	1.6	1.0	4.5
Part Time & Casual	1.0	1.6	2.1	1.0	1.4	0.8	1.7	1.2
Hours worked per week	129.2	37.6	17.2	31.4	36.1	61.8	55.5	47.6
PHARMACY ASSISTANTS :								
Full Time	1.7	1.4	1.1	1.8	1.7	2.8	2.4	2.4
Part Time & Casual	4.5	2.4	4.2	3.7	4.9	4.1	3.5	6.6
Hours worked per week	107.1	108.7	106.9	116.2	133.3	188.0	135.5	169.0
SALES & OTHER STAFF :								
Full Time	1.3	2.4	1.8	1.2	1.9	2.1	4.0	8.2
Part Time & Casual	1.9	2.8	2.2	2.7	5.0	4.4	5.8	4.5
Hours worked per week	59.0	44.8	40.7	44.7	51.9	52.2	126.8	140.5
TOTAL STAFF :								
Full Time	5.1	6.3	5.4	5.4	6.8	8.4	10.2	14.1
Part Time & Casual	8.8	8.3	9.9	9.1	12.8	10.5	12.5	13.6
Hours worked per week	327.0	243.1	233.5	244.6	310.0	375.2	385.2	486.8

AUSTRALIAN PHARMACIES - WEEKLY PRESCRIPTION VOLUME
(Based on 12 Months of Trading to 30/06/2017)

Table 19

	Up to 400		401-600		601-800		801-1,000	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
SALES	785,504		1,699,030		1,761,880		2,443,249	
COST OF GOODS SOLD (3)	444,864	56.63	1,127,075	66.34	1,157,467	65.69	1,639,321	67.10
GROSS MARGIN (3)	340,641	43.37	571,955	33.66	604,413	34.31	803,928	32.90
Other Income	n.a.		46,246		18,940		45,168	
GROSS MARGIN PLUS OTHER INCOME	340,641		618,201		623,353		849,096	
TOTAL REVENUE	785,504		1,745,276		1,780,820		2,488,417	
EXPENSES								
Salaries and Wages	133,076	16.94	210,329	12.05	233,102	13.09	288,424	11.59
Rent Paid	48,935	6.23	95,288	5.46	78,929	4.43	126,025	5.06
Outgoings - Rental & Rates	8,653	1.10	17,048	0.98	7,857	0.44	18,786	0.75
Accounting	5,460	0.70	11,094	0.64	7,089	0.40	9,032	0.36
Advertising	7,414	0.94	14,137	0.81	11,894	0.67	24,315	0.98
Bank Charges	6,234	0.79	11,550	0.66	11,700	0.66	12,575	0.51
Computer Expenses	9,959	1.27	14,571	0.83	17,100	0.96	19,049	0.77
Depreciation	9,840	1.25	18,257	1.05	17,508	0.98	22,123	0.89
Electricity, Water, Heating	6,446	0.82	7,646	0.44	6,475	0.36	12,679	0.51
Insurance	5,414	0.69	7,871	0.45	16,666	0.94	8,510	0.34
Interest Paid	10,126	1.29	29,325	1.68	29,392	1.65	28,807	1.16
Leasing Expenses	525	0.07	2,466	0.14	3,282	0.18	1,863	0.07
Motor Vehicle Expenses	1,313	0.17	5,831	0.33	6,146	0.35	8,713	0.35
Postage, Freight, Printing	2,779	0.35	4,947	0.28	3,214	0.18	7,115	0.29
Repairs, Maintenance, Service	1,961	0.25	5,845	0.33	2,690	0.15	3,122	0.13
Subs and Registrations	6,570	0.84	11,224	0.64	16,604	0.93	12,687	0.51
Superannuation	10,962	1.40	21,599	1.24	19,848	1.11	31,046	1.25
Telephone	1,827	0.23	3,568	0.20	4,287	0.24	3,840	0.15
Training	704	0.09	1,016	0.06	997	0.06	940	0.04
Abnormal Expenses	20,497	2.61	9,817	0.56	8,300	0.47	42,776	1.72
Payroll Tax	6,254	0.80	16,793	0.96	6,149	0.35	12,094	0.49
Workers' Compensation	1,310	0.17	1,949	0.11	1,840	0.10	2,495	0.10
Other Expenses	7,534	0.96	7,345	0.42	8,804	0.49	16,892	0.68
TOTAL EXPENSES	313,792	39.95	529,516	30.34	519,874	29.19	713,911	28.69
TOTAL INCOME	26,849	3.42	88,685	5.08	103,479	5.81	135,185	5.43
Less Proprietors' Salary (1) [Full-Time-Equivalents]	139,942 1.02	17.82	146,831 1.07	8.41	138,673 1.01	7.79	175,834 1.28	7.07
NET PROFIT/LOSS	-113,093	-14.40	-58,145	-3.33	-35,195	-1.98	-40,650	-1.63
EBITDA	-93,127	11.86	-10,563	0.61	11,705	0.66	10,281	0.41
SALES ANALYSIS								
Prescriptions (3)	515,540	65.63	1,275,036	75.04	1,275,905	72.42	1,695,889	69.41
Other Sales (3)	269,964	34.37	423,994	24.96	485,975	27.58	747,360	30.59
INVENTORY ANALYSIS								
Prescription	43,657	5.56	89,093	5.10	68,224	3.83	172,385	6.93
Other	104,267	13.27	89,602	5.13	106,778	6.00	317,340	12.75
STOCK CARRIED (Total)	147,923	18.83	178,694	10.24	175,002	9.83	489,725	19.68
STOCK TURN (On Total Inventory)	3.01		6.31		6.61		3.35	
SALES PER INVENTORY DOLLAR								
Prescription	11.95		13.54		19.30		9.90	
Other	2.62		4.48		4.70		2.37	
STATISTICS								
PHARMACY SIZE (square metres)	146		156		165		235	
PRESCRIPTIONS DISPENSED (Total)	14,479		26,051		35,758		46,971	
PRESCRIPTIONS DISPENSED WEEKLY	278		501		688		903	
TOTAL HOURS OPEN per WEEK	57		58		57		64	
AV HRS WORKED BY PROPRIETORS/WEEK	39		41		38		49	
FUNDS RETAINED IN BUSINESS (2)	13,101	1.67	38,374	2.20	118,803	6.67	47,011	1.89

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

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

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES - WEEKLY PRESCRIPTION VOLUME
(Based on 12 Months of Trading to 30/06/2017)

Table 19

	1,001-1,200		1,201-1,400		1,401-2,000		Over 2,000	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
SALES	2,828,915		3,207,878		4,104,843		5,673,077	
COST OF GOODS SOLD (3)	1,838,271	64.98	2,098,220	65.41	2,784,148	67.83	3,852,984	67.92
GROSS MARGIN (3)	990,644	35.02	1,109,659	34.59	1,320,694	32.17	1,820,093	32.08
Other Income	30,934		23,177		54,095		69,222	
GROSS MARGIN PLUS OTHER INCOME	1,021,578		1,132,836		1,374,790		1,889,314	
TOTAL REVENUE	2,859,849		3,231,055		4,158,938		5,742,299	
EXPENSES								
Salaries and Wages	351,823	12.30	446,543	13.82	485,998	11.69	738,498	12.86
Rent Paid	140,027	4.90	152,863	4.73	198,416	4.77	261,788	4.56
Outgoings - Rental & Rates	19,569	0.68	4,115	0.13	44,234	1.06	33,187	0.58
Accounting	6,299	0.22	7,554	0.23	13,378	0.32	14,478	0.25
Advertising	18,530	0.65	20,714	0.64	29,206	0.70	35,015	0.61
Bank Charges	14,943	0.52	25,242	0.78	17,418	0.42	22,492	0.39
Computer Expenses	22,337	0.78	21,565	0.67	25,558	0.61	33,428	0.58
Depreciation	26,459	0.93	15,302	0.47	35,018	0.84	45,236	0.79
Electricity, Water, Heating	9,408	0.33	9,433	0.29	13,085	0.31	19,027	0.33
Insurance	5,645	0.20	9,427	0.29	10,746	0.26	11,555	0.20
Interest Paid	34,413	1.20	44,834	1.39	76,827	1.85	151,853	2.64
Leasing Expenses	6,769	0.24	4,434	0.14	8,809	0.21	10,060	0.18
Motor Vehicle Expenses	6,819	0.24	4,314	0.13	3,947	0.09	4,949	0.09
Postage, Freight, Printing	7,461	0.26	5,512	0.17	10,062	0.24	13,567	0.24
Repairs, Maintenance, Service	3,469	0.12	2,107	0.07	4,148	0.10	6,157	0.11
Subs and Registrations	17,145	0.60	19,670	0.61	20,844	0.50	37,334	0.65
Superannuation	30,415	1.06	32,231	1.00	45,833	1.10	69,407	1.21
Telephone	3,460	0.12	3,043	0.09	5,069	0.12	7,393	0.13
Training	3,327	0.12	1,972	0.06	2,536	0.06	4,100	0.07
Abnormal Expenses	37,617	1.32	76,170	2.36	157,155	3.78	32,136	0.56
Payroll Tax	7,778	0.27	18,457	0.57	13,486	0.32	28,459	0.50
Workers' Compensation	2,210	0.08	2,735	0.08	4,028	0.10	5,964	0.10
Other Expenses	27,907	0.98	15,756	0.49	31,946	0.77	39,025	0.68
TOTAL EXPENSES	803,829	28.11	943,994	29.22	1,257,746	30.24	1,625,107	28.30
TOTAL INCOME	217,748	7.61	188,842	5.84	117,044	2.81	264,207	4.60
Less Proprietors' Salary (1) [Full-Time-Equivalents]	116,739 0.85	4.08	82,902 0.60	2.57	86,004 0.62	2.07	139,882 1.02	2.44
NET PROFIT/LOSS	101,009	3.53	105,940	3.28	31,040	0.75	124,326	2.17
EBITDA	161,880	5.66	166,076	5.14	142,884	3.44	321,415	5.60
SALES ANALYSIS								
Prescriptions (3)	2,083,002	73.63	2,296,952	71.60	2,950,654	71.88	3,828,886	67.49
Other Sales (3)	745,913	26.37	910,926	28.40	1,154,189	28.12	1,844,191	32.51
INVENTORY ANALYSIS								
Prescription	121,970	4.26	71,397	2.21	215,452	5.18	134,651	2.34
Other	139,225	4.87	150,702	4.66	219,932	5.29	379,952	6.62
STOCK CARRIED (Total)	261,195	9.13	222,099	6.87	435,383	10.47	514,603	8.96
STOCK TURN (On Total Inventory)	7.04		9.45		6.39		7.49	
SALES PER INVENTORY DOLLAR								
Prescription	17.09		32.32		13.36		28.71	
Other	5.36		6.07		5.12		4.90	
STATISTICS								
PHARMACY SIZE (square metres)	205		247		309		362	
PRESCRIPTIONS DISPENSED (Total)	58,360		67,351		86,846		127,495	
PRESCRIPTIONS DISPENSED WEEKLY	1,122		1,295		1,670		2,452	
TOTAL HOURS OPEN per WEEK	67		71		70		74	
AV HRS WORKED BY PROPRIETORS/WEEK	32		23		24		39	
FUNDS RETAINED IN BUSINESS (2)	146,782	5.13	212,098	6.56	250,161	6.02	69,612	1.21

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

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

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES - PERCENTAGE PRESCRIPTION/ TOTAL SALES
(Based on 12 Months of Trading to 30/06/2017)

Table 20

	Less Than 50%		50%-60%		60%-70%		70%-80%		Over 80%	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%	\$	%
SALES	3,768,057		3,563,608		3,769,926		3,392,536		2,485,650	
COST OF GOODS SOLD (3)	2,488,257	66.04	2,467,641	69.25	2,578,566	68.40	2,241,260	66.06	1,608,607	64.72
GROSS MARGIN (3)	1,279,800	33.96	1,095,966	30.75	1,191,360	31.60	1,151,276	33.94	877,044	35.28
Other Income	99,279		93,451		49,387		43,266		38,388	
GROSS MARGIN PLUS OTHER INCOME	1,379,078		1,189,417		1,240,747		1,194,543		915,432	
TOTAL REVENUE	3,867,335		3,657,059		3,819,313		3,435,802		2,524,039	
EXPENSES										
Salaries and Wages	421,607	10.90	368,948	10.09	361,485	9.46	353,749	10.30	311,257	12.33
Rent Paid	292,710	7.57	185,375	5.07	162,917	4.27	155,394	4.52	82,255	3.26
Outgoings - Rental & Rates	52,051	1.35	18,393	0.50	23,653	0.62	11,246	0.33	5,333	0.21
Accounting	9,434	0.24	11,017	0.30	13,819	0.36	9,091	0.26	8,011	0.32
Advertising	65,947	1.71	45,967	1.26	38,927	1.02	19,923	0.58	20,152	0.80
Bank Charges	14,181	0.37	18,439	0.50	14,348	0.38	15,212	0.44	14,109	0.56
Computer Expenses	17,301	0.45	14,268	0.39	18,784	0.49	21,851	0.64	16,546	0.66
Depreciation	52,474	1.36	40,710	1.11	44,685	1.17	20,124	0.59	12,380	0.49
Electricity, Water, Heating	16,075	0.42	18,969	0.52	13,164	0.34	9,249	0.27	7,020	0.28
Insurance	13,028	0.34	11,937	0.33	9,804	0.26	6,394	0.19	5,441	0.22
Interest Paid	67,343	1.74	46,335	1.27	70,667	1.85	79,847	2.32	19,444	0.77
Leasing Expenses	19,147	0.50	126	0.00	8,601	0.23	331	0.01	3,623	0.14
Motor Vehicle Expenses	5,236	0.14	3,099	0.08	4,726	0.12	5,265	0.15	4,042	0.16
Postage, Freight, Printing	12,474	0.32	17,311	0.47	14,828	0.39	6,164	0.18	4,274	0.17
Repairs, Maintenance, Service	5,040	0.13	9,004	0.25	5,484	0.14	1,976	0.06	3,051	0.12
Subs and Registrations	18,392	0.48	15,685	0.43	18,213	0.48	16,578	0.48	14,439	0.57
Superannuation	45,586	1.18	43,347	1.19	46,071	1.21	36,226	1.05	24,306	0.96
Telephone	4,904	0.13	5,501	0.15	6,053	0.16	3,617	0.11	3,556	0.14
Training	1,603	0.04	3,321	0.09	2,194	0.06	2,277	0.07	1,749	0.07
Abnormal Expenses	28,762	0.74	68,597	1.88	79,842	2.09	94,645	2.75	12,399	0.49
Payroll Tax	26,937	0.70	15,599	0.43	18,676	0.49	21,258	0.62	8,661	0.34
Workers' Compensation	4,545	0.12	3,439	0.09	4,907	0.13	3,225	0.09	1,991	0.08
Other Expenses	31,778	0.82	90,519	2.48	n.a.	n.a.	29,572	0.86	21,682	0.86
TOTAL EXPENSES	1,226,555	31.72	1,055,906	28.87	981,848	25.71	923,216	26.87	605,720	24.00
TOTAL INCOME	152,524	3.94	133,512	3.65	258,899	6.78	271,327	7.90	309,712	12.27
Less Proprietors' Salary (1) [Full-Time-Equivalents]	126,891 0.92	3.28	134,746 0.98	3.68	135,954 0.99	3.56	113,817 0.83	3.31	118,284 0.86	4.69
NET PROFIT/LOSS	25,633	0.66	-1,234	-0.03	122,945	3.22	157,510	4.58	191,428	7.58
EBITDA	145,450	3.76	85,810	2.35	238,296	6.24	257,480	7.49	223,251	8.85
SALES ANALYSIS										
Prescriptions (3)	1,493,553	39.64	2,009,025	56.38	2,482,844	65.86	2,542,582	74.95	2,074,971	83.48
Other Sales (3)	2,274,504	60.36	1,554,583	43.62	1,287,082	34.14	849,954	25.05	410,680	16.52
INVENTORY ANALYSIS										
Prescription	226,167	5.85	80,146	2.19	117,425	3.07	95,590	2.78	79,802	3.16
Other	299,438	7.74	322,929	8.83	239,350	6.27	124,411	3.62	67,769	2.68
STOCK CARRIED (Total)	525,605	13.59	403,076	11.02	356,775	9.34	220,001	6.40	147,571	5.85
STOCK TURN (On Total Inventory)	4.73		6.12		7.23		10.19		10.90	
SALES PER INVENTORY DOLLAR										
Prescription	4.98		23.86		17.89		26.02		26.76	
Other	5.73		4.58		4.55		6.68		6.24	
STATISTICS										
PHARMACY SIZE (square metres)	357		306		273		225		203	
PRESCRIPTIONS DISPENSED (Total)	52,095		63,576		67,358		70,071		56,656	
PRESCRIPTIONS DISPENSED WEEKLY	1,002		1,223		1,295		1,348		1,090	
TOTAL HOURS OPEN per WEEK	66		76		74		67		58	
AV HRS WORKED BY PROPRIETORS/WEEK	35		37		38		31		33	
FUNDS RETAINED IN BUSINESS (2)	-123,849 -	3.20	-125,941 -	3.44	100,425	2.63	237,174	6.90	294,764	11.68

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

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

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES - WEEKLY HOURS OPEN
(Based on 12 Months of Trading to 30/06/2017)

Table 21

	Up to 50		51-60		61-70		Over 70	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
SALES	2,021,390		2,657,261		3,772,897		3,875,192	
COST OF GOODS SOLD (3)	1,266,318	62.65	1,781,892	67.06	2,500,946	66.29	2,564,449	66.18
GROSS MARGIN (3)	755,072	37.35	875,369	32.94	1,271,952	33.71	1,310,743	33.82
Other Income	68,638		49,463		36,930		38,220	
GROSS MARGIN PLUS OTHER INCOME	823,710		924,832		1,308,882		1,348,963	
TOTAL REVENUE	2,090,028		2,706,725		3,809,828		3,913,412	
EXPENSES								
Salaries and Wages	278,329	13.32	305,965	11.30	471,913	12.39	474,925	12.14
Rent Paid	58,696	2.81	116,022	4.29	263,351	6.91	185,063	4.73
Outgoings - Rental & Rates	8,264	0.40	11,705	0.43	46,044	1.21	28,219	0.72
Accounting	10,957	0.52	7,282	0.27	9,959	0.26	10,751	0.27
Advertising	14,314	0.68	23,970	0.89	44,492	1.17	33,241	0.85
Bank Charges	13,169	0.63	11,048	0.41	17,914	0.47	16,345	0.42
Computer Expenses	15,364	0.74	15,388	0.57	22,076	0.58	24,402	0.62
Depreciation	23,418	1.12	22,822	0.84	37,374	0.98	23,972	0.61
Electricity, Water, Heating	9,787	0.47	8,404	0.31	12,002	0.32	14,196	0.36
Insurance	19,601	0.94	9,150	0.34	8,503	0.22	9,444	0.24
Interest Paid	27,628	1.32	26,970	1.00	121,738	3.20	70,875	1.81
Leasing Expenses	3,447	0.16	3,078	0.11	10,725	0.28	6,741	0.17
Motor Vehicle Expenses	6,659	0.32	5,142	0.19	4,688	0.12	3,199	0.08
Postage, Freight, Printing	9,525	0.46	6,163	0.23	8,479	0.22	8,174	0.21
Repairs, Maintenance, Service	7,756	0.37	3,114	0.12	3,512	0.09	4,413	0.11
Subs and Registrations	9,218	0.44	13,090	0.48	19,682	0.52	22,264	0.57
Superannuation	20,671	0.99	29,056	1.07	41,883	1.10	44,935	1.15
Telephone	5,187	0.25	4,037	0.15	5,073	0.13	4,027	0.10
Training	2,377	0.11	1,788	0.07	3,172	0.08	1,967	0.05
Abnormal Expenses	12,321	0.59	25,079	0.93	66,757	1.75	92,040	2.35
Payroll Tax	12,321	0.59	9,086	0.34	23,698	0.62	25,716	0.66
Workers' Compensation	2,030	0.10	2,630	0.10	3,233	0.08	4,146	0.11
Other Expenses	11,334	0.54	18,339	0.68	16,808	0.44	34,710	0.89
TOTAL EXPENSES	582,371	27.86	679,330	25.10	1,263,076	33.15	1,143,765	29.23
TOTAL INCOME	241,339	11.55	245,503	9.07	45,806	1.20	205,198	5.24
Less Proprietors' Salary (1) [Full-Time-Equivalents]	129,710 0.94	6.21	126,689 0.92	4.68	165,907 1.20	4.35	84,971 0.62	2.17
NET PROFIT/LOSS	111,628	5.34	118,814	4.39	-120,101	-3.15	120,226	3.07
EBITDA	162,674	7.78	168,605	6.23	39,010	1.02	215,073	5.50
SALES ANALYSIS								
Prescriptions (3)	1,583,039	78.31	1,896,053	78.62	2,533,144	66.47	2,584,681	68.56
Other Sales (3)	438,351	21.69	515,464	21.38	1,277,967	33.53	1,185,412	31.44
INVENTORY ANALYSIS								
Prescription	117,370	5.62	121,443	4.49	262,696	6.90	125,511	3.21
Other	100,378	4.80	128,886	4.76	296,332	7.78	248,501	6.35
STOCK CARRIED (Total)	217,748	10.42	250,330	9.25	559,028	14.67	374,012	9.56
STOCK TURN (On Total Inventory)	5.82		7.12		4.47		6.86	
SALES PER INVENTORY DOLLAR								
Prescription	13.84		12.94		9.43		20.30	
Other	4.48		5.23		4.33		4.70	
STATISTICS								
PHARMACY SIZE (square metres)	205		190		323		273	
PRESCRIPTIONS DISPENSED (Total)	45,958		52,144		73,784		77,001	
PRESCRIPTIONS DISPENSED WEEKLY	884		1,003		1,419		1,481	
TOTAL HOURS OPEN per WEEK	46		55		66		86	
AV HRS WORKED BY PROPRIETORS/WEEK	36		35		46		23	
FUNDS RETAINED IN BUSINESS (2)	278,781	13.34	136,543	5.04	84,359	2.21	56,434	1.44

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

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

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES - BALANCE SHEET 2016-17

Table 22

	30-Jun-16 (321 Pharmacies)		30-Jun-17 (397 Pharmacies)		Amount and % Change	
	\$	%	\$	%	\$	%
Assets (excluding Goodwill)	1,071,260	35%	844,523	25%	-226,737	-21%
Liabilities	1,507,986	49%	1,593,425	48%	85,439	6%
Net Worth excluding Goodwill	-694,032	-22%	-606,785	-18%	87,247	-13%
Total Revenue	3,097,139	100%	3,346,330	100%	249,191	8%
Trading Profit	183,597	6%	170,870	5%	-12,727	-7%

AUSTRALIAN PHARMACIES - BALANCE SHEET 2016-17

Table 23

	Owner operated pharmacies		Manager operated pharmacies	
	\$	%	\$	%
Assets (excluding Goodwill)	803,325	26%	1,062,638	28%
Liabilities	1,472,533	47%	2,070,790	54%
Net Worth excluding Goodwill	-424,238	-13%	-660,600	-17%
Total Revenue	3,143,955	100%	3,820,236	100%
Trading Profit	173,786	6%	173,657	5%

(1) Weighted averages

**AUSTRALIAN PHARMACIES - BALANCE SHEET 2016-17
BY TURNOVER GROUP**

Table 24

	Under \$1M		\$1.0M-\$1.5M		\$1.5M-\$2.0M		\$2.0M-\$3.0M	
	\$	%	\$	%	\$	%	\$	%
Assets including Goodwill	1,020,520	140.27	1,127,611	86.80	1,615,252	86.08	1,951,247	78.69
Liabilities	848,613	116.64	800,061	61.59	1,121,299	59.76	1,167,536	47.08
Net Worth	171,907	23.63	327,549	25.21	493,953	26.32	783,711	31.61
Total Revenue	727,529	100.00	1,299,061	100.00	1,876,394	100.00	2,479,637	100.00
Trading Profit	-87,409	(12.01)	-141,172	(10.87)	-132,765	(7.08)	-90,676	(3.66)

	\$3.0M-\$4.0M		\$4.0M-\$5.0M		\$5.0M-\$7.0M		Over \$7.0M	
	\$	%	\$	%	\$	%	\$	%
Assets including Goodwill	2,402,462	69.47	3,201,973	71.83	3,881,322	66.38	4,741,610	47.51
Liabilities	1,781,510	51.52	2,494,023	55.95	1,828,419	31.27	2,662,534	26.68
Net Worth	620,952	17.96	707,950	15.88	2,052,903	35.11	2,079,076	20.83
Total Revenue	3,458,060	100.00	4,457,749	100.00	5,847,350	100.00	9,980,873	100.00
Trading Profit	-22,528	(0.65)	34,692	0.78	300,498	5.14	790,754	7.92

USER'S GUIDE TO THE GUILD DIGEST

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

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

BALANCE SHEET

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

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

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

Assets

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

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

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

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

Liabilities

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

Long-term liabilities are those which are payable over a number of financial years. They include loans, mortgages and long-term provisions such as long-service leave.

Net Worth

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

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

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

OPERATING PERIOD

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

The *Digest* can therefore be useful to identify short-term trends, such as adverse margins or high inventory levels at any time during the current period. In addition, comparisons of *Digest* results can be made at any time after 30 June 2014 to identify any long-term problems such as inappropriate locations.

DIGEST FORMAT

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

- + Operating results for the 12-month period summarised into various charts and tables according to turnover ranges, location and volume of prescription business.
- + Financial position of the business at a specific point in time, ie 30 June 2014, after the year's trading has been taken into account.

OPERATING RESULTS

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

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

FINANCIAL RATIOS

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

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

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

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

Liquidity or Short-Term Capitalisation

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

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

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

Profitability

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

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

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

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

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.

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

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.

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

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 the best advantage.

Net Sales to Net Worth

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

Funded Debt to Net Working Capital

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

Age of Debtors

$$\text{Average Payable Period} = \frac{\text{Outstanding Accounts Payable} \times 365.25}{\text{Annual Purchases}}$$

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.

STRUCTURE OF PHARMACISTS' REMUNERATION PHARMACEUTICAL BENEFITS SCHEME

Table 25

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

TABLE 25 (continued)

		RP ITEMS		EP ITEMS
From	To	Professional Fee (\$)	Markup on Wholesale Price (%)	Professional Fee (\$)
1 July 1999	30 June 2000	4.39	10 **	6.27
1 July 2000	30 January 2001	4.40	10 ***	6.28
1 February 2001	30 June 2001	4.50	10 ***	6.38
1 July 2001	30 September 2001	4.53	10 ***	6.44
1 October 2001	30 January 2002	4.68	10 ***	6.59
1 February 2002	30 June 2002	4.58	10 ***	6.49
1 July 2002	30 June 2003	4.62	10 ***	6.56
1 July 2003	30 June 2004	4.66	10 ***	6.63
1 July 2004	30 June 2005	4.70	10 ***	6.70
1 July 2005	30 November 2005	4.75	10 ***	6.78
1 December 2005	30 June 2006	4.94	10 ***	6.97
1 July 2006	30 June 2007	5.15	10 ~	7.19
1 July 2007	31 July 2007	5.32	10 ~	7.36
1 August 2007	30 June 2008	5.44	10 ~	7.48
1 July 2008	31 July 2008	5.81	10 ~	7.85
1 August 2008	30 June 2009	5.99	~	8.03
1 July 2009	30 June 2012	6.42	~	8.46
1 July 2012	30 June 2013	6.52	~	8.56
1 July 2013	30 June 2014	6.63	~	8.67
1 July 2014	30 June 2015	6.76	~	8.80
1 July 2015	30 June 2016	6.93	~	8.97
1 July 2016	30 June 2017	7.02	~	9.06

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

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

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

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

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

~ From 1 July 2015, the pharmacy mark-up component of remuneration was replaced by an Administration, Handling & Infrastructure fee.
 Approved price to Pharmacist (wholesaler PBS list price) up to \$180.00: \$3.54 per prescription
 Approved price to Pharmacist between \$180.00 and \$2,277.21: \$3.49 plus 3.5% of the amount by which the price exceeds \$180.00
 Approved price to pharmacist is \$2,277.21 or above: \$70.00.

CHANGES IN THE LEVEL OF PATIENT CONTRIBUTION

Table 26

Date of Change	Amount general	Percentage of average cost of general	Amount concessional	Percentage of average cost of concessional
March 1960	\$0.50	22 %		
November 1971	\$1.00	40 %		
September 1975	\$1.50	51 %		
March 1976	\$2.00	59 %		
July 1978	\$2.50	60 %		
September 1979	\$2.75	60 %		
December 1981	\$3.20	62 %		
January 1983	\$4.00	69 %	\$2.00	34 %
July 1985	\$5.00	73 %	\$2.00	32 %
July 1986	\$5.00	64 %	\$2.00	29 %
November 1986	MAX \$10.00	54 %	\$2.50	27 %
July 1988	MAX \$11.00	51 %	\$2.50	27 %
July 1989	MAX \$11.00	53 %	\$2.50	25 %
July 1990	MAX \$11.00	49 %	\$2.50	23 %
November 1990	MAX \$15.00	55 %	\$2.50	21 %
August 1991	MAX \$15.70	57 %	\$2.50	21 %
October 1991	MAX \$15.70	57 %	\$2.60	22 %
August 1992	MAX \$15.90	45 %	\$2.60	20 %
August 1993	MAX \$16.00	47 %	\$2.60	18 %
August 1994	MAX \$16.20	45 %	\$2.60	16 %
August 1995	MAX \$16.80	45 %	\$2.60	15 %
August 1996	MAX \$17.40	43 %	\$2.70	14 %
January 1997	MAX \$20.00	44 %	\$3.20	16 %
January 1999	MAX \$20.30	40 %	\$3.20	14 %
January 2000	MAX \$20.60	40 %	\$3.30	14 %
January 2001	MAX \$21.90	42 %	\$3.50	14 %
January 2002	MAX \$22.40	42 %	\$3.60	14 %
January 2003	MAX \$23.10	40 %	\$3.70	13 %
January 2004	MAX \$23.70	39 %	\$3.80	12 %
January 2005	MAX \$28.60	48 %	\$4.60	14 %
January 2006	MAX \$29.50	46 %	\$4.70	14 %
January 2007	MAX \$30.70	45 %	\$4.90	14 %
January 2008	MAX \$31.30	46 %	\$5.00	14 %
January 2009	MAX \$32.90	34 %	\$5.30	13 %
January 2010	MAX \$33.30	37 %	\$5.40	14 %
January 2011	MAX \$34.20	35 %	\$5.60	15 %
January 2012	MAX \$35.40	35 %	\$5.80	14 %
January 2013	MAX \$36.10	35 %	\$5.90	15 %
January 2014	MAX \$36.90	35 %	\$6.00	16 %
July 2015	MAX \$37.70	31 %	\$6.10	17 %
January 2016	MAX \$38.30	21 %	\$6.20	19 %
January 2017	MAX \$39.50	24 %	\$6.40	16 %

PBS REMUNERATION PER PRESCRIPTION

Table 27

Year	Average Price per Prescription (\$)	Mark-up* \$	Average Professional Fee (\$)	Average other fees*** \$	Total remuneration \$	Remuneration * as % of Ave. Price	Annual Volume of Prescriptions (000)
1970/71	2.21	0.48	0.34		0.82	37.10	71,487
1971/72	2.46	0.51	0.38		0.89	36.18	72,442
1972/73	2.64	0.56	0.47		1.01	38.26	74,676
1973/74	2.78	0.53	0.65		1.18	42.45	87,288
1974/75	2.99	0.54	0.83		1.37	45.82	97,674
1975/76	3.28	0.60	0.88		1.48	45.12	101,117
1976/77	3.71	0.66	1.04		1.70	45.82	89,705
1977/78	3.93	0.66	1.22		1.88	47.84	93,167
1978/79	4.16	0.59 **	1.35		1.94	46.63	92,963
1979/80	4.38	0.62	1.36		1.98	45.21	89,075
1980/81	4.53	4.65@ 0.66	1.30	1.42@	1.96	2.08@ 43.27	94,397
1981/82	5.08	0.68	1.62		2.30	45.28	103,574
1982/83	5.61	0.77	1.77		2.54	45.28	105,540
1983/84	5.96	0.79	1.90		2.69	45.13	108,385
1984/85	6.32	0.80	2.14		2.94	46.52	120,829
1985/86	7.01	0.94	2.33		3.27	46.65	119,842
1986/87	8.79	@@ 1.26	2.48		3.74	42.55	102,762
1987/88	10.37	@@ 1.57	2.53		4.10	39.54	100,901
1988/89	11.51	@@ 1.78	2.64		4.42	38.40	100,586
1989/90	12.54	@@ 1.99	2.57		4.56	36.40	104,979
1990/91	13.82	@@ 1.84	2.84		4.68	33.86	96,300
1991/92	15.46	@@ 1.10 **	3.43		4.53	29.30	94,121
1992/93	16.78	@@ 1.20	3.60		4.79	28.55	105,953
1993/94	18.18	@@ 1.31	3.85		5.16	28.38	115,041
1994/95	19.71	@@ 1.43	4.06		5.49	27.85	118,046
1995/96	21.49	@@ 1.57	4.27		5.84	27.18	124,205
1996/97	23.19	@@ 1.72	4.29		6.01	25.92	123,434
1997/98	24.88	@@ 1.87	4.34		6.21	24.96	124,483
1998/99	26.38	@@ 1.95	4.34		6.29	23.84	128,348
1999/00	27.82	@@ 2.07	4.39		6.46	23.23	137,585
2000/01	30.86	@@ 2.34	4.44		6.78	21.96	147,571
2001/02	32.32	@@ 2.46	4.53		6.99	21.62	154,530
2002/03	34.28	@@ 2.62	4.62		7.24	21.13	158,548
2003/04	35.84	@@ 2.68	4.66		7.34	20.48	165,435
2004/05	37.30	@@ 2.79	4.70		7.49	20.08	169,877
2005/06	38.75	@@ 2.88	4.86		7.74	19.97	167,927
2006/07	39.35	@@ 2.86	5.22		8.08	20.53	168,536
2007/08	41.54	@@ 2.95	5.50		8.45	20.34	171,296
2008/09	43.37	@@ 3.42 **	5.97	0.85	10.24	23.61	181,836
2009/10	45.47	@@ 3.57	6.42	1.04	11.03	24.26	183,911
2010/11	46.18	@@ 3.57	6.42	0.68	10.67	23.10	188,144
2011/12	45.59	@@ 3.47	6.42	0.71	10.60	23.25	194,898
2012/13	42.90	@@ 3.22	6.52	0.85	10.59	24.69	211,407
2013/14	41.68	@@ 3.07	6.63	0.95	10.65	25.55	214,526
2014/15	40.05	@@ 2.75	6.76	1.03	10.54	26.32	215,406
2015/16	37.75	@@ 3.82	6.93	0.51	11.26	29.83	295,354
2016/17	40.68	3.91	7.02	0.59	11.52	28.32	295,483

* Excludes wholesalers' surcharges, discounts and rebates.

** Percentage mark-up changed.

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

@ Adjusted for retrospective payments.

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

Excludes Doctor's Bag items

POPULATION TO PHARMACY RATIOS IN AUSTRALIA

Table 28

YEAR (30 JUNE)	POPULATION *	NUMBER OF PHARMACIES	POPULATION : PHARMACY RATIO
1970	12,663,469	5,876	2,155
1975	13,893,000	5,566	2,496
1980	14,695,400	5,417	2,713
1985	15,788,300	5,484	2,879
1986	16,018,400	5,549	2,887
1987	16,263,300	5,559	2,926
1988	16,532,200	5,609	2,947
1989	16,814,400	5,612	2,996
1990	17,065,100	5,625	3,034
1991	17,284,000	5,351	3,230
1992	17,489,100	5,091	3,435
1993	17,656,400	5,018	3,519
1994	17,847,400	4,980	3,584
1995	18,063,300	4,949	3,650
1996	18,310,714	4,953	3,697
1997	18,532,247	4,954	3,741
1998	18,730,359	4,952	3,782
1999	18,871,800	4,942	3,819
2000	19,080,200	4,925	3,874
2001	19,334,200	4,925	3,926
2002	19,657,400	4,926	3,991
2003	19,757,900	4,907	4,026
2004	20,009,000	4,910	4,075
2005	20,281,400	4,921	4,121
2006	20,551,500	4,951	4,151
2007	20,948,900	4,992	4,196
2008	21,282,600	5,005	4,252
2009	21,779,100	5,046	4,316
2010	22,271,900	5,088	4,377
2011	22,475,100	5,167	4,350
2012	22,485,340	5,240	4,291
2013	23,032,700	5,350	4,305
2014	23,319,400	5,456	4,274
2015	23,714,300	5,511	4,303
2016	24,123,900	5,587	4,318
2017	24,594,400	5,665	4,341

TRENDS IN POPULATION TO PHARMACY RATIOS

Table 29

STATE OR TERRITORY	30 JUNE 2016			30 JUNE 2017			% Change in Population to Pharmacy Ratios
	POPULATION ('000)	NUMBER OF PHARMACIES	POPULATION/ PHARMACY	POPULATION ('000)	NUMBER OF PHARMACIES	POPULATION/ PHARMACY	
NSW	7,725.9	1853	4,169	7,861.1	1864	4,217	1.1
VIC	6,068.0	1317	4,607	6,323.6	1346	4,698	2.0
QLD	4,844.5	1118	4,333	4,928.5	1130	4,362	0.7
WA	2,617.2	591	4,428	2,580.4	611	4,223	-4.6
SA	1,708.2	448	3,813	1,723.5	454	3,796	-0.4
TAS	519.1	150	3,461	520.9	149	3,496	1.0
NT	244.9	35	6,997	246.1	36	6,836	-2.3
ACT	396.1	75	5,281	410.3	75	5,471	3.6
AUS	24,123.9	5,587	4,318	24,594.4	5,665	4,341	0.5

Sources: Medicare Australia and Australian Bureau of Statistics

PHARMACIES DISPENSING PHARMACEUTICAL BENEFITS STATES AND TERRITORIES 2002 TO 2017

(Number at 30 June)

Table 30

STATE OR TERRITORY	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
NSW	1,727	1,709	1,699	1,702	1,705	1,708	1,722	1,731	1,731	1,738	1762	1,794	1,820	1,831	1,853	1,864
VIC	1,159	1,160	1,160	1,165	1,166	1,170	1,161	1,170	1,184	1,204	1226	1,247	1,282	1,299	1,317	1,346
QLD	948	944	953	952	963	987	987	1,011	1,017	1,052	1048	1,070	1,088	1,100	1,118	1,130
SA	385	386	389	391	399	400	407	404	414	418	423	432	439	439	448	454
WA	480	484	489	492	502	509	508	508	516	521	540	556	574	584	591	611
TAS	140	139	135	134	131	133	132	131	133	139	141	146	148	149	150	149
NT	30	28	28	27	27	26	27	29	30	31	32	33	33	34	35	36
ACT	57	57	57	58	58	59	61	62	63	64	68	72	72	74	75	75
AUS	4,926	4,907	4,910	4,921	4,951	4,992	5,005	5,046	5,088	5,167	5,240	5,350	5,456	5,510	5,587	5,665

Source: Medicare Australia

PRICING AND EARNING INDICES

Table 31

YEAR	CONSUMER PRICE INDEX (a)				AVERAGE (b) WEEKLY EARNINGS	
	ALL GROUPS		PHARMACEUTICALS		\$ AMOUNT	% CHANGE
	INDEX	% CHANGE	INDEX	% CHANGE		
1980-81	28.4		26.1		281.40	
JUNE 82	31.5	10.92	29.5	13.03	316.00	12.30
JUNE 83	35	11.11	34.7	17.63	347.30	9.91
JUNE 84	36.4	4.00	37.1	6.92	383.80	10.51
JUNE 85	38.8	6.59	39	5.12	397.20	3.49
JUNE 86	42.1	8.51	44.8	14.87	425.50	7.12
JUNE 87	46	9.26	51.2	14.29	450.90	5.97
JUNE 88	49.3	7.17	56	9.38	481.70	6.83
JUNE 89	53	7.51	59.1	5.54	519.10	7.76
JUNE 90	57.1	7.74	62.3	5.41	555.80	7.07
JUNE 91	59	3.33	66	5.94	569.90	2.54
JUNE 92	59.7	1.19	67.7	2.58	597.40	4.83
JUNE 93	60.8	1.84	69.4	2.51	612.50	2.53
JUNE 94	61.9	1.81	70.8	2.02	625.10	2.06
JUNE 95	64.7	4.52	72.8	2.82	652.70	4.42
JUNE 96	66.7	3.09	75.2	3.30	671.50	2.88
JUNE 97	66.9	0.30	78.8	4.79	687.10	2.32
JUNE 98	67.4	0.75	79.4	0.76	714.50	3.99
JUNE 99	68.1	1.10	78.9	-0.63	735.10	2.60
JUNE 00	70.2	3.08	79.6	0.89	760.00	3.39
JUNE 01	74.5	6.13	82.9	4.15	789.40	3.87
JUNE 02	76.6	2.82	83.8	1.09	826.10	4.65
JUNE 03	78.6	2.61	86.3	2.98	872.10	5.57
JUNE 04	80.6	2.54	88.4	2.43	891.20	2.19
JUNE 05	82.6	2.48	92.9	5.09	942.70	5.78
JUNE 06	85.9	4.00	95.9	3.23	985.10	4.50
JUNE 07	87.7	2.10	97.2	1.36	1038.40	5.41
JUNE 08	91.6	4.45	98.6	1.44	1072.30	3.26
JUNE 09	92.9	1.42	101.4	2.84	1109.80	3.50
JUNE 10	95.8	3.12	102.6	1.18	1183.40	6.63
JUNE 11	99.2	3.55	103.2	0.58	1241.80	4.93
JUNE 12	100.4	1.21	103.8	0.58	1273.80	2.58
JUNE 13	102.8	2.39	103.2	-0.58	1338.13	5.05
JUNE 14	105.9	3.02	104.6	1.36	1376.45	2.86
JUNE 15	107.5	1.51	103.1	-1.43	1369.50	-0.50
JUNE 16	108.6	1.02	104.4	1.26	1395.10	1.87
JUNE 17	110.7	1.93	104.5	0.10	1417.20	1.58

(a) Weighted average of eight capital cities. (2011/12 = 100.0)

(b) All Males.





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