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# Guild Digest

## 2010

A survey of independent pharmacy operations in Australia  
financial year 2008-09

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## FOREWORD

This year marks the 38<sup>th</sup> edition of the Guild Digest. The **2010 Digest** presents a snapshot of pharmacy operations in Australia for the financial year 2008-09. In the process, it also provides valuable management information to pharmacy owners and managers in a rapidly evolving economic environment.

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

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

Based on Table 3, which is the most relevant table for year to year comparisons, community pharmacy recorded a turnover growth of 3.9% in 2008-09. Net profit recorded an increase of 31.3% following only a small increase (1.9%) the previous year. Here are the key features of Australian community pharmacy:

- ✦ Community pharmacy is a \$14.6 billion health industry, including \$10.0 billion in prescription sales per year;
- ✦ Community pharmacies dispense 273 million prescriptions annually, including 196 million PBS/RPBS subsidised prescriptions;
- ✦ Community pharmacy employs over 54,000 highly skilled staff, the majority of whom are women;
- ✦ Total Dispensary Sales represent around 68.5% of all sales through pharmacies;
- ✦ The average community pharmacy dispenses 54,213 prescriptions per year; and
- ✦ As at 30 June 2009 there were 5,046 community pharmacies, each serving on average a community of 4,316 people across Australia.

The 2010 edition of the Digest is again published entirely in digital format. The **2010 Digest CD** complements the internet-based **Guild Digest On-line** and the **Guild Digest Interactive**.

Interest in the Digest remains encouragingly high notwithstanding respondents' more immediate priorities to deal with the challenges of running busy pharmacies. The

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analyses contained in the **2010 Digest** are based largely on the sample of over 302 participating pharmacies.

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

The Guild also recognises the strong support of the pharmacy accounting firms. Three respected accounting firms have lent their tangible support by contributing anonymous information to the Digest on behalf of their pharmacy clients. We formally record our appreciation to **Guild Accountants (a member of the Guild Group), Johnston Rorke Pharmacy Services, MSI Taylor Pharmacy Services** and their pharmacy clients.

Thanks are extended to National Secretariat staff, in particular, Duncan Turner and Dianne Murphy for their dedication and outstanding work in the preparation of this edition.

**STEPHEN ARMSTRONG**  
**NATIONAL MANAGER, ECONOMIC ANALYSIS & e-HEALTH**

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## THE YEAR IN PHARMACY 2008-09

The 2008-09 financial year saw important developments in a number of areas of specific relevance to the future operation of pharmacies. The most significant development over this period was the implementation of the Pharmaceutical Benefits Scheme (PBS) Reforms. Commenced in the latter part of 2006, the reforms came into full effect on 1 August 2008. They represented the biggest changes the industry has seen since the PBS commenced almost 60 years ago.

The PBS Reforms package, which was developed by the previous Howard Government in close consultation with the Guild and other stakeholders, demonstrates that pharmacists are willing to undertake reform to ensure that the PBS remains viable and that the industry achieves the best health outcomes for patients.

The Guild allocated considerable resources not only to negotiate a fair and reasonable outcome for members, but also to provide support and advice to members regarding the changes.

In other important developments for the future of pharmacy, the Guild launched two web based e-health products at the Australian Pharmacy Professional Conference and Trade Exhibition (APP) on the Gold Coast in April 2009, Mirixa Australia and eRx Script Exchange.

### **The Economy**

The collapse of the 158-year-old American investment bank Lehman Brothers in September 2008 heralded the start of what became known as the Global Financial Crisis. Institutions all over the world began to re-price risk, resulting in a near shutdown of money flows. Due in part to the strength of our banking system, a package of stimulus measures from the federal government, and interest rate reductions, the Australian economy was one of very few in the world that did not suffer a recession. However, the pace of growth slowed markedly compared with previous years. GDP growth over the 12 months to June 2009 was just 0.6%, compared to a 10 year average of around 3.2%. GDP in the United States dropped by 3.8% over the same 12 month period, while the European zone suffered even greater declines, averaging 4.8%.

Reacting to the global financial and economic situation, the Reserve Bank reduced the official cash interest rate from 7.25% in June 2008 to 3.00% in June 2009, a decrease of 4.25%. However, due to the financial market institutions' newfound aversion to risk – both to business lending and to lending to one another – small business interest rates dropped by only 2.6% over the same period (according to the Reserve Bank Bulletin).

Economic conditions began to improve in March 2009 as the fiscal stimulus and interest rate cuts began to take effect in the retail, housing and labour markets. Retail sales rose 2.2% in March 2009 and were up 6.4% annually.

Real net national disposable income grew more strongly than GDP (up 3.1% in 2008-09), reflecting strong growth in the Terms of Trade (up 6.9%).

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## **PBS Remuneration Changes and PBS Reforms**

PBS remuneration underwent significant change during 2008-09.

Firstly, as a result of the indexation and risk share provisions of the Fourth Community Pharmacy Agreement, the dispensing fee was increased from \$5.44 to \$5.81 on 1 July 2008.

Secondly, as a result of the PBS Reforms package, three changes were implemented on 1 August 2008. These coincided with a 25% mandatory price reduction being applied to 99 drugs on the PBS (responsible for around 50% of all PBS prescription volume) and a 2% price reduction on a range of other drugs. The remuneration changes were:

- An 18 cents per prescription increase in the dispensing fee (to \$5.99).
- An increase in mark-ups on low priced items (from 10% to 15%) and very high priced items (from \$40 to \$70).
- The introduction of a new \$1.50 incentive for dispensing substitutable, premium-free brands.

The Guild had an integral role in the analysis of options for reforms to the PBS. This modelling ensured that an outcome was delivered that maintained the viability of community pharmacy, which was under significant threat had the initial government proposals been implemented.

The PBS Reform measures are complex and far-reaching, and include a permanent mechanism for the government to achieve savings from manufacturer competition in the market for off-patent medicines. This measure, called Price Disclosure, requires manufacturers to provide sales data to the government from which a Weighted Average Disclosed Price is calculated.

The Guild has taken on a vital role, on an ongoing basis, to assist members to understand these complex measures and the impact on their profession and businesses. A series of member roadshow events were held to explain the reforms, and staff and Guild officials responded to a large number of enquiries from individual members. The Guild also produced and rolled out the highly successful ScriptMAP analysis service.

### **ScriptMAP (Modelling & Analysis for Pharmacies)**

The Guild *ScriptMAP* (Modelling & Analysis for Pharmacy) service was launched at the APP conference in March 2008, and continued to be a popular service during 2008-09. *ScriptMAP* enables pharmacies (Guild members only) to electronically submit dispensing data to the Guild (no patient data is transmitted), after which they receive a customised report on the impact of the reforms.

The report provided detailed, personalised analysis of the impact of the 1 August 2008 PBS Reforms, based on the unique dispensing patterns of the pharmacy, and highlighted areas for improvement and action. The report also included general information on the reforms such as a list of all PBS drugs and their formularies, an appendix on price disclosure and the weighted average disclosed price, as well as details of major patent expiries set to occur between 2008 and 2013 and the impact that these may have on the individual pharmacy.

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## **PBS Online**

By end of June 2009, more than 98 percent of pharmacies were connected to PBS Online. Around March 2009, funding negotiated under the PBS Reform package for dispensing software vendors to roll out and support PBS Online came to an end. This resulted in software vendors introducing a PBS Online levy fee in addition to their normal fees. The Guild made several representations to Government for additional funding but no continuation of funding was forthcoming.

## **Mirixa Australia**

Through the Mirixa web-based clinical software platform, pharmacists will deliver national, systemised, evidence based programs thus showcasing their value in the health system. Pharmacist interventions will be recorded and this data will form a base of evidence, which will expand the professional role of pharmacists. Most importantly it delivers consistency and reproducibility in clinical programs.

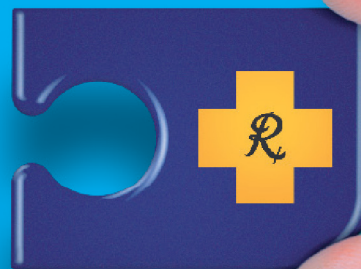
Mirixa Australia programs provide pharmacies with the opportunity to produce income outside of the traditional dispensing and merchandising business model. These programs integrate dispense system data and automate the reporting function. As pharmacies restructure and expand their patient care services, Mirixa Australia programs solve the clinical integration challenges allowing pharmacists to deliver a variety of clinical care services using a single platform.

## **eRx Script Exchange**

eRx Script Exchange is a national web based gateway that facilitates the electronic transfer of scripts between GPs and pharmacists. It has been developed to enhance efficiency and patient safety by ensuring that the information on the prescription is accurately transferred between the doctor and the pharmacy.

eRx Script Exchange mirrors the traditional paper-based process except that scripts are sent to a central depository via the Internet. It is fully backed up by paper prescriptions so that patients are assured of being able to obtain medication even if the Internet goes down.

Patient information is encrypted, and scripts are sent and stored with multiple layers of encryption to achieve the highest levels of security. eRx is unable to decrypt or see any patient or script data.



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Guild Insurance and The Pharmacy Guild of Australia work together for the benefit of every pharmacist. Profits from Guild Insurance are invested back into The Pharmacy Guild to protect the profession. By working together we're able to form a stronger, more cohesive picture of health for you and your community.

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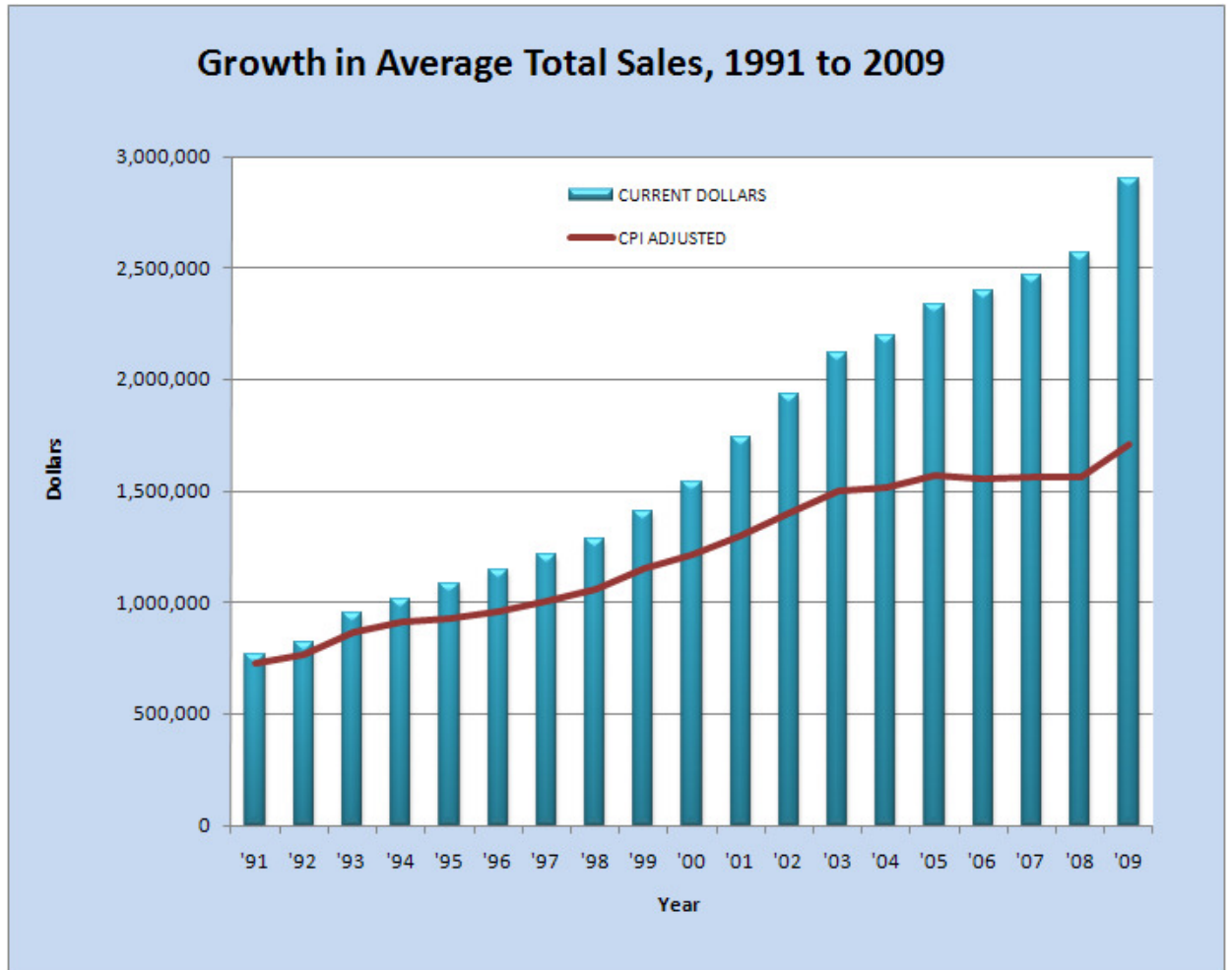
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**AUSTRALIAN PHARMACIES 1999 - 2009**  
(Based on all participating pharmacies)

**Table 1**

	1999 (335) \$	2000 (353) \$	2001 (402) \$	2002 (408) \$	2003 (528) \$	2004 (427) \$	2005 (418) \$	2006 (385) \$	2007 (353) \$	2008 (326) \$	2009 (302) \$
<b>SALES</b>	1,409,642	1,535,955	1,741,104	1,930,960	2,116,736	2,195,552	2,334,145	2,394,030	2,464,443	2,568,388	2,901,620
<b>GROSS MARGIN</b>	462,255	508,092	560,521	616,179	660,229	684,059	722,192	756,166	797,473	838,984	980,871
SALARIES & WAGES	155,845	170,301	187,324	210,770	227,379	227,712	254,689	263,115	280,355	295,931	341,052
RENT	46,169	50,075	53,838	60,566	65,566	65,427	73,183	77,862	85,460	90,049	115,547
OTHER EXPENSES	127,258	138,169	156,577	162,343	181,101	179,567	191,412	205,955	225,749	250,126	298,739
<b>TOTAL EXPENSES</b>	329,272	358,545	397,739	433,679	474,046	472,706	519,284	546,932	591,564	636,107	755,339
<b>TRADING PROFIT</b>	132,983	149,547	162,782	182,500	186,183	211,353	202,908	209,234	205,909	202,877	225,532
OTHER INCOME	6,521	11,118	14,623	17,966	15,276	15,112	14,445	23,721	30,681	24,597	34,024
<b>TOTAL INCOME</b>	139,502	160,665	177,406	200,466	201,459	226,465	217,353	232,955	236,590	227,474	259,556
PROPRIETORS' SALARIES	84,274	85,401	89,189	97,400	104,809	136,619	142,167	160,349	156,316	145,055	161,584
<b>NET PROFIT/LOSS</b>	55,228	75,264	88,217	103,066	96,650	89,846	75,186	72,606	80,274	82,419	97,972
STOCK CARRIED	147,734	153,862	156,662	183,802	186,903	186,409	197,893	204,134	219,388	231,567	231,567

# Chart 1



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## METHODOLOGY FOR THE 2010 GUILD DIGEST

With the exception of Table 3, the analyses contained in this edition of the Digest are based largely on operating information supplied by 302 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. 2007-08 and 2008-09.

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:

	Prescription Volumes	Number of Pharmacies	Distribution National
Stratum 1	Less than 35,000	1,689	33.5%
Stratum 2	35,000 – 60,000	1,594	31.6%
Stratum 3	60,000 – 99,000	1,293	25.6%
Stratum 4	More than 95,000	470	9.3%
TOTAL		5,046	

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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.

**Please note that the 2008-09 weightings were significantly different to those for 2007-08. This has resulted in some large movements in results, which are evident in Table 2. For this reason, the figures in Table 2 are not suitable for year to year comparison. Table 3, which uses a matched sample approach and is not impacted by weightings, is the more appropriate table to use when reviewing percentage movements in figures from one year to the next.**

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## SURVEY RESPONSE

A total of 311 questionnaires were received for the 2008-09 financial year. Responses with incomplete information were excluded from the analysis. The final number of responses analysed for the purposes of the main sample was 302.

Response rates are reasonably consistent with the distribution of pharmacies by State, with the exception of Queensland and New South Wales which enjoy higher than average response rates, and Victoria which is lower than average.

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

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

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

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## STATISTICAL APPRAISAL OF RESULTS

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

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

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

### REPRESENTATIVENESS OF THE SURVEYED PHARMACIES

A sample of 311 pharmacies responded to this year's survey. The current analyses are based on weightings derived from the distribution of Australian pharmacies in accordance with their annual prescription volumes.

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

As the characteristics of the responding pharmacies change from one survey to the next, primarily because of the restructuring that has taken place over the last decade, comparability of the main sample data over time may be a problem. Therefore, comparisons over time may be more meaningful using the data provided by the consecutive year respondents summarised in Table 3. 118 respondents formed part of this category in 2008-09.

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## EXPECTED DIFFERENCES

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

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

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

## PRECISION OF THE ESTIMATES

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

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

Number of Respondents used for estimate	Divisor for inter-quartile range
400	27
350	26
302	23
300	23
200	19
100	14
50	10
20	6
10	4
5	3

For example, the mean Total Expenses as a percentage of Total Revenue (based on 302 respondents) is 25.7%. The inter-quartile range is 10.59 (= 30.37 – 19.77), so the approximate standard error of this estimate is 0.46 (=10.59/23).

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

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mean Total Expenses, based on 302 respondents, is between 24.8% and 26.7% of Total Revenue.

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

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

## **USING THIS SURVEY**

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

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

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# DEFINITION OF KEY INCOME AND EXPENSE ITEMS IN TABLES

*(All financial values are exclusive of GST)*

<b>Sales:</b>	relate to the sale of all products (both prescription and retail) for which goods were purchased at wholesale for the purpose of re-sale at a profit: it excludes services income, government payments such as rural allowances, commissions, agency fees, dividends and disposal of assets.
<b>Cost of Goods Sold:</b>	refers to purchases of goods for re-sale at a profit: a fuller definition of Cost of Goods Sold is provided in the <i>User's Guide to the 2010 Digest</i> section.  Percentage shown is of Sales.
<b>Gross Margin:</b>	is derived by deducting Cost of Goods Sold from Sales.  Percentage shown is of Sales.
<b>Other Income:</b>	is income from items which do not involve cost of goods sold. They may, for example, be related to Community Pharmacy Agreement programs or professional services. Dividend and rent income, and other such income not connected with the pharmacy's operation, are also included here.
<b>Gross Margin Plus Other Income:</b>	is the arithmetic total of the Gross Margin and Other Income and it represents the Gross Margin from Trading.
<b>Total Revenue:</b>	is 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.
<b>Salaries and Wages:</b>	include wages paid to all staff and locums but <u>exclude</u> proprietors' earnings (since the latter are represented by Proprietors' Notional Salary); percentage shown is of Total Revenue.
<b>Expenses:</b>	all Expense items are expressed as a percentage of Total Revenue.
<b>Total Income:</b>	is arrived at by subtracting Total Expenses and Cost of Goods Sold from Total Revenue; it refers to the Trading Profit of the pharmacy which may involve several partners; percentage shown is of Total Revenue.
<b>Proprietors' Notional Salary:</b>	is a notional estimate of a reasonable professional salary for hours worked in the pharmacy by pharmacy proprietors. It is adjusted for over-award payments but includes only work performed within the pharmacy. This is consistent with the rationale that a proprietor should expect remuneration at least equivalent to the salary 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 2008-09, the normal hourly rate was estimated at \$53.41 for the first 38 hours - equivalent to an annual salary of \$105,538. Additional hours were calculated at time and a half rate to reflect overtime. A rate of 1.2547 was applied to reflect On-Cost



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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 proprietor's 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 percent of Total Revenue.

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

**Net Profit/Loss:** is calculated by subtracting Proprietors' Notional Salary from Total income. Please note that taxation is not considered in the Guild's survey or the published results. All figures are before tax.

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:** is the Cost of Goods Sold in a given year divided by the mathematical average of the Opening and Closing stock in the same year. It is a measure of the frequency with which stocks are turned over in the financial year.

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

The corresponding percentage is expressed as percent of Total Revenue.



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**AUSTRALIAN PHARMACIES - COMPARISON BETWEEN 2008 AND 2009**  
(Based on 12 Months of Trading to 30/06/09)

**Table 2**

SALES, EXPENSES & PROFITABILITY	2008 AVERAGES		2009 AVERAGES		AMOUNT AND PERCENT OF CHANGE	
	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,568,388</b>		<b>2,901,620</b>		<b>333,232</b>	<b>12.97</b>
<b>COST OF GOODS SOLD</b>	<b>1,729,405</b>	<b>67.33</b>	<b>1,920,750</b>	<b>66.20</b>	<b>191,345</b>	<b>11.06</b>
<b>GROSS MARGIN</b>	<b>838,984</b>	<b>32.67</b>	<b>980,871</b>	<b>33.80</b>	<b>141,887</b>	<b>16.91</b>
Other Income	24,597		34,024		9,427	38.33
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>863,581</b>		<b>1,014,895</b>		<b>151,314</b>	<b>17.52</b>
<b>TOTAL REVENUE</b>	<b>2,592,985</b>	<b>100.00</b>	<b>2,935,645</b>	<b>100.00</b>	<b>342,659</b>	<b>13.21</b>
<b>EXPENSES</b>						
Salaries and Wages	295,931	11.41	341,052	11.62	45,121	15.25
Rent Paid	90,049	3.47	115,547	3.94	25,498	28.32
Outgoings - Rental & Rates	3,634	0.14	4,331	0.15	697	19.19
Accounting	10,565	0.41	11,051	0.38	486	4.60
Advertising	23,588	0.91	27,211	0.93	3,623	15.36
Bank Charges	7,610	0.29	8,072	0.27	462	6.07
Computer Expenses	6,771	0.26	7,422	0.25	651	9.62
Depreciation	20,979	0.81	24,863	0.85	3,884	18.51
Electricity, Water, Heating	6,869	0.26	8,220	0.28	1,352	19.68
Insurance	8,432	0.33	8,563	0.29	130	1.55
Interest Paid	42,388	1.63	58,557	1.99	16,169	38.14
Leasing Expenses	6,076	0.23	8,513	0.29	2,437	40.11
Motor Vehicle Expenses	3,966	0.15	4,236	0.14	269	6.79
Postage, Freight, Printing	8,858	0.34	9,868	0.34	1,010	11.40
Repairs, Maintenance, Service	4,165	0.16	4,450	0.15	285	6.84
Subs and Registrations	8,709	0.34	10,130	0.35	1,422	16.33
Superannuation	27,448	1.06	30,998	1.06	3,551	12.94
Telephone	5,930	0.23	5,954	0.20	23	0.39
Training	3,077	0.12	3,722	0.13	646	20.99
Abnormal Expenses	4,907	0.19	4,492	0.15	-414	-8.44
Payroll Tax	3,442	0.13	4,562	0.16	1,120	32.55
Workers' Compensation	2,833	0.11	2,530	0.09	-303	-10.70
Other Expenses	39,882	1.54	50,995	1.74	11,113	27.86
<b>TOTAL EXPENSES</b>	<b>636,107</b>	<b>24.53</b>	<b>755,339</b>	<b>25.73</b>	<b>119,232</b>	<b>18.74</b>
<b>TOTAL INCOME</b>	<b>227,474</b>	<b>8.77</b>	<b>259,556</b>	<b>8.84</b>	<b>32,082</b>	<b>14.10</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	145,055 1.14	5.59	161,584 1.21	5.50	16,529	11.40
<b>NET PROFIT/LOSS</b>	<b>82,419</b>	<b>3.00</b>	<b>97,972</b>	<b>3.34</b>	<b>15,553</b>	<b>18.87</b>
<b>SALES ANALYSIS</b>						
Prescriptions	1,794,358	69.86	1,988,832	68.54	194,475	10.84
Other Sales	774,031	30.14	912,788	31.46	138,757	17.93
<b>INVENTORY ANALYSIS</b>						
Prescription	94,542	3.65	87,629	2.99	-6,913	-7.31
Other	137,025	5.28	159,313	5.43	22,288	16.27
STOCK CARRIED (Total)	231,567	8.93	246,943	8.41	15,375	6.64
STOCK TURN (On Total Inventory)	7.47		7.78		0.31	4.15
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	18.98		22.70		3.72	19.58
Other	5.65		5.73		0.08	1.43
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	152		158		6	3.93
PRESCRIPTIONS DISPENSED (Total)	49,782		54,213		4,430	8.90
PRESCRIPTIONS DISPENSED WEEKLY	955		1,040		85	8.90
TOTAL HOURS OPEN per WEEK	58.0		58.8		0.8	1.40
AV HRS WORKED BY PROPRIETORS/WEEK	43.2		46.1		2.9	6.64
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>54,759</b>	<b>2.11</b>	<b>128,847</b>	<b>4.39</b>	<b>74,089</b>	<b>135.30</b>

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

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

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# SUMMARY OF PHARMACY PERFORMANCE

## 2008-09

(Refer to Table 2)

This section examines the 2008-09 survey results, after applying weightings to remove any distortion caused by the responding sample being skewed towards larger pharmacies. While Table 2 presents the 2007-08 averages for comparison purposes, the results are affected by changes in the responding sample between the two years and by a significant change to weighting factors used for 2008-09. For more accurate analysis of the movements from one period to the next, it is useful to compare the performance of pharmacies which participated in both years. Those results are summarised in the next section by reference to Table 3.

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

- ✦ Community pharmacy is a \$14.6 billion health industry, including \$10.0 billion in prescription sales per year;
- ✦ Community pharmacies dispense 273 million prescriptions annually, including 196 million PBS/RPBS subsidised prescriptions;
- ✦ Community pharmacy employs over 54,000 highly skilled staff, the majority of whom are women;
- ✦ Total Dispensary Sales represent around 68.5% of all sales through pharmacies;
- ✦ The average community pharmacy dispenses 54,213 prescriptions per year; and
- ✦ As at 30 June 2009 there were 5,046 community pharmacies, each serving on average a community of 4,316 people across Australia.

Here are the salient results of the 2008-09 financial year:

- Average Total Sales are \$2,901,620, of which 68.5% is from prescriptions and the remaining 31.5% is from non-prescription sales.
- Average Gross Margin is 33.8%, up from 32.7% in 2007-08. This is the fourth consecutive increase in Gross Margin, which follows five years of decline from 2001 to 2005.
- Average revenue from Other Income is now \$34,024, eclipsing the previous high reached two years earlier.

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- Expenses ended the year at 25.7% as a percentage of Sales. This is the highest level since 1991-92, just five years after touching an all time low in 2003-04.
  - Salaries and wages as a percentage of sales increased from 11.4% to 11.6%, the highest since 1990-91.
  - Rent increased markedly to 3.9% of sales, the highest since 1991-92.
  - Wages and rent combined make up just over 60% of total expenses. However, expenses other than wages and rent now make up a combined 10.2% of sales, which is the highest proportion since 1985-86.
  - Proprietors' Notional Salary represented 5.5% of turnover, down from 5.6% in 2007-08 despite an increase in average hours worked from 43.2 to 46.1 per week.
  - The average prescription volume per pharmacy has now reached over one thousand per week (1,040).

**AUSTRALIAN PHARMACIES REPORTING IN TWO CONSECUTIVE YEARS 2008 AND 2009**  
(Based on 12 Months of Trading to 30/06/09)

**Table 3**

	2008 AVERAGES		2009 AVERAGES		AMOUNT AND PERCENT OF CHANGE	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,491,406</b>		<b>3,626,286</b>		<b>134,880</b>	<b>3.86</b>
<b>COST OF GOODS SOLD</b>	<b>2,331,647</b>	<b>66.78</b>	<b>2,385,450</b>	<b>65.78</b>	<b>53,803</b>	<b>2.31</b>
<b>GROSS MARGIN</b>	<b>1,159,759</b>	<b>33.22</b>	<b>1,240,836</b>	<b>34.22</b>	<b>81,077</b>	<b>6.99</b>
Other Income	32,992		35,341		2,349	7.12
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,192,751</b>		<b>1,276,177</b>		<b>83,426</b>	<b>6.99</b>
<b>TOTAL REVENUE</b>	<b>3,524,398</b>	<b>100.00</b>	<b>3,661,627</b>	<b>100.00</b>	<b>137,229</b>	<b>3.89</b>
<b>EXPENSES</b>						
Salaries and Wages	426,300	12.10	440,192	12.02	13,893	3.26
Rent Paid	115,519	3.28	120,967	3.30	5,448	4.72
Outgoings - Rental & Rates	6,866	0.19	7,868	0.21	1,002	14.60
Accounting	13,841	0.39	13,458	0.37	- 383	-2.77
Advertising	44,466	1.26	42,426	1.16	- 2,040	-4.59
Bank Charges	8,388	0.24	8,336	0.23	-52	-0.62
Computer Expenses	7,019	0.20	7,359	0.20	340	4.84
Depreciation	25,983	0.74	28,314	0.77	2,331	8.97
Electricity, Water, Heating	9,326	0.26	10,294	0.28	968	10.39
Insurance	8,355	0.24	9,384	0.26	1,029	12.31
Interest Paid	50,643	1.44	45,537	1.24	- 5,106	-10.08
Leasing Expenses	9,725	0.28	9,723	0.27	-2	-0.02
Motor Vehicle Expenses	3,882	0.11	4,621	0.13	738	19.01
Postage, Freight, Printing	15,288	0.43	16,964	0.46	1,676	10.97
Repairs, Maintenance, Service	4,843	0.14	5,298	0.14	455	9.39
Subs and Registrations	9,277	0.26	10,771	0.29	1,494	16.11
Superannuation	38,005	1.08	38,289	1.05	284	0.75
Telephone	7,168	0.20	7,249	0.20	81	1.12
Training	5,761	0.16	5,907	0.16	147	2.55
Abnormal Expenses	6,380	0.18	8,498	0.23	2,118	33.20
Payroll Tax	7,245	0.21	7,873	0.22	628	8.67
Workers' Compensation	2,256	0.06	2,584	0.07	328	14.53
Other Expenses	35,247	1.00	35,552	0.97	305	0.87
<b>TOTAL EXPENSES</b>	<b>861,782</b>	<b>24.45</b>	<b>887,465</b>	<b>24.24</b>	<b>25,682</b>	<b>2.98</b>
<b>TOTAL INCOME</b>	<b>330,969</b>	<b>9.39</b>	<b>388,712</b>	<b>10.62</b>	<b>57,744</b>	<b>17.45</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	176,068	5.00	185,272	5.06	9,204	5.23
<b>NET PROFIT/LOSS</b>	<b>154,901</b>	<b>4.40</b>	<b>203,441</b>	<b>5.56</b>	<b>48,539</b>	<b>31.34</b>
<b>SALES ANALYSIS</b>						
Prescriptions	2,406,841	68.94	2,530,598	69.78	123,757	5.14
Other Sales	1,084,565	31.06	1,095,688	30.22	11,123	1.03
<b>INVENTORY ANALYSIS</b>						
Prescription	94,033	2.67	94,755	2.59	721	0.77
Other	187,690	5.33	194,759	5.32	7,069	3.77
STOCK CARRIED (Total)	281,723	7.99	289,514	7.91	7,791	2.77
STOCK TURN (On Total Inventory)	8.28		8.24		(0.04)	-0.45
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	25.60		26.71		1.11	4.34
Other	5.78		5.63		-0.15	-2.64
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	168		168		-0	-0.05
PRESCRIPTIONS DISPENSED (Total)	67,118		69,850		2,732	4.07
PRESCRIPTIONS DISPENSED WEEKLY	1,287		1,340		52	4.07
TOTAL HOURS OPEN per WEEK	58.3		58.3		0.0	0.04
AV HRS WORKED BY PROPRIETORS/WEEK	52.7		52.5		-0.2	-0.40
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>166,025</b>	<b>4.71</b>	<b>230,687</b>	<b>6.30</b>	<b>64,662</b>	<b>38.95</b>

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

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

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# COMPARISON OF PHARMACIES RESPONDING IN CONSECUTIVE YEARS

(Refer to Table 3)

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

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

A sample of 118 pharmacies responded in both 2007-08 and 2008-09.

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

- Total Sales increased by 3.8%.
- Cost of Goods Sold rose by 2.3%. Consistent with the findings of the main sample, this in turn produced a higher Gross Margin as a percentage of Sales, at 34.2% compared with 33.2% in 2007-08.
- Total Expenses grew by 3.0% in dollar terms and declined slightly as a percentage of sales from 24.4% to 24.2% in 2008-09.
- Due in most part to the increase in Gross Margin, Total Income rose by over 17%.
- Salaries and Wages for the average pharmacy in the comparative sample grew by 3.3% while Rents grew by 4.7%.
- Expenses growth was moderated by a large reduction in Interest expense (-10.1%), reflecting lower interest rates, and in Advertising (-4.6%), perhaps due to the slowdown in consumer expenditure following the global financial crisis and increased unemployment.
- Prescription revenue recorded respectable growth (up by 5.1%), while non-Prescription Sales posted a much smaller increase of 1.0%, perhaps reflecting general economic conditions.
- The number of prescriptions dispensed in 2008-09 grew by 4.1% over the previous year's volume, while the average prescription price rose by just 1.0% (from \$35.86 to \$36.23). This is a much smaller increase than in previous years, mainly due to the PBS price reductions applied to a range of drugs on 1 August 2008 as part of the PBS reforms.

**AUSTRALIAN PHARMACIES – 2008-09**  
(Based on 12 Months of Trading to 30/06/09)

**Table 4**

<b>NATIONAL AVERAGE</b>	<b>2009 AVERAGES</b>		<b>Low</b>	<b>Normal</b>	<b>High</b>
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	<b>\$</b>	<b>%</b>			
<b>SALES</b>	<b>2,901,620</b>		<b>1,833,432</b>	<b>3,130,018</b>	<b>4,494,509</b>
<b>COST OF GOODS SOLD</b>	<b>1,920,750</b>	<b>66.20</b>	<b>63.77</b>	<b>65.95</b>	<b>67.81</b>
<b>GROSS MARGIN</b>	<b>980,871</b>	<b>33.80</b>	<b>32.19</b>	<b>34.05</b>	<b>36.23</b>
Other Income	34,024	1.16	0.25	0.61	1.47
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,014,895</b>	<b>34.57</b>	<b>32.97</b>	<b>34.70</b>	<b>37.12</b>
<b>TOTAL REVENUE</b>	<b>2,935,645</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>EXPENSES</b>					
Salaries and Wages	341,052	11.62	9.60	11.48	13.40
Rent Paid	115,547	3.94	1.75	3.00	4.86
Outgoings - Rental & Rates	4,331	0.15	0.00	0.00	0.12
Accounting	11,051	0.38	0.17	0.28	0.51
Advertising	27,211	0.93	0.21	0.55	1.14
Bank Charges	8,072	0.27	0.15	0.22	0.31
Computer Expenses	7,422	0.25	0.14	0.25	0.37
Depreciation	24,863	0.85	0.32	0.60	1.12
Electricity, Water, Heating	8,220	0.28	0.19	0.26	0.34
Insurance	8,563	0.29	0.19	0.27	0.39
Interest Paid	58,557	1.99	0.02	1.01	3.41
Leasing Expenses	8,513	0.29	0.00	0.00	0.16
Motor Vehicle Expenses	4,236	0.14	0.00	0.05	0.21
Postage, Freight, Printing	9,868	0.34	0.08	0.30	0.43
Repairs, Maintenance, Service	4,450	0.15	0.06	0.11	0.19
Subs and Registrations	10,130	0.35	0.14	0.25	0.49
Superannuation	30,998	1.06	0.77	0.97	1.21
Telephone	5,954	0.20	0.14	0.19	0.26
Training	3,722	0.13	0.03	0.09	0.16
Abnormal Expenses	4,492	0.15	0.00	0.00	0.00
Payroll Tax	4,562	0.16	0.00	0.00	0.19
Workers' Compensation	2,530	0.09	0.03	0.05	0.12
Other Expenses	50,995	1.74	0.31	0.71	2.33
<b>TOTAL EXPENSES</b>	<b>755,339</b>	<b>25.73</b>	<b>19.77</b>	<b>24.77</b>	<b>30.37</b>
<b>TOTAL INCOME</b>	<b>259,556</b>	<b>8.84</b>	<b>3.91</b>	<b>9.40</b>	<b>14.55</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	161,584 1.21	5.50	122,233	160,832	228,382
<b>NET PROFIT/LOSS</b>	<b>97,972</b>	<b>3.34</b>	<b>-1.97</b>	<b>3.74</b>	<b>8.30</b>
<b>SALES ANALYSIS</b>					
Prescriptions	1,988,832	68.54	1,357,612	2,146,487	3,035,960
Other Sales	912,788	31.46	406,901	852,799	1,419,210
<b>INVENTORY ANALYSIS</b>					
STOCK CARRIED (Total)	246,943	8.41	6.21	7.69	9.59
STOCK TURN (On Total Inventory)	7.78		6.64	8.41	10.69
<b>SALES PER INVENTORY DOLLAR</b>					
Prescription	22.70		19.34	24.41	30.30
Other	5.73		4.32	5.57	7.08
<b>STATISTICS</b>					
PHARMACY SIZE (square metres)	158		91	142	228
PRESCRIPTIONS DISPENSED (Total)	54,213		36,982	58,165	82,730
PRESCRIPTIONS DISPENSED WEEKLY	1,040		709	1,115	1,587
TOTAL HOURS OPEN per WEEK	59		52	59	63
AV HRS WORKED BY PROPRIETORS/WEEK	46		35	46	64
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>128,847</b>	<b>4.39</b>	<b>305</b>	<b>118,978</b>	<b>277,459</b>

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

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

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## ANALYSIS OF SURVEY RESULTS

Successful businesses are essentially characterised by their ability to:

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

Community pharmacy is no exception.

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

**The overall sales performance of community pharmacy in 2008-09 continued to improve marginally. Much of the growth in 2008-09 came from dispensary sales through higher volumes. Profitability improved due to higher gross margins, which have now risen for four consecutive years following declines in the previous four years. However this was moderated by continuing increases in expenses which are now at close to 20 year highs as a proportion of sales (see commentary relating to Table 2).**

### 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 1<sup>st</sup> quartile; normal or 2<sup>nd</sup> quartile (or median); and high or 3<sup>rd</sup> quartile. The first quartile simply means that 25% of respondents achieved results less than the value shown for the item. On the other hand, the 3<sup>rd</sup> or high quartile means that 75% achieved less and 25% achieved greater than the value indicated.

Similarly, the median or 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 (11.48%) bears no relationship to the Sales figure in the same quartile (\$3,130,018). The correct interpretation is that the Normal Quartile for Salaries and Wages is 11.48% of the Sales figure reported by that median respondent. The Sales figure of \$3,130,018 is independent of the 11.48%. Conversely, the median respondent who reported the Sales figure of \$3,130,018 may have a totally different Salaries and Wages percentage.

**When putting these results into benchmarking practice, the general rule of thumb is to aim for:**

- **Expense results below the low quartile**
- **Revenue results above the high quartile**

An expense result above the high quartile value means that the business needs to examine very closely the causes of the high expense level and to undertake remedial action. Revenue results below the low quartile value require similar urgent attention since they indicate scope for improvement.

Examples

Gross Margin	30%	less than desirable
	36%	excellent
Salaries and Wages	9%	excellent
	14%	room for improvement

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

The quartile range of Gross Margins of 32.19% to 36.23% (compared with 30.90% to 35.21% in 2007-08) suggests an increase in percentage Gross Margins, in line with the averages presented in earlier tables.

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

### **PROPRIETOR'S NOTIONAL SALARY**

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

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

In 2008-09, the normal hourly rate was estimated at \$53.41 for the first 38 hours - equivalent to an annual salary of \$105,538. Additional hours were calculated at time and a half rate to reflect overtime. A rate of 1.2547 was applied to reflect On-Cost provisions.

The on-costs were derived as follows:

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

# PLANNING TOOLS AND PRODUCTIVITY MEASURES

(Refer to Table 5)

## SALES PER SQUARE METRE

This is a useful benchmarking tool to guide merchandising and display. Refer to Table 5 for details according to turnover range. As a general rule, sales productivity by area of selling space tends to increase with turnover and this year turnover per square metre ranged from \$8,745 to \$22,787.

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

As in previous years, the results indicate that the most preferred dispensary size (consistent with current dispensary practices) is in the range of 18-25 square metres. Therefore major productivity improvements are still possible in the front-of-shop. This can involve merchandising and display techniques as well as more efficient use of aisle space, etc.

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

## TOTAL SALES vs NUMBER OF PRESCRIPTIONS

Additional Sales generated by each prescription averaged around \$17 in both metropolitan and country pharmacies. The average prescription generated between \$44 and \$57 in sales revenue. With an average value per prescription of about \$36, each prescription produced between \$10 and \$20 extra revenue in the non-prescription sector.

Turnover Group \$	Average Script Value \$	Sales/Script \$	Script Sales/ Total Sales %
Under \$1,000,000	35.45	46.14	76.8
\$1,000,000 - \$1,500,000	34.75	44.81	77.5
\$1,500,000 - \$2,000,000	36.21	48.38	74.8
\$2,000,000 - \$2,500,000	38.66	51.04	75.7
\$2,500,000 - \$3,000,000	33.46	47.98	69.7
\$3,000,000 - \$4,000,000	36.30	51.86	70.0
\$4,000,000 - \$5,000,000	37.42	54.41	68.8
Over \$5,000,000	36.56	57.16	64.0
All Pharmacies (weighted)	36.69	53.52	68.5
Metropolitan	36.91	53.76	68.6
Country	35.97	52.71	68.2

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 69,000



(compared with 54,213 dispensed prescriptions). Therefore the average sale per customer may be lower than the Sales per script figures. It is nevertheless important to note that prescriptions contribute significantly to other sales and the important nexus between the two should not be underestimated. The close correlation between the number of prescriptions dispensed and Total Sales is illustrated in Chart 3.

### SALES PER \$ OF STAFF WAGES

This is a useful general measure of productivity of staff. Table 5 shows that staff generate between \$8 and \$10 sales revenue per dollar of wages, with an average of \$8.61. With minor exceptions, total turnover per dollar of Staff Wages appears inversely proportional to the pharmacy turnover.

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

Turnover Group	Retail Sales/\$ Wages \$
Under \$1,000,000	2.32
\$1,000,000 - \$1,500,000	2.11
\$1,500,000 - \$2,000,000	2.11
\$2,000,000 - \$2,500,000	2.27
\$2,500,000 - \$3,000,000	2.72
\$3,000,000 - \$4,000,000	2.44
\$4,000,000 - \$5,000,000	2.61
Over \$5,000,000	3.00
All Pharmacies (weighted)	2.68

By its very nature, this indicator is sensitive to the changing proportion of dispensary sales to total sales. As pharmacy has increased its reliance on dispensary revenue over the past 10 to 20 years, retail sales per \$ wages have steadily contracted. This trend has slowed in recent years with the tentative increases in non-prescription sales. The average for all pharmacies for 2008-09 (\$2.68) is slightly higher than 2007-08 (\$2.61).

### SALES PER FULL-TIME EQUIVALENT EMPLOYEE

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

As with the previous section, the following table excludes dispensary turnover from the calculation to obtain the retail sector sales per full-time equivalent employee. This is based on a 38 hour week and excludes proprietor hours.

Turnover Group	Retail Sales/Full-Time Equivalent Employee \$
Under \$1,000,000	108,117
\$1,000,000 - \$1,500,000	130,776
\$1,500,000 - \$2,000,000	110,991
\$2,000,000 - \$2,500,000	155,358
\$2,500,000 - \$3,000,000	124,432
\$3,000,000 - \$4,000,000	120,103
\$4,000,000 - \$5,000,000	122,967
Over \$5,000,000	145,724
All Pharmacies (weighted)	141,298

This productivity measure is highly sensitive to the composition of the sample with respect to the mix of owner-operated and manager-operated pharmacies. As a rule, the higher the proportion of manager-operated pharmacies in the sample, the lower this productivity ratio will be because the number of hours worked by employees (i.e. managers) will be higher. It is also sensitive to the long term downward trend in the proportion of Retail Sales.

## RENT PER SQUARE METRE

With minor exceptions, the range of rents paid per square metre varied in direct proportion to pharmacy turnover without the benefit of economies of scale - large pharmacies pay premium rents (see Table 5). Small turnover pharmacies paid on average around \$340-\$480 per square metre per annum whereas the average rental for the \$3m-\$4m category was \$740 and for the over \$5m turnover category was just over \$1,000 per square metre.

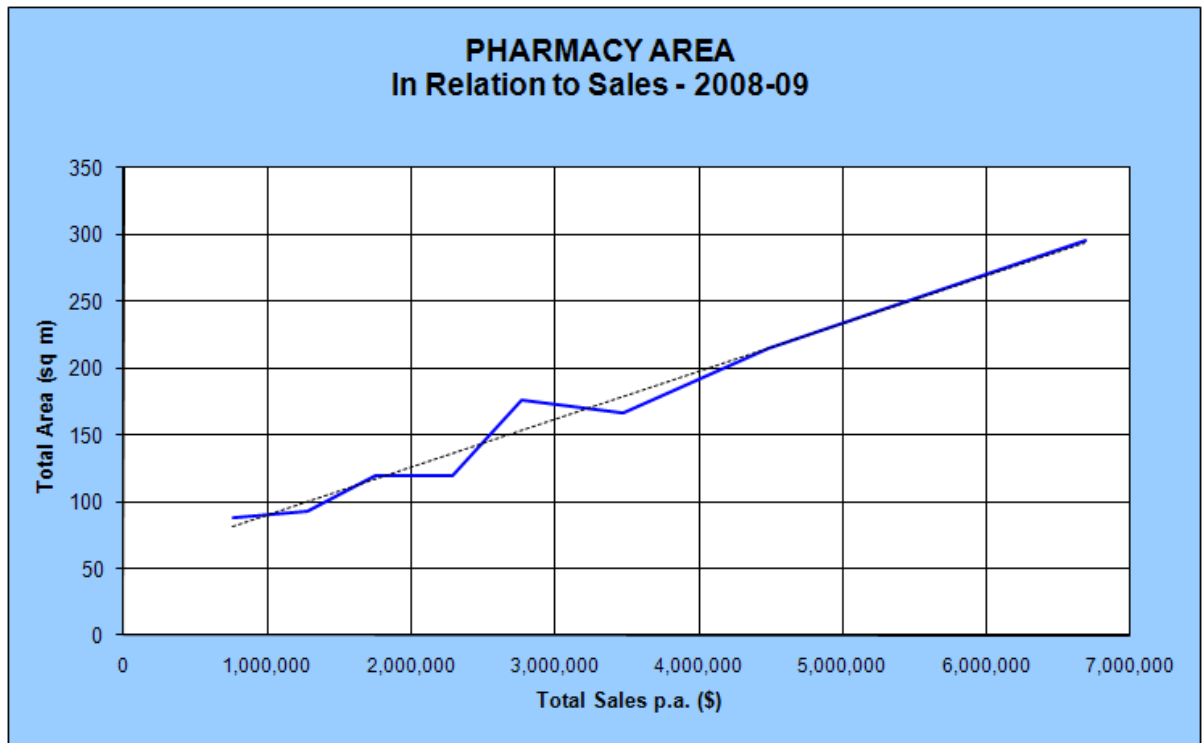
Country pharmacies generally enjoyed cheaper rents (at an average of \$601 per square metre) than their metropolitan counterparts (around \$964 per square metre).

Also of interest is the market reality that larger pharmacies, while paying high rents (particularly in large shopping centres), do not necessarily benefit from commensurate margins.

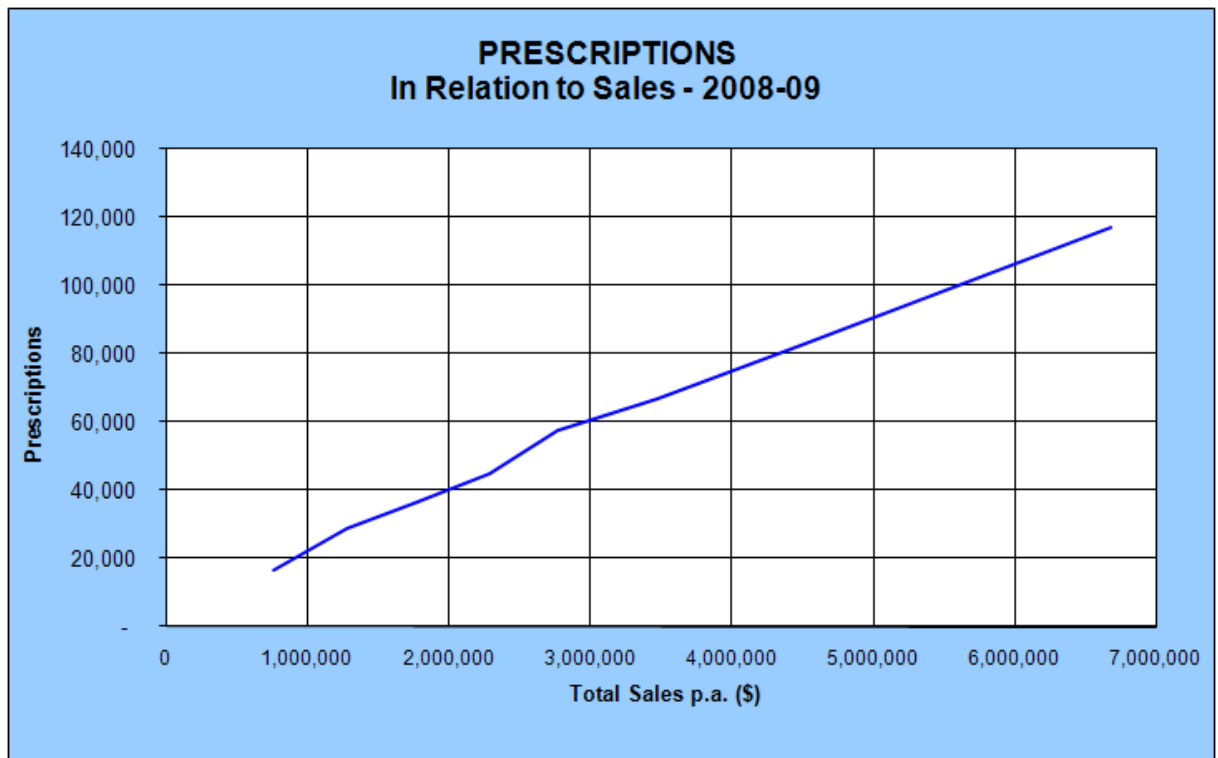
**Table 5****SUMMARY OF PRODUCTIVITY MEASURES – 2008-09**

<b>TURNOVER RANGE</b>	<b>AVERAGE TURNOVER \$</b>	<b>TURNOVER PER \$ STAFF WAGES</b>	<b>TURNOVER PER FULL TIME EQUIVALENT EMPLOYEE</b>	<b>TURNOVER PER SQ M SHOP SPACE</b>	<b>RENT \$ PER SQ M SHOP SPACE</b>
UNDER \$1,000,000	768,960	10.12	312,407	8,745	344.03
\$1,000,000 - \$1,500,000	1,299,728	9.55	414,474	14,012	416.74
\$1,500,000 - \$2,000,000	1,759,216	8.44	348,104	14,649	478.42
\$2,000,000 - \$2,500,000	2,305,847	9.45	483,381	19,179	608.80
\$2,500,000 - \$3,000,000	2,839,411	9.22	355,544	16,132	592.97
\$3,000,000 - \$4,000,000	3,511,212	8.22	356,111	21,058	740.47
\$4,000,000 - \$5,000,000	4,530,420	8.46	353,382	21,119	881.77
OVER \$5,000,000	6,737,760	8.39	364,367	22,787	1,010.31
<b>AUSTRALIA</b>					
ALL PHARMACIES - WEIGHTED	2,935,645	8.61		18,560	732.09
METROPOLITAN	3,445,591	8.69	498,144	19,648	964.51
COUNTRY	3,538,661	8.43	365,421	19,955	601.29

## Chart 2



## Chart 3



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# USER'S GUIDE TO THE GUILD DIGEST

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

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

## OPERATING PERIOD

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

The Digest can therefore be useful to identify short term trends, such as adverse margins or high inventory levels at anytime during the current period. In addition comparisons of digest results can be made at anytime after 30 June 2009 to identify any long term problems such as inappropriate locations.

## DIGEST FORMAT

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

- a) Operating results for the twelve month period summarised into various charts and tables according to turnover ranges, location and volume of prescription business;
- b) Financial position of the business at a specific point in time, ie 30 June 2009, 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.

## OPERATING STATEMENT TERMS

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

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

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

## THE BALANCE SHEET

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

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

### Assets

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

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

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

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

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

## FINANCIAL RATIOS

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

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

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

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

### *Liquidity or Short-Term Capitalisation*

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

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

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

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## **Profitability**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**AUSTRALIAN PHARMACIES – SUMMARY OF SALES VOLUME IN 2008-09**  
(Based on 12 Months of Trading to 30/06/09)

**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 \$2,500,000	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>759,584</b>		<b>1,280,877</b>		<b>1,745,017</b>		<b>2,283,419</b>	
<b>COST OF GOODS SOLD</b>	<b>509,238</b>	<b>67.04</b>	<b>823,145</b>	<b>64.26</b>	<b>1,143,416</b>	<b>65.52</b>	<b>1,497,600</b>	<b>65.59</b>
<b>GROSS MARGIN</b>	<b>250,346</b>	<b>32.96</b>	<b>457,732</b>	<b>35.74</b>	<b>601,601</b>	<b>34.48</b>	<b>785,819</b>	<b>34.41</b>
Other Income	9,376		18,851		14,199		22,427	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>259,722</b>		<b>476,583</b>		<b>615,800</b>		<b>808,246</b>	
<b>TOTAL REVENUE</b>	<b>768,960</b>	<b>100.00</b>	<b>1,299,728</b>	<b>100.00</b>	<b>1,759,216</b>	<b>100.00</b>	<b>2,305,847</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	75,954	9.88	136,143	10.47	208,387	11.85	243,977	10.58
Rent Paid	30,252	3.93	38,657	2.97	57,454	3.27	73,195	3.17
Outgoings - Rental & Rates	1,227	0.16	1,521	0.12	2,468	0.14	2,395	0.10
Accounting	4,971	0.65	4,353	0.33	7,730	0.44	14,603	0.63
Advertising	4,135	0.54	3,487	0.27	9,549	0.54	19,100	0.83
Bank Charges	1,725	0.22	4,633	0.36	3,812	0.22	6,425	0.28
Computer Expenses	5,358	0.70	5,803	0.45	6,240	0.35	5,916	0.26
Depreciation	8,713	1.13	9,282	0.71	13,139	0.75	16,713	0.72
Electricity, Water, Heating	2,220	0.29	3,331	0.26	5,243	0.30	6,234	0.27
Insurance	3,823	0.50	6,087	0.47	6,669	0.38	8,096	0.35
Interest Paid	29,767	3.87	27,069	2.08	44,435	2.53	38,356	1.66
Leasing Expenses	2,172	0.28	1,507	0.12	3,853	0.22	8,577	0.37
Motor Vehicle Expenses	1,307	0.17	3,466	0.27	2,732	0.16	6,311	0.27
Postage, Freight, Printing	2,064	0.27	3,091	0.24	4,260	0.24	6,813	0.30
Repairs, Maintenance, Service	1,726	0.22	2,392	0.18	2,768	0.16	3,677	0.16
Subs and Registrations	6,640	0.86	6,965	0.54	8,735	0.50	10,822	0.47
Superannuation	6,227	0.81	11,159	0.86	18,484	1.05	22,908	0.99
Telephone	2,158	0.28	3,046	0.23	4,049	0.23	5,535	0.24
Training	727	0.09	1,531	0.12	1,594	0.09	2,639	0.11
Abnormal Expenses	1,965	0.26	3,080	0.24	5,668	0.32	1,581	0.07
Payroll Tax	315	0.04	351.94	0.03	532	0.03	2,949	0.13
Workers' Compensation	393	0.05	745	0.06	1,092	0.06	2,094	0.09
Other Expenses	30,597	3.98	21,316	1.64	29,920	1.70	34,337	1.49
<b>TOTAL EXPENSES</b>	<b>224,435</b>	<b>29.19</b>	<b>299,016</b>	<b>23.01</b>	<b>448,811</b>	<b>25.51</b>	<b>543,252</b>	<b>23.56</b>
<b>TOTAL INCOME</b>	<b>35,286</b>	<b>4.59</b>	<b>177,567</b>	<b>13.66</b>	<b>166,989</b>	<b>9.49</b>	<b>264,995</b>	<b>11.49</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	112,797 0.83	14.67	128,919 0.94	9.92	149,331 1.10	8.49	155,174 1.21	6.73
<b>NET PROFIT/LOSS</b>	<b>-77,511</b>	<b>-10.08</b>	<b>48,648</b>	<b>3.74</b>	<b>17,659</b>	<b>1.00</b>	<b>109,821</b>	<b>4.76</b>
<b>SALES ANALYSIS</b>								
Prescriptions	583,467	76.81	993,153	77.54	1,305,957	74.84	1,729,630	75.75
Other Sales	176,117	23.19	287,724	22.46	439,059	25.16	553,789	24.25
<b>INVENTORY ANALYSIS</b>								
Prescription	34,684	4.51	47,911	3.69	61,956	3.52	71,287	3.09
Other	51,468	6.69	63,424	4.88	88,146	5.01	116,634	5.06
STOCK CARRIED (Total)	86,152	11.20	111,335	8.57	150,102	8.53	187,921	8.15
STOCK TURN (On Total Inventory)	5.91		7.39		7.62		7.97	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	16.82		20.73		21.08		24.26	
Other	3.42		4.54		4.98		4.75	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	88		93		120		120	
PRESCRIPTIONS DISPENSED (Total)	16,461		28,582		36,067		44,735	
PRESCRIPTIONS DISPENSED WEEKLY	316		548		692		858	
TOTAL HOURS OPEN per WEEK	53.6		52.5		57.3		59.0	
AV HRS WORKED BY PROPRIETORS/WEEK	31.6		35.6		41.7		45.8	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>5,444</b>	<b>0.71</b>	<b>82,285</b>	<b>6.33</b>	<b>79,063</b>	<b>4.49</b>	<b>106,690</b>	<b>4.63</b>

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

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

**AUSTRALIAN PHARMACIES – SUMMARY OF SALES VOLUME IN 2008-09**  
(Based on 12 Months of Trading to 30/06/09)

**Table 6**

	\$2,500,000 to \$3,000,000		\$3,000,000 to \$4,000,000		\$4,000,000 to \$5,000,000		Over \$5,000,000	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,762,750</b>		<b>3,468,334</b>		<b>4,481,619</b>		<b>6,681,719</b>	
<b>COST OF GOODS SOLD</b>	<b>1,834,874</b>	<b>66.41</b>	<b>2,290,431</b>	<b>66.04</b>	<b>2,953,361</b>	<b>65.90</b>	<b>4,478,094</b>	<b>67.02</b>
<b>GROSS MARGIN</b>	<b>927,876</b>	<b>33.59</b>	<b>1,177,903</b>	<b>33.96</b>	<b>1,528,258</b>	<b>34.10</b>	<b>2,203,626</b>	<b>32.98</b>
Other Income	76,661		42,878		48,801		56,041	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,004,537</b>		<b>1,220,781</b>		<b>1,577,059</b>		<b>2,259,666</b>	
<b>TOTAL REVENUE</b>	<b>2,839,411</b>	<b>100.00</b>	<b>3,511,212</b>	<b>100.00</b>	<b>4,530,420</b>	<b>100.00</b>	<b>6,737,760</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	307,801	10.84	426,930	12.16	535,366	11.82	803,504	11.93
Rent Paid	104,371	3.68	123,465	3.52	189,151	4.18	298,729	4.43
Outgoings - Rental & Rates	3,356	0.12	5,616	0.16	5,975	0.13	10,076	0.15
Accounting	10,447	0.37	13,076	0.37	11,624	0.26	22,694	0.34
Advertising	21,420	0.75	33,817	0.96	39,135	0.86	81,547	1.21
Bank Charges	9,048	0.32	7,491	0.21	13,735	0.30	18,323	0.27
Computer Expenses	6,904	0.24	8,852	0.25	9,555	0.21	10,779	0.16
Depreciation	27,233	0.96	25,611	0.73	38,449	0.85	62,052	0.92
Electricity, Water, Heating	7,169	0.25	11,009	0.31	12,806	0.28	16,876	0.25
Insurance	8,051	0.28	9,840	0.28	10,214	0.23	15,273	0.23
Interest Paid	48,935	1.72	77,824	2.22	59,939	1.32	137,624	2.04
Leasing Expenses	10,498	0.37	11,160	0.32	12,895	0.28	20,473	0.30
Motor Vehicle Expenses	5,120	0.18	4,080	0.12	5,079	0.11	6,594	0.10
Postage, Freight, Printing	9,163	0.32	18,799	0.54	12,862	0.28	20,768	0.31
Repairs, Maintenance, Service	4,037	0.14	6,287	0.18	5,567	0.12	8,826	0.13
Subs and Registrations	13,830	0.49	11,428	0.33	12,721	0.28	12,980	0.19
Superannuation	30,214	1.06	37,194	1.06	44,941	0.99	80,238	1.19
Telephone	6,074	0.21	6,366	0.18	9,011	0.20	12,215	0.18
Training	2,894	0.10	5,828	0.17	5,532	0.12	8,628	0.13
Abnormal Expenses	9,312	0.33	1,878	0.05	8,362	0.18	7,441	0.11
Payroll Tax	2,745	0.10	4,318	0.12	7,435	0.16	19,865	0.29
Workers' Compensation	2,913	0.10	2,973	0.08	3,556	0.08	6,730	0.10
Other Expenses	48,651	1.71	60,844	1.73	75,017	1.66	120,601	1.79
<b>TOTAL EXPENSES</b>	<b>700,186</b>	<b>24.66</b>	<b>914,685</b>	<b>26.05</b>	<b>1,128,927</b>	<b>24.92</b>	<b>1,802,836</b>	<b>26.76</b>
<b>TOTAL INCOME</b>	<b>304,350</b>	<b>10.72</b>	<b>306,096</b>	<b>8.72</b>	<b>448,132</b>	<b>9.89</b>	<b>456,830</b>	<b>6.78</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	172,297 1.27	6.07	160,743 1.19	4.58	192,539 1.44	4.25	250,238 1.96	3.71
<b>NET PROFIT/LOSS</b>	<b>132,054</b>	<b>4.65</b>	<b>145,352</b>	<b>4.14</b>	<b>255,593</b>	<b>5.64</b>	<b>206,592</b>	<b>3.07</b>
<b>SALES ANALYSIS</b>								
Prescriptions	1,926,852	69.74	2,427,643	69.99	3,082,750	68.79	4,273,343	63.96
Other Sales	835,898	30.26	1,040,691	30.01	1,398,869	31.21	2,408,376	36.04
<b>INVENTORY ANALYSIS</b>								
Prescription	84,044	2.96	99,147	2.82	132,123	2.92	181,215	2.69
Other	132,398	4.66	186,032	5.30	240,185	5.30	368,095	5.46
<b>STOCK CARRIED (Total)</b>	<b>216,442</b>	<b>7.62</b>	<b>285,180</b>	<b>8.12</b>	<b>372,309</b>	<b>8.22</b>	<b>549,311</b>	<b>8.15</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>8.48</b>		<b>8.03</b>		<b>7.93</b>		<b>8.15</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	22.93		24.49		23.33		23.58	
Other	6.31		5.59		5.82		6.54	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	176		167		215		296	
PRESCRIPTIONS DISPENSED (Total)	57,578		66,879		82,372		116,901	
PRESCRIPTIONS DISPENSED WEEKLY	1,104		1,283		1,580		2,242	
TOTAL HOURS OPEN per WEEK	59.8		63.3		63.4		62.5	
AV HRS WORKED BY PROPRIETORS/WEEK	48.2		45.4		54.9		74.7	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>117,233</b>	<b>4.13</b>	<b>179,275</b>	<b>5.11</b>	<b>200,464</b>	<b>4.42</b>	<b>290,474</b>	<b>4.31</b>

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

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



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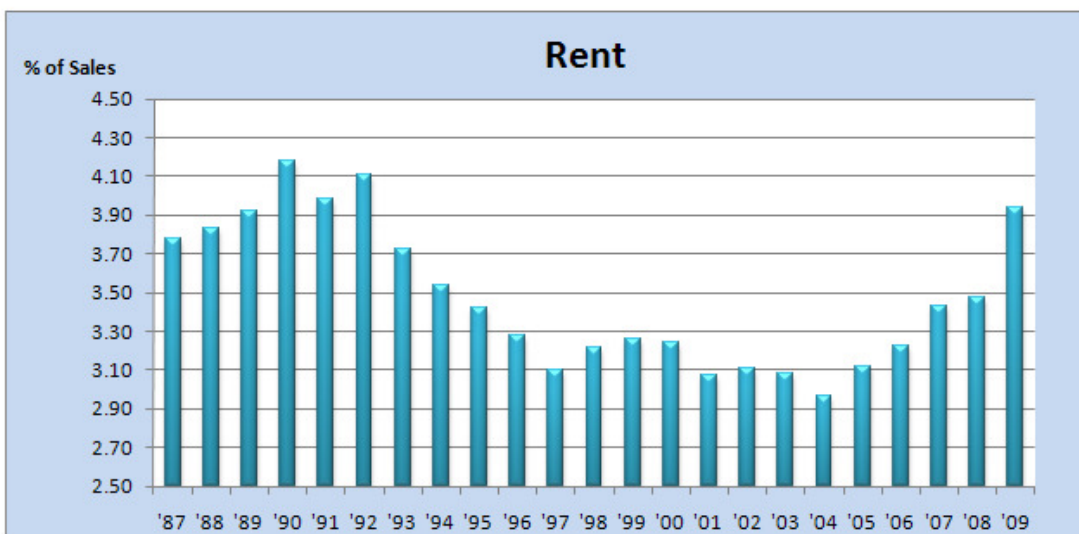
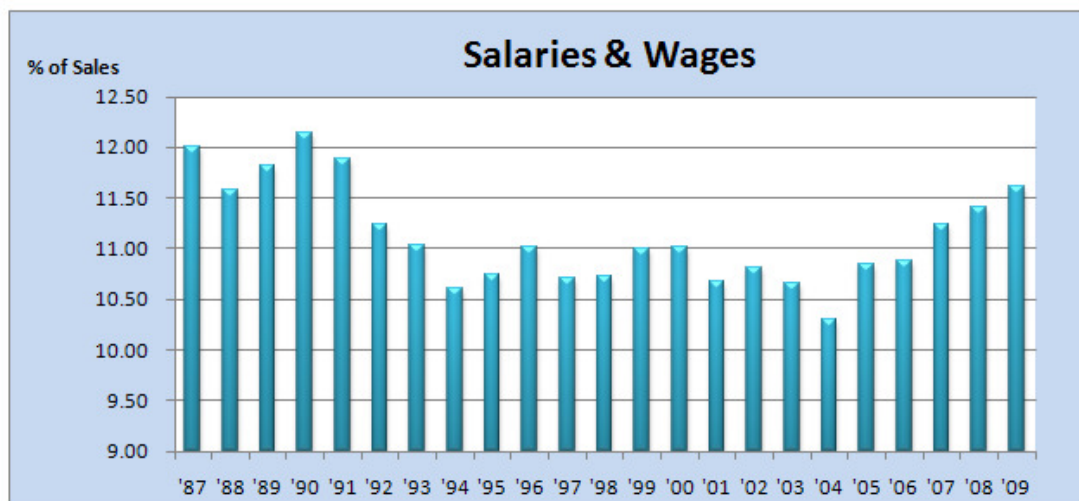
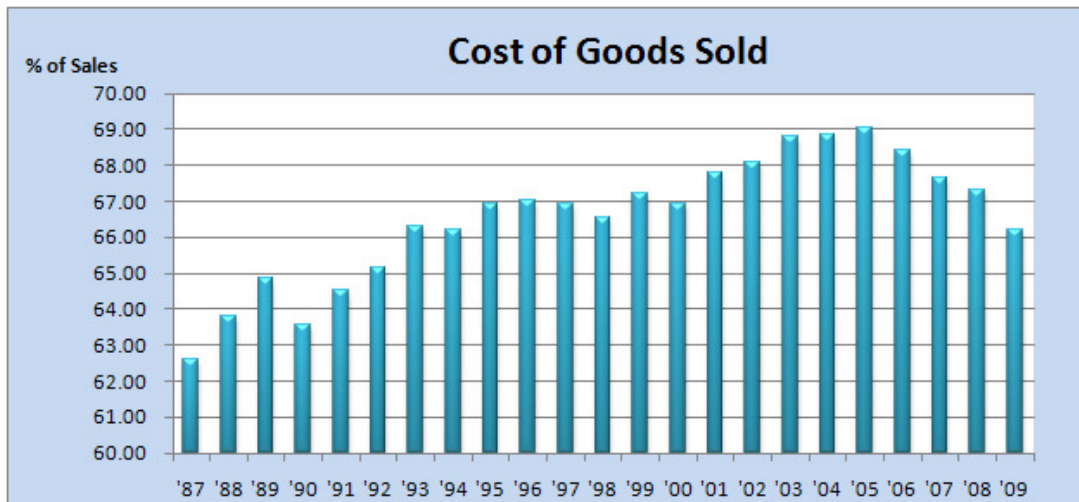
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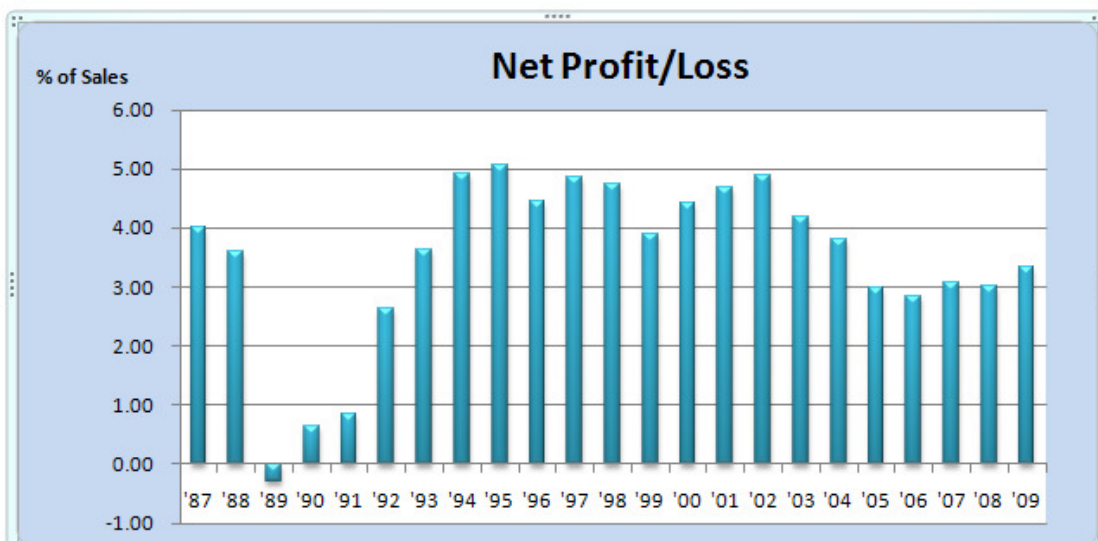
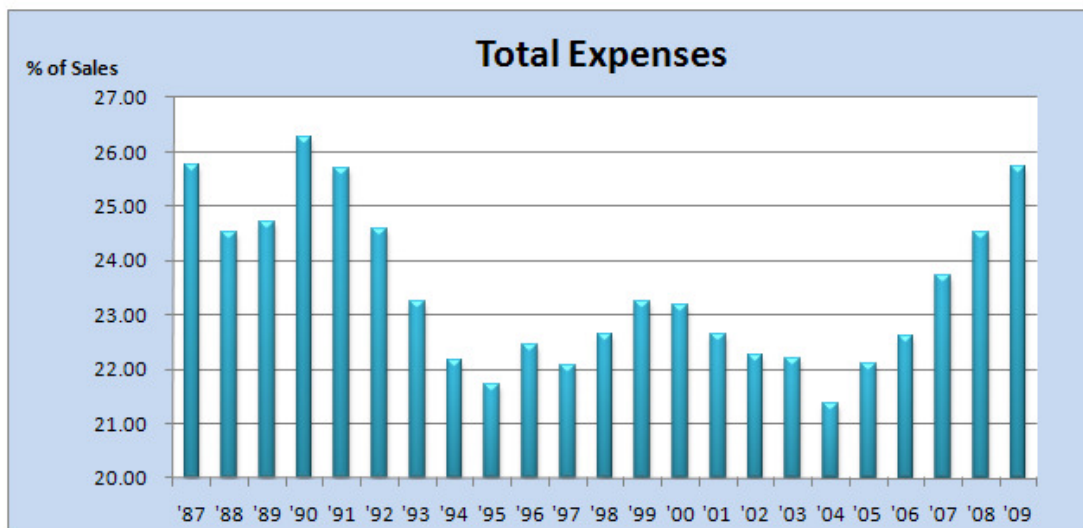
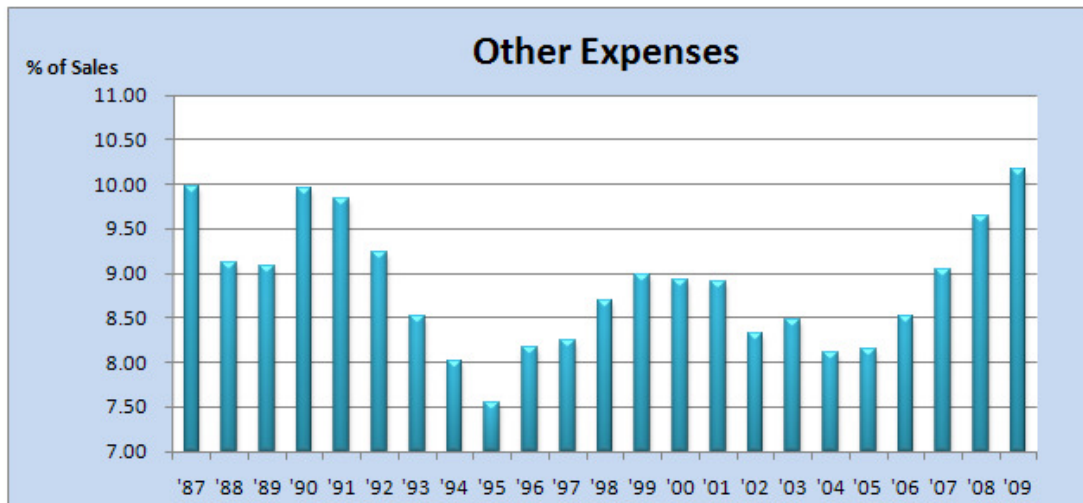
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# Chart 4

## Trends in Pharmacy Operations, 1987 – 2009



**Chart 4** (continued)



**COMPARISON OF PERFORMANCE – METRO v COUNTRY & BANNER GROUP**  
(Based on 12 Months of Trading to 30/06/09)

**Table 7**

	Metro		Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>								
<b>SALES</b>	<b>3,403,480</b>		<b>3,502,020</b>		<b>4,105,367</b>		<b>2,439,057</b>	
<b>COST OF GOODS SOLD</b>	<b>2,281,036</b>	<b>67.02</b>	<b>2,296,534</b>	<b>65.58</b>	<b>2,750,885</b>	<b>67.01</b>	<b>1,612,425</b>	<b>66.11</b>
<b>GROSS MARGIN</b>	<b>1,122,444</b>	<b>32.98</b>	<b>1,205,486</b>	<b>34.42</b>	<b>1,354,482</b>	<b>32.99</b>	<b>826,632</b>	<b>33.89</b>
Other Income	42,111		36,641		48,258		32,605	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,164,555</b>		<b>1,242,127</b>		<b>1,402,740</b>		<b>859,237</b>	
<b>TOTAL REVENUE</b>	<b>3,445,591</b>	<b>100.00</b>	<b>3,538,661</b>	<b>100.00</b>	<b>4,153,625</b>	<b>100.00</b>	<b>2,471,662</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	396,304	11.50	419,849	11.86	477,614	11.50	266,976	10.80
Rent Paid	169,142	4.91	106,627	3.01	184,701	4.45	75,868	3.07
Outgoings - Rental & Rates	4,702	0.14	5,145	0.15	5,229	0.13	1,287	0.05
Accounting	12,454	0.36	12,573	0.36	12,595	0.30	8,955	0.36
Advertising	30,826	0.89	35,617	1.01	42,277	1.02	9,675	0.39
Bank Charges	9,381	0.27	9,527	0.27	13,010	0.31	5,413	0.22
Computer Expenses	7,900	0.23	8,114	0.23	10,367	0.25	7,342	0.30
Depreciation	25,672	0.75	33,276	0.94	32,898	0.79	17,345	0.70
Electricity, Water, Heating	8,472	0.25	10,586	0.30	11,829	0.28	5,666	0.23
Insurance	9,691	0.28	9,262	0.26	10,861	0.26	8,026	0.32
Interest Paid	73,884	2.14	61,847	1.75	83,136	2.00	51,411	2.08
Leasing Expenses	9,644	0.28	11,158	0.32	13,172	0.32	4,854	0.20
Motor Vehicle Expenses	4,390	0.13	4,894	0.14	5,056	0.12	4,573	0.19
Postage, Freight, Printing	9,226	0.27	14,404	0.41	10,007	0.24	6,601	0.27
Repairs, Maintenance, Service	4,406	0.13	5,775	0.16	6,672	0.16	3,391	0.14
Subs and Registrations	8,899	0.26	12,984	0.37	11,746	0.28	9,927	0.40
Superannuation	38,862	1.13	36,845	1.04	44,552	1.07	26,768	1.08
Telephone	6,288	0.18	7,468	0.21	7,651	0.18	4,923	0.20
Training	3,421	0.10	5,510	0.16	4,323	0.10	2,298	0.09
Abnormal Expenses	4,976	0.14	5,252	0.15	9,609	0.23	1,659	0.07
Payroll Tax	5,942	0.17	6,806	0.19	8,416	0.20	1,610	0.07
Workers' Compensation	3,891	0.11	2,265	0.06	3,732	0.09	2,488	0.10
Other Expenses	65,624	1.90	56,104	1.59	79,337	1.91	51,813	2.10
<b>TOTAL EXPENSES</b>	<b>913,997</b>	<b>26.53</b>	<b>881,887</b>	<b>24.92</b>	<b>1,088,790</b>	<b>26.21</b>	<b>578,868</b>	<b>23.42</b>
<b>TOTAL INCOME</b>	<b>250,558</b>	<b>7.27</b>	<b>360,239</b>	<b>10.18</b>	<b>313,950</b>	<b>7.56</b>	<b>280,368</b>	<b>11.34</b>
Less Proprietors' Salary (1)	168,512	4.89	182,699	5.16	170,777	4.11	154,531	6.25
[ Full-Time-Equivalents ]	1.25		1.40		1.30		1.13	
<b>NET PROFIT/LOSS</b>	<b>82,045</b>	<b>2.38</b>	<b>177,540</b>	<b>5.02</b>	<b>143,173</b>	<b>3.45</b>	<b>125,837</b>	<b>5.09</b>
<b>SALES ANALYSIS</b>								
Prescriptions	2,340,712	68.77	2,393,486	68.35	2,777,447	67.65	1,788,735	73.34
Other Sales	1,062,767	31.23	1,108,534	31.65	1,327,920	32.35	650,322	26.66
<b>INVENTORY ANALYSIS</b>								
Prescription	104,183	3.02	99,507	2.81	131,171	3.16	75,144	3.04
Other	169,949	4.93	198,427	5.61	219,765	5.29	107,263	4.34
STOCK CARRIED (Total)	274,131	7.96	297,935	8.42	350,936	8.45	182,408	7.38
STOCK TURN (On Total Inventory)	8.32		7.71		7.84		8.84	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	22.47		24.05		21.17		23.80	
Other	6.25		5.59		6.04		6.06	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	175		177		235		137	
PRESCRIPTIONS DISPENSED (Total)	63,423		66,549		75,355		49,401	
PRESCRIPTIONS DISPENSED WEEKLY	1,216		1,276		1,445		947	
TOTAL HOURS OPEN per WEEK	61.69		58.14		62.42		58.29	
AV HRS WORKED BY PROPRIETORS/WEEK	47.45		53.36		49.30		42.91	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>118,701</b>	<b>3.45</b>	<b>198,027</b>	<b>5.60</b>	<b>98,130</b>	<b>2.36</b>	<b>123,759</b>	<b>5.01</b>

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

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

**COMPARISON OF PERFORMANCE – LOCATION & TYPE OF PHARMACY**  
(Based on 12 Months of Trading to 30/06/09)

**Table 8**

	Shopping Centre		Strip or Isolated		Medical Centre		Servicing Nursing Homes (50+ beds)	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,798,026</b>		<b>3,075,736</b>		<b>2,074,777</b>		<b>4,355,080</b>	
<b>COST OF GOODS SOLD</b>	<b>2,551,257</b>	<b>67.17</b>	<b>2,044,243</b>	<b>66.46</b>	<b>1,354,759</b>	<b>65.30</b>	<b>2,843,944</b>	<b>65.30</b>
<b>GROSS MARGIN</b>	<b>1,246,770</b>	<b>32.83</b>	<b>1,031,493</b>	<b>33.54</b>	<b>720,018</b>	<b>34.70</b>	<b>1,511,136</b>	<b>34.70</b>
Other Income	46,422		41,057		10,292		64,179	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,293,192</b>		<b>1,072,550</b>		<b>730,310</b>		<b>1,575,315</b>	
<b>TOTAL REVENUE</b>	<b>3,844,449</b>	<b>100.00</b>	<b>3,116,793</b>	<b>100.00</b>	<b>2,085,069</b>	<b>100.00</b>	<b>4,419,259</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	431,850	11.23	356,977	11.45	243,254	11.67	588,705	13.32
Rent Paid	216,289	5.63	72,598	2.33	61,975	2.97	65,817	1.49
Outgoings - Rental & Rates	5,256	0.14	2,492	0.08	1,627	0.08	4,508	0.10
Accounting	13,590	0.35	10,037	0.32	6,217	0.30	11,828	0.27
Advertising	34,175	0.89	21,696	0.70	8,559	0.41	41,510	0.94
Bank Charges	12,225	0.32	7,222	0.23	6,164	0.30	8,544	0.19
Computer Expenses	9,065	0.24	8,716	0.28	6,873	0.33	13,613	0.31
Depreciation	31,577	0.82	20,182	0.65	15,155	0.73	32,609	0.74
Electricity, Water, Heating	9,766	0.25	8,105	0.26	3,959	0.19	12,758	0.29
Insurance	9,564	0.25	10,364	0.33	6,128	0.29	11,495	0.26
Interest Paid	80,082	2.08	46,817	1.50	26,738	1.28	58,466	1.32
Leasing Expenses	14,895	0.39	6,987	0.22	1,190	0.06	2,673	0.06
Motor Vehicle Expenses	4,869	0.13	5,227	0.17	6,063	0.29	11,298	0.26
Postage, Freight, Printing	6,852	0.18	10,437	0.33	11,949	0.57	19,666	0.45
Repairs, Maintenance, Service	5,341	0.14	5,153	0.17	4,483	0.22	8,333	0.19
Subs and Registrations	9,482	0.25	10,709	0.34	6,274	0.30	12,147	0.27
Superannuation	43,085	1.12	33,693	1.08	24,229	1.16	62,339	1.41
Telephone	7,016	0.18	6,101	0.20	4,384	0.21	8,528	0.19
Training	3,265	0.08	3,528	0.11	2,850	0.14	5,816	0.13
Abnormal Expenses	11,399	0.30	1,551	0.05	14,110	0.68	5,950	0.13
Payroll Tax	7,576	0.20	4,241	0.14	1,257	0.06	10,652	0.24
Workers' Compensation	4,268	0.11	2,978	0.10	588	0.03	3,847	0.09
Other Expenses	83,413	2.17	44,169	1.42	43,505	2.09	33,512	0.76
<b>TOTAL EXPENSES</b>	<b>1,054,901</b>	<b>27.44</b>	<b>699,982</b>	<b>22.46</b>	<b>507,529</b>	<b>24.34</b>	<b>1,034,615</b>	<b>23.41</b>
<b>TOTAL INCOME</b>	<b>238,291</b>	<b>6.20</b>	<b>372,568</b>	<b>11.95</b>	<b>222,781</b>	<b>10.68</b>	<b>540,699</b>	<b>12.24</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	156,944 1.20	4.08	157,275 1.15	5.05	179,109 1.16	8.59	156,711 1.18	3.55
<b>NET PROFIT/LOSS</b>	<b>81,348</b>	<b>2.12</b>	<b>215,293</b>	<b>6.91</b>	<b>43,672</b>	<b>2.09</b>	<b>383,988</b>	<b>8.69</b>
<b>SALES ANALYSIS</b>								
Prescriptions	2,557,199	67.33	2,166,105	70.43	1,852,309	89.28	3,162,998	72.63
Other Sales	1,240,827	32.67	909,631	29.57	222,468	10.72	1,192,082	27.37
<b>INVENTORY ANALYSIS</b>								
Prescription	125,269	3.26	91,593	2.94	58,396	2.80	108,512	2.46
Other	201,307	5.24	147,270	4.73	53,286	2.56	214,304	4.85
STOCK CARRIED (Total)	326,576	8.49	238,863	7.66	111,682	5.36	322,816	7.30
STOCK TURN (On Total Inventory)	7.81		8.56		12.13		8.81	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	20.41		23.65		31.72		29.15	
Other	6.16		6.18		4.17		5.56	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	214		176		67		243	
PRESCRIPTIONS DISPENSED (Total)	69,241		59,360		46,682		91,853	
PRESCRIPTIONS DISPENSED WEEKLY	1,328		1,138		895		1,762	
TOTAL HOURS OPEN per WEEK	61.4		58.3		61.2		54.8	
AV HRS WORKED BY PROPRIETORS/WEEK	45.5		43.8		44.1		44.9	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>76,908</b>	<b>2.00</b>	<b>183,061</b>	<b>5.87</b>	<b>45,337</b>	<b>2.17</b>	<b>270,078</b>	<b>6.11</b>

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

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

**NSW PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/09)

**Table 9**

	State Averages Weighted		Metro		Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>3,293,086</b>		<b>3,624,241</b>		<b>3,746,557</b>		<b>4,834,944</b>		<b>2,776,933</b>	
<b>COST OF GOODS SOLD</b>	<b>2,218,220</b>	<b>67.36</b>	<b>2,446,354</b>	<b>67.50</b>	<b>2,511,233</b>	<b>67.03</b>	<b>3,302,106</b>	<b>68.30</b>	<b>1,864,552</b>	<b>67.14</b>
<b>GROSS MARGIN</b>	<b>1,074,866</b>	<b>32.64</b>	<b>1,177,887</b>	<b>32.50</b>	<b>1,235,324</b>	<b>32.97</b>	<b>1,532,838</b>	<b>31.70</b>	<b>912,381</b>	<b>32.86</b>
Other Income	41,990		49,673		45,279		65,929		39,211	
<b>GROSS MARGIN PLUS OTHER INCOMES</b>	<b>1,116,857</b>		<b>1,227,560</b>		<b>1,280,603</b>		<b>1,598,766</b>		<b>951,592</b>	
<b>TOTAL REVENUE</b>	<b>3,335,077</b>	<b>100.00</b>	<b>3,673,914</b>	<b>100.00</b>	<b>3,791,836</b>	<b>100.00</b>	<b>4,900,873</b>	<b>100.00</b>	<b>2,816,144</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	381,834	11.45	415,083	11.30	451,523	11.91	567,579	11.58	312,069	11.08
Rent Paid	159,801	4.79	199,683	5.44	91,949	2.42	278,052	5.67	87,310	3.10
Outgoings - Rental & Rates	4,022	0.12	4,581	0.12	4,634	0.12	5,004	0.10	707	0.03
Accounting	11,735	0.35	12,186	0.33	14,317	0.38	13,070	0.27	11,165	0.40
Advertising	25,403	0.76	27,065	0.74	37,953	1.00	46,279	0.94	11,935	0.42
Bank Charges	9,379	0.28	9,218	0.25	14,283	0.38	18,083	0.37	6,146	0.22
Computer Expenses	6,980	0.21	7,352	0.20	7,018	0.19	9,122	0.19	7,175	0.25
Depreciation	31,440	0.94	30,767	0.84	40,630	1.07	42,489	0.87	21,998	0.78
Electricity, Water, Heating	7,711	0.23	7,790	0.21	9,415	0.25	11,413	0.23	5,813	0.21
Insurance	10,959	0.33	11,698	0.32	11,941	0.31	14,089	0.29	10,242	0.36
Interest Paid	64,604	1.94	82,118	2.24	42,291	1.12	102,081	2.08	52,662	1.87
Leasing Expenses	11,974	0.36	13,529	0.37	15,983	0.42	28,916	0.59	7,857	0.28
Motor Vehicle Expenses	5,106	0.15	5,137	0.14	7,248	0.19	4,542	0.09	5,630	0.20
Postage, Freight, Printing	7,996	0.24	7,664	0.21	11,805	0.31	7,940	0.16	7,903	0.28
Repairs, Maintenance, Service	4,491	0.13	4,122	0.11	6,995	0.18	6,845	0.14	3,939	0.14
Subs and Registrations	9,089	0.27	8,874	0.24	11,589	0.31	7,974	0.16	9,758	0.35
Superannuation	36,868	1.11	42,405	1.15	43,350	1.14	56,523	1.15	33,295	1.18
Telephone	6,264	0.19	6,639	0.18	7,771	0.20	8,794	0.18	5,591	0.20
Training	2,879	0.09	2,623	0.07	4,392	0.12	2,999	0.06	2,432	0.09
Abnormal Expenses	1,406	0.04	1,813	0.05	1,200	0.03	2,073	0.04	1,129	0.04
Payroll Tax	5,653	0.17	6,635	0.18	7,084	0.19	12,641	0.26	2,375	0.08
Workers' Compensation	4,778	0.14	5,618	0.15	4,485	0.12	7,111	0.15	3,625	0.13
Other Expenses	72,150	2.16	88,978	2.42	52,489	1.38	138,854	2.83	51,108	1.81
<b>TOTAL EXPENSES</b>	<b>882,521</b>	<b>26.46</b>	<b>1,001,578</b>	<b>27.26</b>	<b>900,342</b>	<b>23.74</b>	<b>1,392,473</b>	<b>28.41</b>	<b>661,865</b>	<b>23.50</b>
<b>TOTAL INCOME</b>	<b>234,335</b>	<b>7.03</b>	<b>225,982</b>	<b>6.15</b>	<b>380,260</b>	<b>10.03</b>	<b>206,293</b>	<b>4.21</b>	<b>289,727</b>	<b>10.29</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	148,883 1.11	4.46	159,958 1.19	4.35	159,751 1.22	4.21	162,930 1.23	3.32	145,567 1.08	5.17
<b>NET PROFIT/LOSS</b>	<b>85,452</b>	<b>2.56</b>	<b>66,025</b>	<b>1.80</b>	<b>220,509</b>	<b>5.82</b>	<b>43,364</b>	<b>0.88</b>	<b>144,159</b>	<b>5.12</b>
<b>SALES ANALYSIS</b>										
Prescriptions	2,243,001	68.11	2,492,533	68.77	2,505,104	66.86	3,229,905	66.80	2,024,252	72.90
Other Sales	1,050,086	31.89	1,131,708	31.23	1,241,453	33.14	1,605,040	33.20	752,681	27.10
<b>INVENTORY ANALYSIS</b>										
Prescription	103,734	3.11	117,034	3.19	100,548	2.65	164,754	3.36	84,726	3.01
Other	163,988	4.92	171,675	4.67	193,784	5.11	232,534	4.74	122,420	4.35
<b>STOCK CARRIED (Total)</b>	<b>267,722</b>	<b>8.03</b>	<b>288,709</b>	<b>7.86</b>	<b>294,332</b>	<b>7.76</b>	<b>397,288</b>	<b>8.11</b>	<b>207,146</b>	<b>7.36</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>8.29</b>		<b>8.47</b>		<b>8.53</b>		<b>8.31</b>		<b>9.00</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	21.62		21.30		24.91		19.60		23.89	
Other	6.40		6.59		6.41		6.90		6.15	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	176		188		183		255		146	
PRESCRIPTIONS DISPENSED (Total)	58,666		66,793		64,721		82,643		54,902	
PRESCRIPTIONS DISPENSED WEEKLY	1,125		1,281		1,241		1,585		1,053	
TOTAL HOURS OPEN per WEEK	59.1		61.9		54.0		64.0		57.1	
AV HRS WORKED BY PROPRIETORS/WEEK	42.3		45.4		46.5		46.9		41.2	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>115,515</b>	<b>3.46</b>	<b>115,078</b>	<b>3.13</b>	<b>217,412</b>	<b>5.73</b>	<b>50,702</b>	<b>1.03</b>	<b>172,103</b>	<b>6.11</b>

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

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

**VICTORIAN PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/09)

**Table 10**

	State Averages Weighted		Metro		Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>3,308,959</b>		<b>3,435,880</b>		<b>3,274,135</b>		<b>3,723,395</b>		<b>2,219,882</b>	
<b>COST OF GOODS SOLD</b>	<b>2,183,039</b>	<b>65.97</b>	<b>2,282,292</b>	<b>66.43</b>	<b>2,189,749</b>	<b>66.88</b>	<b>2,471,318</b>	<b>66.37</b>	<b>1,458,458</b>	<b>65.70</b>
<b>GROSS MARGIN</b>	<b>1,125,919</b>	<b>34.03</b>	<b>1,153,588</b>	<b>33.57</b>	<b>1,084,386</b>	<b>33.12</b>	<b>1,252,077</b>	<b>33.63</b>	<b>761,424</b>	<b>34.30</b>
Other Income	25,461		31,892		38,689		37,069		18,486	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,151,381</b>		<b>1,185,480</b>		<b>1,123,075</b>		<b>1,289,146</b>		<b>779,910</b>	
<b>TOTAL REVENUE</b>	<b>3,334,420</b>	<b>100.00</b>	<b>3,467,772</b>	<b>100.00</b>	<b>3,312,824</b>	<b>100.00</b>	<b>3,760,464</b>	<b>100.00</b>	<b>2,238,368</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	374,325	11.23	411,595	11.87	376,510	11.37	428,878	11.40	227,340	10.16
Rent Paid	74,482	2.23	109,127	3.15	45,455	1.37	55,168	1.47	39,439	1.76
Outgoings - Rental & Rates	5,061	0.15	6,593	0.19	4,014	0.12	3,427	0.09	2,107	0.09
Accounting	9,923	0.30	15,201	0.44	8,528	0.26	8,560	0.23	10,491	0.47
Advertising	34,747	1.04	34,082	0.98	41,336	1.25	38,301	1.02	5,807	0.26
Bank Charges	6,283	0.19	6,421	0.19	7,487	0.23	7,089	0.19	3,434	0.15
Computer Expenses	8,308	0.25	7,072	0.20	9,474	0.29	10,524	0.28	7,767	0.35
Depreciation	21,175	0.64	20,180	0.58	22,438	0.68	26,343	0.70	6,325	0.28
Electricity, Water, Heating	9,094	0.27	9,812	0.28	8,003	0.24	11,791	0.31	4,084	0.18
Insurance	7,655	0.23	8,501	0.25	7,304	0.22	8,765	0.23	6,688	0.30
Interest Paid	31,657	0.95	36,039	1.04	45,679	1.38	24,721	0.66	5,451	0.24
Leasing Expenses	8,185	0.25	8,624	0.25	1,400	0.04	3,431	0.09	2,456	0.11
Motor Vehicle Expenses	5,756	0.17	5,414	0.16	7,935	0.24	9,101	0.24	4,785	0.21
Postage, Freight, Printing	17,637	0.53	18,184	0.52	15,654	0.47	15,389	0.41	15,037	0.67
Repairs, Maintenance, Service	5,828	0.17	5,544	0.16	4,627	0.14	8,636	0.23	3,183	0.14
Subs and Registrations	11,747	0.35	11,121	0.32	11,468	0.35	15,216	0.40	10,258	0.46
Superannuation	38,784	1.16	44,505	1.28	40,480	1.22	45,876	1.22	27,400	1.22
Telephone	6,406	0.19	6,214	0.18	6,355	0.19	5,767	0.15	5,172	0.23
Training	4,799	0.14	4,929	0.14	4,896	0.15	5,825	0.15	1,525	0.07
Abnormal Expenses	2,273	0.07	1,303	0.04	10,993	0.33	2,320	0.06	974	0.04
Payroll Tax	6,708	0.20	8,821	0.25	3,927	0.12	8,621	0.23	-	0.00
Workers' Compensation	1,645	0.05	1,914	0.06	1,980	0.06	2,427	0.06	785	0.04
Other Expenses	35,986	1.08	27,529	0.79	21,626	0.65	19,290	0.51	5,733	0.26
<b>TOTAL EXPENSES</b>	<b>728,464</b>	<b>21.85</b>	<b>808,725</b>	<b>23.32</b>	<b>707,571</b>	<b>21.36</b>	<b>765,464</b>	<b>20.36</b>	<b>396,241</b>	<b>17.70</b>
<b>TOTAL INCOME</b>	<b>422,916</b>	<b>12.68</b>	<b>376,755</b>	<b>10.86</b>	<b>415,504</b>	<b>12.54</b>	<b>523,681</b>	<b>13.93</b>	<b>383,669</b>	<b>17.14</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	168,968 1.23	5.07	175,920 1.26	5.07	155,696 1.27	4.70	169,563 1.29	4.51	132,248 0.86	5.91
<b>NET PROFIT/LOSS</b>	<b>253,949</b>	<b>7.62</b>	<b>200,835</b>	<b>5.79</b>	<b>259,808</b>	<b>7.84</b>	<b>354,118</b>	<b>9.42</b>	<b>251,421</b>	<b>11.23</b>
<b>SALES ANALYSIS</b>										
Prescriptions	2,382,635	72.01	2,484,249	72.30	2,445,379	74.69	2,823,840	75.84	1,565,259	70.51
Other Sales	926,324	27.99	951,631	27.70	828,756	25.31	899,555	24.16	654,624	29.49
<b>INVENTORY ANALYSIS</b>										
Prescription	88,761	2.66	86,083	2.48	88,790	2.68	93,924	2.50	66,902	2.99
Other	162,418	4.87	150,923	4.35	144,094	4.35	164,511	4.37	74,015	3.31
<b>STOCK CARRIED (Total)</b>	<b>251,179</b>	<b>7.53</b>	<b>237,006</b>	<b>6.83</b>	<b>232,884</b>	<b>7.03</b>	<b>258,435</b>	<b>6.87</b>	<b>140,916</b>	<b>6.30</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>8.69</b>		<b>9.63</b>		<b>9.40</b>		<b>9.56</b>		<b>10.35</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	26.84		28.86		27.54		30.07		23.40	
Other	5.70		6.31		5.75		5.47		8.84	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	151		151		199		208		135	
PRESCRIPTIONS DISPENSED (Total)	66,723		70,763		68,803		79,701		45,180	
PRESCRIPTIONS DISPENSED WEEKLY	1,280		1,357		1,320		1,529		866	
TOTAL HOURS OPEN per WEEK	54.8		56.5		53.3		52.8		53.5	
AV HRS WORKED BY PROPRIETORS/WEEK	46.8		48.0		48.1		48.9		32.5	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>240,472</b>	<b>7.21</b>	<b>251,418</b>	<b>7.25</b>	<b>55,002</b>	<b>1.66</b>	<b>186,362</b>	<b>4.96</b>	<b>175,080</b>	<b>7.82</b>

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

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

**QUEENSLAND PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/09)

**Table 11**

	State Averages Weighted		Metro		Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>2,473,294</b>		<b>2,941,973</b>		<b>3,105,825</b>		<b>3,528,214</b>		<b>2,159,010</b>	
<b>COST OF GOODS SOLD</b>	<b>1,625,505</b>	<b>65.72</b>	<b>1,956,994</b>	<b>66.52</b>	<b>2,037,554</b>	<b>65.60</b>	<b>2,366,483</b>	<b>67.07</b>	<b>1,394,963</b>	<b>64.61</b>
<b>GROSS MARGIN</b>	<b>847,788</b>	<b>34.28</b>	<b>984,979</b>	<b>33.48</b>	<b>1,068,272</b>	<b>34.40</b>	<b>1,161,731</b>	<b>32.93</b>	<b>764,047</b>	<b>35.39</b>
Other Income	30,156		36,678		34,421		29,495		31,851	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>877,944</b>		<b>1,021,657</b>		<b>1,102,692</b>		<b>1,191,226</b>		<b>795,898</b>	
<b>TOTAL REVENUE</b>	<b>2,503,450</b>	<b>100.00</b>	<b>2,978,651</b>	<b>100.00</b>	<b>3,140,246</b>	<b>100.00</b>	<b>3,557,708</b>	<b>100.00</b>	<b>2,190,861</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	297,829	11.90	363,414	12.20	370,752	11.81	400,183	11.25	231,061	10.55
Rent Paid	102,993	4.11	140,970	4.73	121,941	3.88	155,149	4.36	78,272	3.57
Outgoings - Rental & Rates	3,760	0.15	2,747	0.09	4,545	0.14	5,643	0.16	1,199	0.05
Accounting	10,028	0.40	8,006	0.27	12,930	0.41	7,850	0.22	5,721	0.26
Advertising	23,593	0.94	32,645	1.10	30,238	0.96	37,248	1.05	8,198	0.37
Bank Charges	7,549	0.30	9,904	0.33	8,356	0.27	10,827	0.30	5,530	0.25
Computer Expenses	6,313	0.25	5,578	0.19	7,206	0.23	7,879	0.22	7,475	0.34
Depreciation	24,347	0.97	21,569	0.72	31,900	1.02	34,152	0.96	16,772	0.77
Electricity, Water, Heating	8,259	0.33	8,659	0.29	10,772	0.34	12,768	0.36	6,351	0.29
Insurance	6,341	0.25	5,499	0.18	7,977	0.25	7,184	0.20	5,163	0.24
Interest Paid	61,332	2.45	87,259	2.93	69,042	2.20	112,011	3.15	71,854	3.28
Leasing Expenses	7,734	0.31	5,312	0.18	10,782	0.34	4,177	0.12	2,310	0.11
Motor Vehicle Expenses	3,011	0.12	2,400	0.08	3,668	0.12	4,266	0.12	3,118	0.14
Postage, Freight, Printing	8,401	0.34	6,741	0.23	12,845	0.41	6,999	0.20	2,290	0.10
Repairs, Maintenance, Service	3,946	0.16	4,697	0.16	4,696	0.15	5,331	0.15	2,968	0.14
Subs and Registrations	9,943	0.40	6,000	0.20	13,610	0.43	14,171	0.40	11,067	0.51
Superannuation	27,009	1.08	33,290	1.12	32,701	1.04	37,706	1.06	20,310	0.93
Telephone	5,395	0.22	5,260	0.18	6,671	0.21	6,652	0.19	4,163	0.19
Training	3,556	0.14	3,804	0.13	4,943	0.16	4,321	0.12	2,117	0.10
Abnormal Expenses	4,999	0.20	3,853	0.13	4,309	0.14	3,772	0.11	2,767	0.13
Payroll Tax	3,196	0.13	3,070	0.10	4,854	0.15	3,529	0.10	1,351	0.06
Workers' Compensation	1,229	0.05	2,218	0.07	1,306	0.04	1,308	0.04	1,656	0.08
Other Expenses	44,694	1.79	63,084	2.12	51,512	1.64	85,594	2.41	74,424	3.40
<b>TOTAL EXPENSES</b>	<b>675,458</b>	<b>26.98</b>	<b>825,978</b>	<b>27.73</b>	<b>827,557</b>	<b>26.35</b>	<b>968,717</b>	<b>27.23</b>	<b>566,138</b>	<b>25.84</b>
<b>TOTAL INCOME</b>	<b>202,487</b>	<b>8.09</b>	<b>195,679</b>	<b>6.57</b>	<b>275,135</b>	<b>8.76</b>	<b>222,508</b>	<b>6.25</b>	<b>229,760</b>	<b>10.49</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	174,109	6.95	196,423	6.59	189,845	6.05	204,889	5.76	175,223	8.00
	1.31		1.46		1.45		1.58		1.27	
<b>NET PROFIT/LOSS</b>	<b>28,377</b>	<b>1.13</b>	<b>-744</b>	<b>-0.02</b>	<b>85,290</b>	<b>2.72</b>	<b>17,619</b>	<b>0.50</b>	<b>54,537</b>	<b>2.49</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,714,434	69.32	2,046,926	69.58	2,149,121	69.20	2,504,853	70.99	1,605,670	74.37
Other Sales	758,859	30.68	895,047	30.42	956,704	30.80	1,023,361	29.01	553,339	25.63
<b>INVENTORY ANALYSIS</b>										
Prescription	75,999	3.04	89,806	3.01	89,368	2.85	116,532	3.28	69,240	3.16
Other	146,693	5.86	168,560	5.66	181,639	5.78	213,444	6.00	101,782	4.65
<b>STOCK CARRIED (Total)</b>	<b>222,692</b>	<b>8.90</b>	<b>258,366</b>	<b>8.67</b>	<b>271,006</b>	<b>8.63</b>	<b>329,976</b>	<b>9.27</b>	<b>171,022</b>	<b>7.81</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.30</b>		<b>7.57</b>		<b>7.52</b>		<b>7.17</b>		<b>8.16</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	22.56		22.79		24.05		21.49		23.19	
Other	5.17		5.31		5.27		4.79		5.44	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	142		154		162		224		122	
PRESCRIPTIONS DISPENSED (Total)	48,243		55,067		61,068		70,293		45,471	
PRESCRIPTIONS DISPENSED WEEKLY	925		1,056		1,171		1,348		872	
TOTAL HOURS OPEN per WEEK	60.1		63.5		60.6		63.7		62.4	
AV HRS WORKED BY PROPRIETORS/WEEK	49.7		55.4		55.1		60.1		48.1	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>78,954</b>	<b>3.15</b>	<b>36,995</b>	<b>1.24</b>	<b>144,525</b>	<b>4.60</b>	<b>-19,770</b>	<b>-0.56</b>	<b>48,119</b>	<b>2.20</b>

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

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

**SOUTH AUSTRALIA PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/09)

**Table 12**

	State Averages Weighted		Metro		Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>2,812,665</b>		<b>2,670,457</b>		<b>3,750,815</b>		<b>3,589,772</b>		Insufficient sample to publish	
<b>COST OF GOODS SOLD</b>	<b>1,821,303</b>	<b>64.75</b>	<b>1,814,325</b>	<b>67.94</b>	<b>2,378,400</b>	<b>63.41</b>	<b>2,335,168</b>	<b>65.05</b>		
<b>GROSS MARGIN</b>	<b>991,362</b>	<b>35.25</b>	<b>856,132</b>	<b>32.06</b>	<b>1,372,415</b>	<b>36.59</b>	<b>1,254,604</b>	<b>34.95</b>		
Other Income	65,752		42,712		74,652		67,817			
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,057,114</b>		<b>898,844</b>		<b>1,447,068</b>		<b>1,322,421</b>			
<b>TOTAL REVENUE</b>	<b>2,878,418</b>	<b>100.00</b>	<b>2,713,169</b>	<b>100.00</b>	<b>3,825,468</b>	<b>100.00</b>	<b>3,657,589</b>	<b>100.00</b>		
<b>EXPENSES</b>										
Salaries and Wages	352,244	12.24	279,934	10.32	481,106	12.58	440,173	12.03		
Rent Paid	99,614	3.46	123,460	4.55	91,057	2.38	123,619	3.38		
Outgoings - Rental & Rates	2,800	0.10	3,010	0.11	3,935	0.10	3,279	0.09		
Accounting	11,248	0.39	17,143	0.63	11,212	0.29	16,477	0.45		
Advertising	18,268	0.63	21,507	0.79	26,488	0.69	28,668	0.78		
Bank Charges	6,935	0.24	5,763	0.21	7,355	0.19	7,375	0.20		
Computer Expenses	11,014	0.38	21,167	0.78	8,587	0.22	16,824	0.46		
Depreciation	18,751	0.65	14,837	0.55	17,945	0.47	19,161	0.52		
Electricity, Water, Heating	8,314	0.29	6,874	0.25	10,362	0.27	9,934	0.27		
Insurance	10,383	0.36	7,062	0.26	13,953	0.36	11,647	0.32		
Interest Paid	27,254	0.95	9,130	0.34	27,918	0.73	21,273	0.58		
Leasing Expenses	7,726	0.27	5,849	0.22	9,467	0.25	9,190	0.25		
Motor Vehicle Expenses	5,745	0.20	1,816	0.07	8,419	0.22	5,343	0.15		
Postage, Freight, Printing	8,711	0.30	7,129	0.26	11,477	0.30	10,701	0.29		
Repairs, Maintenance, Service	6,224	0.22	5,012	0.18	6,369	0.17	6,532	0.18		
Subs and Registrations	10,197	0.35	11,712	0.43	11,253	0.29	12,622	0.35		
Superannuation	31,141	1.08	21,036	0.78	36,878	0.96	33,446	0.91		
Telephone	7,238	0.25	6,355	0.23	9,338	0.24	8,924	0.24		
Training	3,749	0.13	4,378	0.16	4,669	0.12	5,038	0.14		
Abnormal Expenses	43,050	1.50	62,888	2.32	54,191	1.42	69,985	1.91		
Payroll Tax	9,395	0.33	11,634	0.43	12,777	0.33	14,647	0.40		
Workers' Compensation	2,312	0.08	2,381	0.09	2,811	0.07	2,873	0.08		
Other Expenses	15,501	0.54	7,607	0.28	15,746	0.41	13,695	0.37		
<b>TOTAL EXPENSES</b>	<b>717,815</b>	<b>24.94</b>	<b>657,685</b>	<b>24.24</b>	<b>883,313</b>	<b>23.09</b>	<b>891,425</b>	<b>24.37</b>		
<b>TOTAL INCOME</b>	<b>339,299</b>	<b>11.79</b>	<b>241,159</b>	<b>8.89</b>	<b>563,755</b>	<b>14.74</b>	<b>430,995</b>	<b>11.78</b>		
Less Proprietors' Salary (1)	145,235	5.05	136,708	5.04	162,173	4.24	156,168	4.27		
[ Full-Time-Equivalents ]	1.14		1.09		1.22		1.20			
<b>NET PROFIT/LOSS</b>	<b>194,064</b>	<b>6.74</b>	<b>104,452</b>	<b>3.85</b>	<b>401,582</b>	<b>10.50</b>	<b>274,827</b>	<b>7.51</b>		
<b>SALES ANALYSIS</b>										
Prescriptions	2,003,066	71.22	2,038,262	76.33	2,541,011	67.75	2,513,190	70.01		
Other Sales	809,600	28.78	632,195	23.67	1,209,805	32.25	1,076,582	29.99		
<b>INVENTORY ANALYSIS</b>										
Prescription	106,992	3.72	119,022	4.39	141,016	3.69	145,347	3.97		
Other	117,953	4.10	72,364	2.67	164,629	4.30	135,838	3.71		
STOCK CARRIED (Total)	224,945	7.81	191,386	7.05	305,644	7.99	281,185	7.69		
STOCK TURN (On Total Inventory)	8.10		9.48		7.78		8.30			
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	18.72		17.13		18.02		17.29			
Other	6.86		8.74		7.35		7.93			
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	197		160		223		209			
PRESCRIPTIONS DISPENSED (Total)	57,326		54,856		76,972		72,465			
PRESCRIPTIONS DISPENSED WEEKLY	1,099		1,052		1,476		1,390			
TOTAL HOURS OPEN per WEEK	61.8		59.9		62.5		63.9			
AV HRS WORKED BY PROPRIETORS/WEEK	43.3		41.5		46.5		45.6			
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>227,448</b>	<b>7.90</b>	<b>131,080</b>	<b>4.83</b>	<b>359,658</b>	<b>9.40</b>	<b>266,257</b>	<b>7.28</b>		

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

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

**WESTERN AUSTRALIAN PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/09)

**Table 13**

	State Averages Weighted		Metro		Country		Group		No Group	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>2,335,361</b>		<b>3,724,337</b>		<b>3,463,145</b>		<b>4,621,936</b>		<b>1,869,790</b>	
<b>COST OF GOODS SOLD</b>	<b>1,487,714</b>	<b>63.70</b>	<b>2,456,874</b>	<b>65.97</b>	<b>2,165,513</b>	<b>62.53</b>	<b>3,025,312</b>	<b>65.46</b>	<b>1,179,452</b>	<b>63.08</b>
<b>GROSS MARGIN</b>	<b>847,647</b>	<b>36.30</b>	<b>1,267,463</b>	<b>34.03</b>	<b>1,297,633</b>	<b>37.47</b>	<b>1,596,623</b>	<b>34.54</b>	<b>690,338</b>	<b>36.92</b>
Other Income	19,899		31,565		40,325		51,821		7,496	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>867,546</b>		<b>1,299,028</b>		<b>1,337,957</b>		<b>1,648,444</b>		<b>697,834</b>	
<b>TOTAL REVENUE</b>	<b>2,355,259</b>	<b>100.00</b>	<b>3,755,902</b>	<b>100.00</b>	<b>3,503,470</b>	<b>100.00</b>	<b>4,673,756</b>	<b>100.00</b>	<b>1,877,286</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	260,463	11.06	412,524	10.98	428,222	12.22	544,402	11.65	201,558	10.74
Rent Paid	91,435	3.88	196,471	5.23	106,610	3.04	245,878	5.26	45,626	2.43
Outgoings - Rental & Rates	6,754	0.29	8,404	0.22	8,416	0.24	10,845	0.23	4,191	0.22
Accounting	12,937	0.55	18,906	0.50	21,445	0.61	27,130	0.58	7,438	0.40
Advertising	22,578	0.96	49,597	1.32	45,200	1.29	72,656	1.55	8,507	0.45
Bank Charges	6,947	0.29	16,775	0.45	8,380	0.24	20,603	0.44	3,272	0.17
Computer Expenses	8,340	0.35	12,120	0.32	13,027	0.37	15,142	0.32	8,258	0.44
Depreciation	11,621	0.49	22,874	0.61	22,254	0.64	30,749	0.66	5,138	0.27
Electricity, Water, Heating	6,175	0.26	10,834	0.29	10,450	0.30	15,054	0.32	3,768	0.20
Insurance	9,257	0.39	11,963	0.32	11,356	0.32	12,766	0.27	8,116	0.43
Interest Paid	48,562	2.06	94,692	2.52	66,332	1.89	108,756	2.33	16,482	0.88
Leasing Expenses	1,356	0.06	2,013	0.05	5,363	0.15	4,205	0.09	0	0.00
Motor Vehicle Expenses	3,501	0.15	4,910	0.13	1,771	0.05	3,496	0.07	4,454	0.24
Postage, Freight, Printing	6,905	0.29	10,701	0.28	16,032	0.46	15,775	0.34	6,056	0.32
Repairs, Maintenance, Service	2,674	0.11	3,167	0.08	8,326	0.24	6,541	0.14	1,698	0.09
Subs and Registrations	7,699	0.33	11,394	0.30	10,289	0.29	11,271	0.24	4,886	0.26
Superannuation	21,015	0.89	34,273	0.91	36,976	1.06	46,087	0.99	16,266	0.87
Telephone	5,341	0.23	7,210	0.19	7,741	0.22	9,034	0.19	4,130	0.22
Training	2,856	0.12	4,181	0.11	5,568	0.16	6,039	0.13	1,993	0.11
Abnormal Expenses	1,444	0.06	4,743	0.13	0	0.00	5,251	0.11	735	0.04
Payroll Tax	970	0.04	1,814	0.05	4,005	0.11	4,580	0.10	0	0.00
Workers' Compensation	1,101	0.05	2,386	0.06	1,853	0.05	2,960	0.06	904	0.05
Other Expenses	17,834	0.76	30,888	0.82	41,618	1.19	38,017	0.81	27,571	1.47
<b>TOTAL EXPENSES</b>	<b>557,765</b>	<b>23.68</b>	<b>972,840</b>	<b>25.90</b>	<b>881,232</b>	<b>25.15</b>	<b>1,257,237</b>	<b>26.90</b>	<b>381,045</b>	<b>20.30</b>
<b>TOTAL INCOME</b>	<b>309,781</b>	<b>13.15</b>	<b>326,187</b>	<b>8.68</b>	<b>456,725</b>	<b>13.04</b>	<b>391,208</b>	<b>8.37</b>	<b>316,790</b>	<b>16.87</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	148,375 1.11	6.30	150,512 1.09	4.01	125,449 1.00	3.58	120,464 0.86	2.58	159,492 1.22	8.50
<b>NET PROFIT/LOSS</b>	<b>161,406</b>	<b>6.85</b>	<b>175,675</b>	<b>4.68</b>	<b>331,276</b>	<b>9.46</b>	<b>270,744</b>	<b>5.79</b>	<b>157,298</b>	<b>8.38</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,396,768	59.81	2,177,507	58.47	1,714,804	49.52	2,337,289	50.57	1,367,867	73.16
Other Sales	938,593	40.19	1,546,830	41.53	1,748,341	50.48	2,284,647	49.43	501,923	26.84
<b>INVENTORY ANALYSIS</b>										
Prescription	66,189	2.81	93,262	2.48	78,433	2.24	110,557	2.37	48,942	2.61
Other	146,138	6.20	252,851	6.73	319,091	9.11	406,482	8.70	75,707	4.03
<b>STOCK CARRIED (Total)</b>	<b>212,327</b>	<b>9.02</b>	<b>346,113</b>	<b>9.22</b>	<b>397,524</b>	<b>11.35</b>	<b>517,039</b>	<b>11.06</b>	<b>124,649</b>	<b>6.64</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.01</b>		<b>7.10</b>		<b>5.45</b>		<b>5.85</b>		<b>9.46</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	21.10		23.35		21.86		21.14		27.95	
Other	6.42		6.12		5.48		5.62		6.63	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	148		204		236		292		112	
PRESCRIPTIONS DISPENSED (Total)	38,552		58,572		49,450		64,715		36,358	
PRESCRIPTIONS DISPENSED WEEKLY	739		1,123		948		1,241		697	
TOTAL HOURS OPEN per WEEK	57.8		65.4		60.0		69.2		55.8	
AV HRS WORKED BY PROPRIETORS/WEEK	42.3		41.3		38.0		32.6		46.3	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>140,913</b>	<b>5.98</b>	<b>112,382</b>	<b>2.99</b>	<b>325,458</b>	<b>9.29</b>	<b>225,345</b>	<b>4.82</b>	<b>69,517</b>	<b>3.70</b>

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

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

**TASMANIAN PHARMACIES – SUMMARY BY LOCATION AND TYPE**  
(Based on 12 Months of Trading to 30/06/09)

**Table 14**

	State Averages Weighted		Metro	Country		Group		No Group		
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES, EXPENSES &amp; PROFITABILITY</b>										
<b>SALES</b>	<b>2,965,591</b>		Insufficient sample to publish		<b>3,458,196</b>		<b>3,278,500</b>		Insufficient sample to publish	
<b>COST OF GOODS SOLD</b>	<b>1,932,285</b>	<b>65.16</b>			<b>2,239,870</b>	<b>64.77</b>	<b>2,088,034</b>	<b>63.69</b>		
<b>GROSS MARGIN</b>	<b>1,033,306</b>	<b>34.84</b>			<b>1,218,326</b>	<b>35.23</b>	<b>1,190,466</b>	<b>36.31</b>		
Other Income	16,712				17,658		10,756			
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,050,018</b>				<b>1,235,984</b>		<b>1,201,222</b>			
<b>TOTAL REVENUE</b>	<b>2,982,303</b>	<b>100.00</b>			<b>3,475,855</b>	<b>100.00</b>	<b>3,289,256</b>	<b>100.00</b>		
<b>EXPENSES</b>										
Salaries and Wages	358,802	12.03			423,086	12.17	352,140	10.71		
Rent Paid	56,753	1.90			70,477	2.03	51,211	1.56		
Outgoings - Rental & Rates	7,441	0.25			9,280	0.27	1,383	0.04		
Accounting	9,722	0.33			10,897	0.31	9,856	0.30		
Advertising	28,746	0.96			32,793	0.94	15,457	0.47		
Bank Charges	4,997	0.17			5,974	0.17	1,004	0.03		
Computer Expenses	8,362	0.28			9,559	0.28	9,731	0.30		
Depreciation	13,628	0.46			17,356	0.50	5,247	0.16		
Electricity, Water, Heating	7,531	0.25			8,568	0.25	5,597	0.17		
Insurance	9,092	0.30			9,427	0.27	9,780	0.30		
Interest Paid	54,849	1.84			63,583	1.83	15,043	0.46		
Leasing Expenses	3,760	0.13			5,823	0.17	8,770	0.27		
Motor Vehicle Expenses	3,881	0.13			4,159	0.12	3,977	0.12		
Postage, Freight, Printing	14,476	0.49			16,899	0.49	13,638	0.41		
Repairs, Maintenance, Service	5,628	0.19			6,886	0.20	8,400	0.26		
Subs and Registrations	11,856	0.40			11,793	0.34	13,684	0.42		
Superannuation	22,796	0.76			25,429	0.73	10,016	0.30		
Telephone	5,847	0.20			7,119	0.20	4,886	0.15		
Training	5,893	0.20			7,725	0.22	4,257	0.13		
Abnormal Expenses	1,587	0.05			2,279	0.07	0	0.00		
Payroll Tax	2,226	0.07			4,521	0.13	0	0.00		
Workers' Compensation	2,196	0.07			2,519	0.07	626	0.02		
Other Expenses	33,479	1.12			49,634	1.43	7,218	0.22		
<b>TOTAL EXPENSES</b>	<b>673,548</b>	<b>22.58</b>			<b>805,786</b>	<b>23.18</b>	<b>551,919</b>	<b>16.78</b>		
<b>TOTAL INCOME</b>	<b>376,470</b>	<b>12.62</b>			<b>430,199</b>	<b>12.38</b>	<b>649,303</b>	<b>19.74</b>		
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	166,364 1.25	5.58			167,444 1.29	4.82	165,255 1.22	5.02		
<b>NET PROFIT/LOSS</b>	<b>210,106</b>	<b>7.05</b>			<b>262,754</b>	<b>7.56</b>	<b>484,047</b>	<b>14.72</b>		
<b>SALES ANALYSIS</b>										
Prescriptions	2,102,485	70.90			2,431,891	70.32	2,438,374	74.37		
Other Sales	863,105	29.10			1,026,306	29.68	840,126	25.63		
<b>INVENTORY ANALYSIS</b>										
Prescription	72,221	2.42			89,923	2.59	94,647	2.88		
Other	168,924	5.66			173,747	5.00	91,899	2.79		
STOCK CARRIED (Total)	241,145	8.09			263,671	7.59	186,546	5.67		
STOCK TURN (On Total Inventory)	8.01				8.49		11.19			
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	29.11				27.04		25.76			
Other	5.11				5.91		9.14			
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	183				170		169			
PRESCRIPTIONS DISPENSED (Total)	57,449				67,327		67,450			
PRESCRIPTIONS DISPENSED WEEKLY	1,102				1,291		1,294			
TOTAL HOURS OPEN per WEEK	55.3				55.3		53.1			
AV HRS WORKED BY PROPRIETORS/WEEK	47.3				49.0		46.5			
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>152,803</b>	<b>5.12</b>			<b>215,672</b>	<b>6.20</b>	<b>279,401</b>	<b>8.49</b>		

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

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

**SUMMARY OF MANAGER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/09)

**Table 15**

	<b>AUSTRALIA</b>		<b>NEW SOUTH WALES</b>		<b>VICTORIA</b>	
	<b>Manager Operated</b>					
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,774,137</b>		<b>4,037,331</b>		<b>2,125,852</b>	
<b>COST OF GOODS SOLD</b>	<b>2,510,989</b>	<b>66.53</b>	<b>2,686,704</b>	<b>66.55</b>	<b>1,349,148</b>	<b>63.46</b>
<b>GROSS MARGIN</b>	<b>1,263,148</b>	<b>33.47</b>	<b>1,350,627</b>	<b>33.45</b>	<b>776,705</b>	<b>36.54</b>
Other Income	49,083		36,315		5,462	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,312,231</b>		<b>1,386,942</b>		<b>782,167</b>	
<b>TOTAL REVENUE</b>	<b>3,823,220</b>	<b>100.00</b>	<b>4,073,646</b>	<b>100.00</b>	<b>2,131,315</b>	<b>100.00</b>
<b>EXPENSES</b>						
Salaries and Wages	459,513	12.02	475,052	11.66	310,004	14.55
Rent Paid	167,267	4.38	176,416	4.33	44,300	2.08
Outgoings - Rental & Rates	4,727	0.12	530	0.01	2,275	0.11
Accounting	14,931	0.39	10,745	0.26	7,710	0.36
Advertising	39,398	1.03	33,451	0.82	19,109	0.90
Bank Charges	11,779	0.31	12,533	0.31	4,056	0.19
Computer Expenses	12,782	0.33	8,930	0.22	15,545	0.73
Depreciation	26,977	0.71	31,579	0.78	3,430	0.16
Electricity, Water, Heating	10,935	0.29	9,852	0.24	3,962	0.19
Insurance	9,338	0.24	9,982	0.25	5,281	0.25
Interest Paid	84,261	2.20	81,542	2.00	8,844	0.41
Leasing Expenses	18,706	0.49	29,247	0.72	5,654	0.27
Motor Vehicle Expenses	3,976	0.10	6,231	0.15	0	0.00
Postage, Freight, Printing	10,832	0.28	8,466	0.21	9,487	0.45
Repairs, Maintenance, Service	7,302	0.19	7,562	0.19	676	0.03
Subs and Registrations	8,549	0.22	8,961	0.22	5,570	0.26
Superannuation	44,783	1.17	46,239	1.14	57,910	2.72
Telephone	7,297	0.19	7,662	0.19	3,969	0.19
Training	3,195	0.08	1,430	0.04	581	0.03
Abnormal Expenses	8,276	0.22	421	0.01	31	0.00
Payroll Tax	11,764	0.31	13,796	0.34	791	0.04
Workers' Compensation	4,576	0.12	5,246	0.13	894	0.04
Other Expenses	90,220	2.36	120,777	2.96	6,596	0.31
<b>TOTAL EXPENSES</b>	<b>1,061,384</b>	<b>27.76</b>	<b>1,106,652</b>	<b>27.17</b>	<b>516,676</b>	<b>24.24</b>
<b>TOTAL INCOME</b>	<b>250,846</b>	<b>6.56</b>	<b>280,290</b>	<b>6.88</b>	<b>265,491</b>	<b>12.46</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	42,881 0.32	1.12	66,576 0.49	1.63	4,289 0.04	0.20
<b>NET PROFIT/LOSS</b>	<b>207,965</b>	<b>5.44</b>	<b>213,714</b>	<b>5.25</b>	<b>261,202</b>	<b>12.26</b>
<b>SALES ANALYSIS</b>						
Prescriptions	2,356,051	62.43	2,652,565	65.70	1,736,434	81.68
Other Sales	1,418,086	37.57	1,384,766	34.30	389,418	18.32
<b>INVENTORY ANALYSIS</b>						
Prescription	113,446	2.97	131,299	3.22	65,924	3.09
Other	222,178	5.81	200,495	4.92	94,233	4.42
STOCK CARRIED (Total)	335,624	8.78	331,794	8.14	160,157	7.51
STOCK TURN (On Total Inventory)	7.48		8.10		8.42	
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	20.77		20.20		26.34	
Other	6.38		6.91		4.13	
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	212		203		116	
PRESCRIPTIONS DISPENSED (Total)	62,736		68,963		46,123	
PRESCRIPTIONS DISPENSED WEEKLY	1,203		1,323		885	
TOTAL HOURS OPEN per WEEK	64.5		62.6		52.7	
AV HRS WORKED BY PROPRIETORS/WEEK	12.2		18.7		1.3	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>175,430</b>	<b>4.59</b>	<b>189,928</b>	<b>4.66</b>	<b>126,158</b>	<b>5.92</b>

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

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

**SUMMARY OF MANAGER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/09)

## Table 15

	QUEENSLAND		SOUTH AUSTRALIA		WESTERN AUSTRALIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,903,492</b>		Insufficient sample to publish		Insufficient sample to publish	
<b>COST OF GOODS SOLD</b>	<b>1,248,533</b>	<b>65.59</b>				
<b>GROSS MARGIN</b>	<b>654,959</b>	<b>34.41</b>				
Other Income	74,928					
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>729,887</b>					
<b>TOTAL REVENUE</b>	<b>1,978,420</b>	<b>100.00</b>				
<b>EXPENSES</b>						
Salaries and Wages	283,400	14.32				
Rent Paid	70,212	3.55				
Outgoings - Rental & Rates	10,362	0.52				
Accounting	2,858	0.14				
Advertising	16,401	0.83				
Bank Charges	6,006	0.30				
Computer Expenses	6,335	0.32				
Depreciation	14,394	0.73				
Electricity, Water, Heating	9,114	0.46				
Insurance	5,123	0.26				
Interest Paid	121,007	6.12				
Leasing Expenses	512	0.03				
Motor Vehicle Expenses	2,619	0.13				
Postage, Freight, Printing	6,206	0.31				
Repairs, Maintenance, Service	5,177	0.26				
Subs and Registrations	5,714	0.29				
Superannuation	24,994	1.26				
Telephone	2,940	0.15				
Training	4,426	0.22				
Abnormal Expenses	2,494	0.13				
Payroll Tax	4,000	0.20				
Workers' Compensation	4,620	0.23				
Other Expenses	111,942	5.66				
<b>TOTAL EXPENSES</b>	<b>720,855</b>	<b>36.44</b>				
<b>TOTAL INCOME</b>	<b>9,032</b>	<b>0.46</b>				
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	16,727 0.14	0.85				
<b>NET PROFIT/LOSS</b>	<b>-7,695</b>	<b>-0.39</b>				
<b>SALES ANALYSIS</b>						
Prescriptions	1,423,595	74.79				
Other Sales	479,897	25.21				
<b>INVENTORY ANALYSIS</b>						
Prescription	64,402	3.26				
Other	89,097	4.50				
STOCK CARRIED (Total)	153,499	7.76				
STOCK TURN (On Total Inventory)	8.13					
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	22.10					
Other	5.39					
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	132					
PRESCRIPTIONS DISPENSED (Total)	38,191					
PRESCRIPTIONS DISPENSED WEEKLY	732					
TOTAL HOURS OPEN per WEEK	58.8					
AV HRS WORKED BY PROPRIETORS/WEEK	5.2					
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>-44,237</b>	<b>-2.24</b>				

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

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

**SUMMARY OF OWNER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/09)

**Table 16**

	AUSTRALIA Owner Operated		NEW SOUTH WALES		VICTORIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,987,366</b>		<b>3,355,335</b>		<b>3,189,486</b>	
<b>COST OF GOODS SOLD</b>	<b>1,972,045</b>	<b>66.01</b>	<b>2,263,284</b>	<b>67.45</b>	<b>2,117,911</b>	<b>66.40</b>
<b>GROSS MARGIN</b>	<b>1,015,321</b>	<b>33.99</b>	<b>1,092,050</b>	<b>32.55</b>	<b>1,071,574</b>	<b>33.60</b>
Other Income	29,103		32,381		32,087	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,044,424</b>		<b>1,124,431</b>		<b>1,103,661</b>	
<b>TOTAL REVENUE</b>	<b>3,016,469</b>	<b>100.00</b>	<b>3,387,716</b>	<b>100.00</b>	<b>3,221,573</b>	<b>100.00</b>
<b>EXPENSES</b>						
Salaries and Wages	334,362	11.08	384,677	11.36	344,319	10.69
Rent Paid	67,367	2.23	79,501	2.35	48,785	1.51
Outgoings - Rental & Rates	4,254	0.14	4,997	0.15	2,924	0.09
Accounting	9,225	0.31	10,890	0.32	9,641	0.30
Advertising	21,690	0.72	17,165	0.51	24,671	0.77
Bank Charges	6,430	0.21	6,753	0.20	5,675	0.18
Computer Expenses	8,864	0.29	10,239	0.30	8,461	0.26
Depreciation	14,775	0.49	15,997	0.47	19,459	0.60
Electricity, Water, Heating	7,865	0.26	7,579	0.22	9,005	0.28
Insurance	8,925	0.30	10,768	0.32	8,202	0.25
Interest Paid	27,423	0.91	37,776	1.12	17,251	0.54
Leasing Expenses	5,267	0.17	11,337	0.33	2,640	0.08
Motor Vehicle Expenses	6,153	0.20	7,216	0.21	8,184	0.25
Postage, Freight, Printing	11,365	0.38	12,011	0.35	16,018	0.50
Repairs, Maintenance, Service	5,449	0.18	6,264	0.18	6,995	0.22
Subs and Registrations	10,248	0.34	9,716	0.29	14,052	0.44
Superannuation	31,699	1.05	45,441	1.34	34,997	1.09
Telephone	5,737	0.19	6,336	0.19	5,715	0.18
Training	3,558	0.12	2,500	0.07	4,390	0.14
Abnormal Expenses	8,810	0.29	4,066	0.12	1,959	0.06
Payroll Tax	4,240	0.14	4,969	0.15	5,378	0.17
Workers' Compensation	2,534	0.08	5,827	0.17	1,815	0.06
Other Expenses	21,177	0.70	28,390	0.84	14,242	0.44
<b>TOTAL EXPENSES</b>	<b>627,416</b>	<b>20.80</b>	<b>730,418</b>	<b>21.56</b>	<b>614,778</b>	<b>19.08</b>
<b>TOTAL INCOME</b>	<b>417,008</b>	<b>13.82</b>	<b>394,014</b>	<b>11.63</b>	<b>488,883</b>	<b>15.18</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	172,300 1.23	5.71	143,913 1.02	4.25	173,443 1.24	5.38
<b>NET PROFIT/LOSS</b>	<b>244,708</b>	<b>8.11</b>	<b>250,101</b>	<b>7.38</b>	<b>315,440</b>	<b>9.79</b>
<b>SALES ANALYSIS</b>						
Prescriptions	2,164,692	72.46	2,486,718	74.11	2,342,832	73.45
Other Sales	822,674	27.54	868,616	25.89	846,653	26.55
<b>INVENTORY ANALYSIS</b>						
Prescription	89,001	2.95	107,777	3.18	84,231	2.61
Other	132,353	4.39	128,470	3.79	128,846	4.00
STOCK CARRIED (Total)	221,354	7.34	236,247	6.97	213,077	6.61
STOCK TURN (On Total Inventory)	8.91		9.58		9.94	
<b>SALES PER INVENTORY DOLLAR</b>						
Prescription	24.32		23.07		27.81	
Other	6.22		6.76		6.57	
<b>STATISTICS</b>						
PHARMACY SIZE (square metres)	166		167		184	
PRESCRIPTIONS DISPENSED (Total)	60,715		67,601		67,019	
PRESCRIPTIONS DISPENSED WEEKLY	1,164		1,296		1,285	
TOTAL HOURS OPEN per WEEK	57.6		60.1		53.1	
AV HRS WORKED BY PROPRIETORS/WEEK	46.8		38.9		47.2	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>177,655</b>	<b>5.89</b>	<b>162,592</b>	<b>4.80</b>	<b>188,931</b>	<b>5.86</b>

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

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

**SUMMARY OF OWNER OPERATED PHARMACIES**  
(Based on 12 Months of Trading to 30/06/09)

**Table 16**

	QUEENSLAND		SOUTH AUSTRALIA		WESTERN AUSTRALIA		TASMANIA	
SALES, EXPENSES & PROFITABILITY	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,613,422</b>		<b>3,089,805</b>		<b>2,475,503</b>		<b>2,908,285</b>	
<b>COST OF GOODS SOLD</b>	<b>1,719,289</b>	<b>65.79</b>	<b>2,004,271</b>	<b>64.87</b>	<b>1,565,785</b>	<b>63.25</b>	<b>1,863,491</b>	<b>64.08</b>
<b>GROSS MARGIN</b>	<b>894,132</b>	<b>34.21</b>	<b>1,085,534</b>	<b>35.13</b>	<b>909,718</b>	<b>36.75</b>	<b>1,044,794</b>	<b>35.92</b>
Other Income	23,602		44,325		20,765		17,578	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>917,734</b>		<b>1,129,859</b>		<b>930,482</b>		<b>1,062,372</b>	
<b>TOTAL REVENUE</b>	<b>2,637,023</b>	<b>100.00</b>	<b>3,134,130</b>	<b>100.00</b>	<b>2,496,267</b>	<b>100.00</b>	<b>2,925,862</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	298,484	11.32	327,937	10.46	285,682	11.44	322,486	11.02
Rent Paid	63,106	2.39	88,181	2.81	80,224	3.21	49,337	1.69
Outgoings - Rental & Rates	5,171	0.20	3,120	0.10	5,516	0.22	1,963	0.07
Accounting	7,202	0.27	9,458	0.30	8,421	0.34	9,842	0.34
Advertising	26,394	1.00	25,318	0.81	17,296	0.69	12,680	0.43
Bank Charges	6,747	0.26	4,349	0.14	11,336	0.45	1,525	0.05
Computer Expenses	7,455	0.28	10,095	0.32	8,667	0.35	8,728	0.30
Depreciation	15,410	0.58	11,334	0.36	8,229	0.33	6,050	0.21
Electricity, Water, Heating	8,460	0.32	7,590	0.24	6,064	0.24	5,900	0.20
Insurance	6,735	0.26	9,862	0.31	9,858	0.39	9,696	0.33
Interest Paid	31,976	1.21	6,874	0.22	35,606	1.43	20,550	0.70
Leasing Expenses	3,038	0.12	6,023	0.19	150	0.01	5,915	0.20
Motor Vehicle Expenses	4,507	0.17	4,784	0.15	5,938	0.24	3,268	0.11
Postage, Freight, Printing	8,950	0.34	8,959	0.29	6,653	0.27	12,732	0.44
Repairs, Maintenance, Service	4,627	0.18	4,131	0.13	2,290	0.09	6,915	0.24
Subs and Registrations	7,995	0.30	11,365	0.36	6,189	0.25	12,621	0.43
Superannuation	27,117	1.03	19,039	0.61	25,149	1.01	10,587	0.36
Telephone	5,081	0.19	7,395	0.24	5,104	0.20	4,511	0.15
Training	3,539	0.13	4,308	0.14	2,688	0.11	5,319	0.18
Abnormal Expenses	8,221	0.31	53,101	1.69	2,065	0.08	855	0.03
Payroll Tax	3,653	0.14	8,532	0.27	0	0.00	0	0.00
Workers' Compensation	722	0.03	2,215	0.07	1,530	0.06	857	0.03
Other Expenses	23,416	0.89	10,397	0.33	28,813	1.15	11,034	0.38
<b>TOTAL EXPENSES</b>	<b>578,005</b>	<b>21.92</b>	<b>644,367</b>	<b>20.56</b>	<b>563,470</b>	<b>22.57</b>	<b>523,372</b>	<b>17.89</b>
<b>TOTAL INCOME</b>	<b>339,729</b>	<b>12.88</b>	<b>485,493</b>	<b>15.49</b>	<b>367,013</b>	<b>14.70</b>	<b>539,000</b>	<b>18.42</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	197,288 1.36	7.48	179,239 1.38	5.72	179,167 1.29	7.18	164,585 1.22	5.63
<b>NET PROFIT/LOSS</b>	<b>142,441</b>	<b>5.40</b>	<b>306,254</b>	<b>9.77</b>	<b>187,845</b>	<b>7.53</b>	<b>374,415</b>	<b>12.80</b>
<b>SALES ANALYSIS</b>								
Prescriptions	1,863,084	71.29	2,238,748	72.46	1,615,726	65.27	2,180,024	74.96
Other Sales	750,338	28.71	851,056	27.54	859,776	34.73	728,261	25.04
<b>INVENTORY ANALYSIS</b>								
Prescription	69,994	2.65	131,021	4.18	63,902	2.56	83,084	2.84
Other	147,928	5.61	132,571	4.23	128,362	5.14	105,421	3.60
<b>STOCK CARRIED (Total)</b>	<b>217,922</b>	<b>8.26</b>	<b>263,592</b>	<b>8.41</b>	<b>192,264</b>	<b>7.70</b>	<b>188,505</b>	<b>6.44</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>7.89</b>		<b>7.60</b>		<b>8.14</b>		<b>9.89</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	26.62		17.09		25.28		26.24	
Other	5.07		6.42		6.70		6.91	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	140		181		145		210	
PRESCRIPTIONS DISPENSED (Total)	53,797		63,700		43,826		60,256	
PRESCRIPTIONS DISPENSED WEEKLY	1,032		1,222		840		1,156	
TOTAL HOURS OPEN per WEEK	60.2		54.9		58.9		54.6	
AV HRS WORKED BY PROPRIETORS/WEEK	51.5		52.6		48.9		46.5	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>160,251</b>	<b>6.08</b>	<b>283,503</b>	<b>9.05</b>	<b>122,563</b>	<b>4.91</b>	<b>201,728</b>	<b>6.89</b>

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

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

**AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED**  
(Based on 12 months trading to 30/6/09)

**Table 17**

**STATE AVERAGES**

<b>EMPLOYEES</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>WA</b>	<b>TAS</b>	<b>AUST</b>
<b>PROPRIETORS :</b>							
Full Time	0.8	0.9	1.0	1.0	0.8	1.1	0.9
Part Time & Casual	0.6	0.6	0.5	0.2	0.3	0.5	0.5
Hours worked per week	42.3	46.8	49.7	43.3	42.3	47.3	46.1
<b>MANAGERS :</b>							
Full Time	0.3	0.3	0.3	0.1	0.2	0.0	0.2
Part Time & Casual	0.2	0.0	0.0	0.0	0.1	0.3	0.1
Hours worked per week	16.3	12.8	14.1	5.6	8.3	7.7	12.1
<b>PHARMACISTS IN CHARGE :</b>							
Full Time	0.5	0.3	0.3	0.5	0.3	0.5	0.4
Part Time & Casual	1.4	0.5	0.6	0.4	0.5	0.3	0.7
Hours worked per week	43.3	18.2	21.5	28.6	23.8	26.5	25.8
<b>OTHER QUALIFIED :</b>							
Full Time	0.5	0.5	0.2	0.1	0.2	0.2	0.3
Part Time & Casual	0.4	0.8	0.2	0.4	0.6	0.2	0.5
Hours worked per week	24.7	27.4	5.9	10.3	15.2	10.2	16.5
<b>PHARMACY ASSISTANTS :</b>							
Full Time	0.7	1.3	0.7	0.8	0.5	1.1	0.8
Part Time & Casual	1.8	0.9	0.6	0.2	0.3	0.5	0.8
Hours worked per week	69.9	68.6	37.8	33.0	25.3	47.8	46.8
<b>SALES &amp; OTHER STAFF :</b>							
Full Time	1.5	2.5	2.0	1.0	2.4	2.3	2.2
Part Time & Casual	6.2	5.8	3.2	4.6	4.3	4.7	4.7
Hours worked per week	141.6	155.6	116.7	155.8	145.5	159.4	144.2
<b>TOTAL STAFF :</b>							
Full Time	4.4	5.8	4.4	3.6	4.4	5.2	4.8
Part Time & Casual	10.5	8.5	5.1	5.8	6.0	6.6	7.4
Hours worked per week	338.2	329.4	245.6	276.6	260.4	299.0	291.4

**AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED**  
(Based on 12 months trading to 30/6/09)

**Table 18**

**BY TURNOVER CATEGORY (\$)**

<b>EMPLOYEES</b>	<b>UP TO 1.0M</b>	<b>1.0M -1.5M</b>	<b>1.5M -2.0M</b>	<b>2.0M -2.5M</b>	<b>2.5M -3.0M</b>	<b>3.0M -4.0M</b>	<b>4.0M -5.0M</b>	<b>OVER 5.0M</b>
<b>PROPRIETORS :</b>								
Full Time	0.7	0.7	0.8	1.0	0.9	0.8	1.0	1.4
Part Time & Casual	0.3	0.3	0.4	0.3	0.5	0.6	0.7	1.1
Hours worked per week	31.6	35.6	41.7	45.8	48.2	45.4	54.9	74.7
<b>MANAGERS :</b>								
Full Time	0.4	0.1	0.2	0.1	0.1	0.4	0.3	0.3
Part Time & Casual	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.5
Hours worked per week	16.6	5.8	7.4	5.7	5.5	17.6	11.4	25.2
<b>PHARMACISTS IN CHARGE :</b>								
Full Time	0.0	0.1	0.3	0.2	0.5	0.6	0.9	0.4
Part Time & Casual	0.2	0.7	0.8	0.9	0.5	0.8	0.9	0.9
Hours worked per week	0.3	12.3	20.7	23.2	24.9	36.6	57.1	28.2
<b>OTHER QUALIFIED :</b>								
Full Time	0.2	0.1	0.1	0.2	0.4	0.3	0.7	0.8
Part Time & Casual	0.0	0.1	0.2	0.1	0.3	0.6	0.8	2.0
Hours worked per week	7.6	3.6	5.6	7.8	18.8	18.6	33.8	56.8
<b>PHARMACY ASSISTANTS :</b>								
Full Time	0.0	0.5	0.4	0.2	0.8	1.2	1.1	2.2
Part Time & Casual	0.4	0.3	0.4	0.5	1.2	0.8	1.5	2.3
Hours worked per week	11.2	24.5	22.8	22.4	54.1	61.3	77.3	129.3
<b>SALES &amp; OTHER STAFF :</b>								
Full Time	0.2	0.7	1.7	1.3	1.9	3.0	3.0	6.3
Part Time & Casual	1.4	1.9	3.9	3.5	4.3	5.6	8.3	10.7
Hours worked per week	26.2	37.4	93.9	76.4	152.0	195.1	252.6	388.5
<b>TOTAL STAFF :</b>								
Full Time	1.5	2.2	3.5	2.9	4.6	6.4	7.1	11.3
Part Time & Casual	2.3	3.3	5.7	5.4	6.9	8.4	12.1	17.6
Hours worked per week	93.5	119.2	192.0	181.3	303.5	374.7	487.2	702.7

**AUSTRALIAN PHARMACIES – WEEKLY PRESCRIPTION VOLUME**  
(Based on 12 Months of Trading to 30/06/09)

**Table 19**

	Up to 400		401 - 600		601 - 800		801 - 1000	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>1,026,336</b>		<b>1,443,786</b>		<b>1,845,366</b>		<b>2,462,018</b>	
<b>COST OF GOODS SOLD</b>	<b>677,749</b>	<b>66.04</b>	<b>942,217</b>	<b>65.26</b>	<b>1,191,868</b>	<b>64.59</b>	<b>1,663,710</b>	<b>67.58</b>
<b>GROSS MARGIN</b>	<b>348,586</b>	<b>33.96</b>	<b>501,570</b>	<b>34.74</b>	<b>653,498</b>	<b>35.41</b>	<b>798,308</b>	<b>32.42</b>
Other Income	8,248		19,999		19,326		44,215	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>356,834</b>		<b>521,569</b>		<b>672,823</b>		<b>842,524</b>	
<b>TOTAL REVENUE</b>	<b>1,034,583</b>	<b>100.00</b>	<b>1,463,785</b>	<b>100.00</b>	<b>1,864,692</b>	<b>100.00</b>	<b>2,506,234</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	115,830	11.20	170,251	11.63	208,238	11.17	276,358	11.03
Rent Paid	53,116	5.13	47,024	3.21	70,332	3.77	84,603	3.38
Outgoings - Rental & Rates	2,081	0.20	2,121	0.14	4,137	0.22	2,962	0.12
Accounting	8,023	0.78	4,917	0.34	8,210	0.44	10,764	0.43
Advertising	9,715	0.94	9,304	0.64	14,754	0.79	19,035	0.76
Bank Charges	1,927	0.19	5,053	0.35	5,372	0.29	7,205	0.29
Computer Expenses	5,527	0.53	5,411	0.37	6,407	0.34	6,672	0.27
Depreciation	13,776	1.33	11,929	0.81	11,484	0.62	22,332	0.89
Electricity, Water, Heating	3,893	0.38	4,009	0.27	5,830	0.31	6,473	0.26
Insurance	4,593	0.44	6,148	0.42	6,917	0.37	7,771	0.31
Interest Paid	31,759	3.07	32,258	2.20	42,842	2.30	42,527	1.70
Leasing Expenses	3,788	0.37	1,604	0.11	7,036	0.38	8,310	0.33
Motor Vehicle Expenses	1,740	0.17	3,555	0.24	2,167	0.12	6,487	0.26
Postage, Freight, Printing	2,991	0.29	3,627	0.25	5,034	0.27	7,175	0.29
Repairs, Maintenance, Service	1,816	0.18	2,232	0.15	3,333	0.18	4,257	0.17
Subs and Registrations	5,490	0.53	7,352	0.50	11,390	0.61	7,706	0.31
Superannuation	8,989	0.87	15,663	1.07	16,738	0.90	27,081	1.08
Telephone	2,727	0.26	3,742	0.26	4,048	0.22	5,386	0.21
Training	1,044	0.10	1,766	0.12	2,430	0.13	2,068	0.08
Abnormal Expenses	236	0.02	5,082	0.35	3,056	0.16	2,689	0.11
Payroll Tax	2,004	0.19	801	0.05	1,425	0.08	747	0.03
Workers' Compensation	774	0.07	1,172	0.08	1,210	0.06	2,358	0.09
Other Expenses	29,148	2.82	22,008	1.50	38,907	2.09	31,637	1.26
<b>TOTAL EXPENSES</b>	<b>310,985</b>	<b>30.06</b>	<b>367,033</b>	<b>25.07</b>	<b>481,296</b>	<b>25.81</b>	<b>592,603</b>	<b>23.65</b>
<b>TOTAL INCOME</b>	<b>45,848</b>	<b>4.43</b>	<b>154,535</b>	<b>10.56</b>	<b>191,527</b>	<b>10.27</b>	<b>249,920</b>	<b>9.97</b>
Less Proprietors' Salary (1)	122,501	11.84	119,276	8.15	150,096	8.05	163,623	6.53
[ Full-Time-Equivalents ]	0.90		0.89		1.13		1.18	
<b>NET PROFIT/LOSS</b>	<b>-76,652</b>	<b>-7.41</b>	<b>35,259</b>	<b>2.41</b>	<b>41,431</b>	<b>2.22</b>	<b>86,297</b>	<b>3.44</b>
<b>SALES ANALYSIS</b>								
Prescriptions	668,579	65.14	1,016,196	70.38	1,318,935	71.47	1,781,881	72.37
Other Sales	357,757	34.86	427,590	29.62	526,431	28.53	680,137	27.63
<b>INVENTORY ANALYSIS</b>								
Prescription	50,202	4.85	50,701	3.46	60,722	3.26	74,213	2.96
Other	82,510	7.98	80,868	5.52	100,121	5.37	128,523	5.13
<b>STOCK CARRIED (Total)</b>	<b>132,712</b>	<b>12.83</b>	<b>131,569</b>	<b>8.99</b>	<b>160,842</b>	<b>8.63</b>	<b>202,736</b>	<b>8.09</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>5.11</b>		<b>7.16</b>		<b>7.41</b>		<b>8.21</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	13.32		20.04		21.72		24.01	
Other	4.34		5.29		5.26		5.29	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	101		105		123		123	
PRESCRIPTIONS DISPENSED (Total)	15,684		26,798		36,808		47,276	
PRESCRIPTIONS DISPENSED WEEKLY	301		514		706		907	
TOTAL HOURS OPEN per WEEK	55.9		52.0		56.6		62.1	
AV HRS WORKED BY PROPRIETORS/WEEK	34.1		33.7		43.0		44.7	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>-10,013</b>	<b>-0.97</b>	<b>55,400</b>	<b>3.78</b>	<b>118,094</b>	<b>6.33</b>	<b>102,868</b>	<b>4.10</b>

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

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

**AUSTRALIAN PHARMACIES – WEEKLY PRESCRIPTION VOLUME**  
(Based on 12 Months of Trading to 30/06/09)

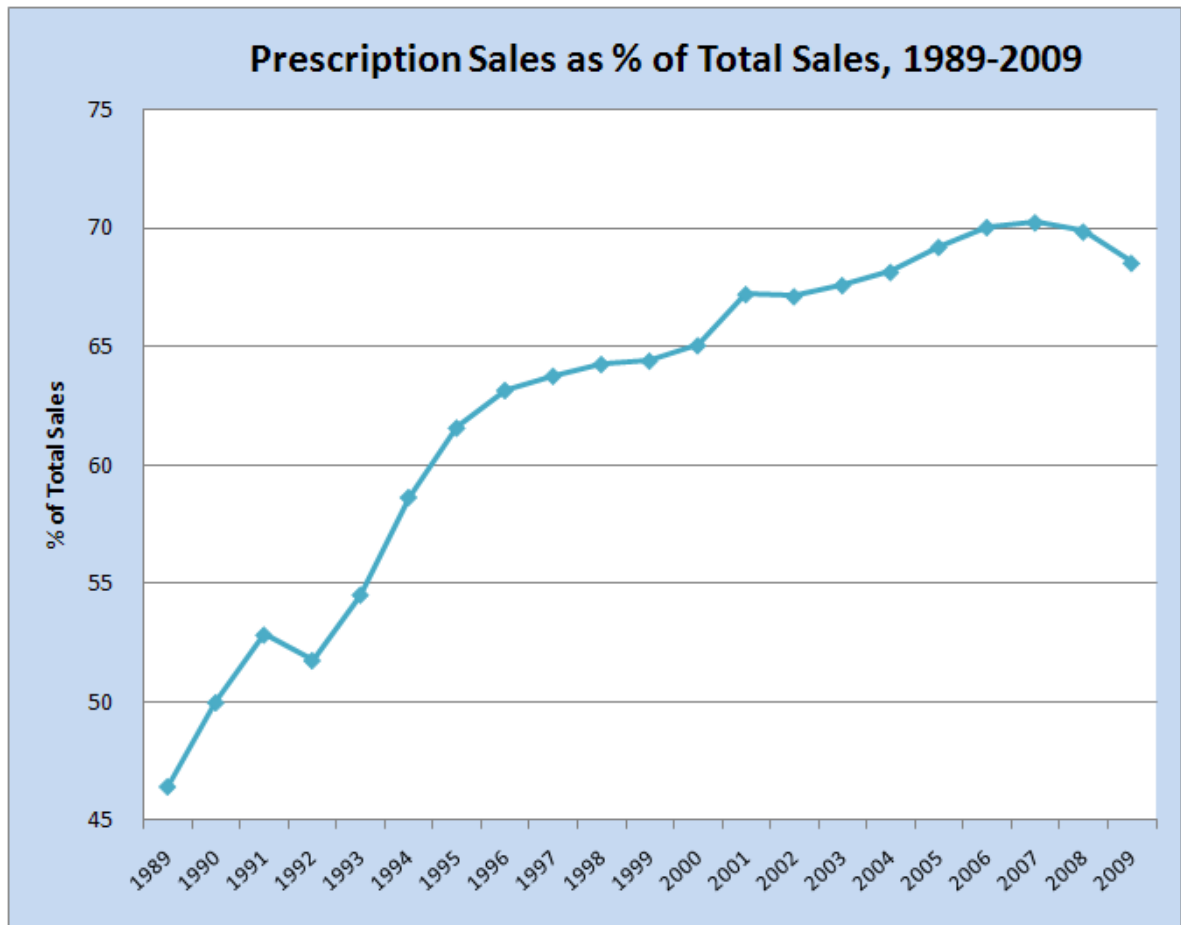
**Table 19**

	1,001 – 1,200		1,201 – 1,400		1,401 – 2,000		Over 2,000	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>3,340,066</b>		<b>3,792,265</b>		<b>4,583,907</b>		<b>6,751,917</b>	
<b>COST OF GOODS SOLD</b>	<b>2,220,336</b>	<b>66.48</b>	<b>2,499,355</b>	<b>65.91</b>	<b>3,038,014</b>	<b>66.28</b>	<b>4,497,693</b>	<b>66.61</b>
<b>GROSS MARGIN</b>	<b>1,119,730</b>	<b>33.52</b>	<b>1,292,910</b>	<b>34.09</b>	<b>1,545,893</b>	<b>33.72</b>	<b>2,254,224</b>	<b>33.39</b>
Other Income	38,707		47,092		46,595		67,627	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,158,437</b>		<b>1,340,002</b>		<b>1,592,488</b>		<b>2,321,851</b>	
<b>TOTAL REVENUE</b>	<b>3,378,773</b>	<b>100.00</b>	<b>3,839,357</b>	<b>100.00</b>	<b>4,630,502</b>	<b>100.00</b>	<b>6,819,544</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	393,052	11.63	486,695	12.68	524,133	11.32	817,095	11.98
Rent Paid	155,908	4.61	158,789	4.14	189,911	4.10	250,163	3.67
Outgoings - Rental & Rates	8,114	0.24	5,569	0.15	4,397	0.09	8,498	0.12
Accounting	14,074	0.42	13,490	0.35	15,778	0.34	19,573	0.29
Advertising	35,263	1.04	37,587	0.98	47,208	1.02	67,723	0.99
Bank Charges	11,641	0.34	10,410	0.27	9,878	0.21	18,987	0.28
Computer Expenses	8,442	0.25	8,342	0.22	9,144	0.20	11,648	0.17
Depreciation	29,081	0.86	37,530	0.98	37,320	0.81	56,558	0.83
Electricity, Water, Heating	8,981	0.27	12,114	0.32	12,733	0.27	16,478	0.24
Insurance	9,464	0.28	9,991	0.26	11,740	0.25	14,595	0.21
Interest Paid	85,392	2.53	77,829	2.03	58,869	1.27	148,291	2.17
Leasing Expenses	6,420	0.19	13,855	0.36	12,509	0.27	23,194	0.34
Motor Vehicle Expenses	4,590	0.14	5,872	0.15	4,319	0.09	7,079	0.10
Postage, Freight, Printing	12,952	0.38	16,376	0.43	17,048	0.37	20,726	0.30
Repairs, Maintenance, Service	4,393	0.13	6,338	0.17	6,544	0.14	8,804	0.13
Subs and Registrations	12,617	0.37	11,781	0.31	13,344	0.29	13,316	0.20
Superannuation	32,606	0.97	47,872	1.25	43,446	0.94	86,153	1.26
Telephone	6,411	0.19	7,723	0.20	8,376	0.18	12,847	0.19
Training	4,834	0.14	4,996	0.13	6,029	0.13	9,269	0.14
Abnormal Expenses	6,980	0.21	2,108	0.05	6,744	0.15	9,916	0.15
Payroll Tax	4,682	0.14	5,739	0.15	8,035	0.17	22,042	0.32
Workers' Compensation	3,223	0.10	3,681	0.10	3,248	0.07	7,130	0.10
Other Expenses	43,031	1.27	72,628	1.89	79,298	1.71	131,388	1.93
<b>TOTAL EXPENSES</b>	<b>902,152</b>	<b>26.70</b>	<b>1,057,317</b>	<b>27.54</b>	<b>1,130,051</b>	<b>24.40</b>	<b>1,781,474</b>	<b>26.12</b>
<b>TOTAL INCOME</b>	<b>256,285</b>	<b>7.59</b>	<b>282,685</b>	<b>7.36</b>	<b>462,437</b>	<b>9.99</b>	<b>540,377</b>	<b>7.92</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	165,200 1.25	4.89	154,541 1.17	4.03	192,223 1.45	4.15	284,352 2.22	4.17
<b>NET PROFIT/LOSS</b>	<b>91,085</b>	<b>2.70</b>	<b>128,144</b>	<b>3.34</b>	<b>270,215</b>	<b>5.84</b>	<b>256,025</b>	<b>3.75</b>
<b>SALES ANALYSIS</b>								
Prescriptions	2,169,945	64.97	2,456,345	64.77	3,129,369	68.27	4,735,098	70.13
Other Sales	1,170,121	35.03	1,335,921	35.23	1,454,538	31.73	2,016,819	29.87
<b>INVENTORY ANALYSIS</b>								
Prescription	86,624	2.56	106,625	2.78	133,683	2.89	192,618	2.82
Other	187,883	5.56	227,928	5.94	253,074	5.47	303,708	4.45
<b>STOCK CARRIED (Total)</b>	<b>274,507</b>	<b>8.12</b>	<b>334,553</b>	<b>8.71</b>	<b>386,757</b>	<b>8.35</b>	<b>496,326</b>	<b>7.28</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>8.09</b>		<b>7.47</b>		<b>7.86</b>		<b>9.06</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	25.05		23.04		23.41		24.58	
Other	6.23		5.86		5.75		6.64	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	169		214		221		275	
PRESCRIPTIONS DISPENSED (Total)	57,665		67,392		86,419		133,968	
PRESCRIPTIONS DISPENSED WEEKLY	1,106		1,292		1,657		2,569	
TOTAL HOURS OPEN per WEEK	63.0		60.7		62.8		62.2	
AV HRS WORKED BY PROPRIETORS/WEEK	47.7		44.6		55.2		84.2	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>119,212</b>	<b>3.53</b>	<b>142,938</b>	<b>3.72</b>	<b>255,571</b>	<b>5.52</b>	<b>314,492</b>	<b>4.61</b>

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

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

# Chart 5



**AUSTRALIAN PHARMACIES – PERCENTAGE PRESCRIPTION/TOTAL SALES**  
(Based on 12 Months of Trading to 30/06/09)

**Table 20**

	Less Than 50%		51 - 60%		61 - 70%		71 - 80%		Over 80%	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>4,137,409</b>		<b>4,276,596</b>		<b>4,384,047</b>		<b>3,263,353</b>		<b>2,347,754</b>	
<b>COST OF GOODS SOLD</b>	<b>2,743,144</b>	<b>66.30</b>	<b>2,839,657</b>	<b>66.40</b>	<b>2,966,427</b>	<b>67.66</b>	<b>2,136,049</b>	<b>65.46</b>	<b>1,546,297</b>	<b>65.86</b>
<b>GROSS MARGIN</b>	<b>1,394,265</b>	<b>33.70</b>	<b>1,436,938</b>	<b>33.60</b>	<b>1,417,619</b>	<b>32.34</b>	<b>1,127,304</b>	<b>34.54</b>	<b>801,457</b>	<b>34.14</b>
Other Income	28,966		61,958		55,683		41,732		14,639	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>1,423,231</b>		<b>1,498,896</b>		<b>1,473,302</b>		<b>1,169,036</b>		<b>816,096</b>	
<b>TOTAL REVENUE</b>	<b>4,166,375</b>	<b>100.00</b>	<b>4,338,553</b>	<b>100.00</b>	<b>4,439,729</b>	<b>100.00</b>	<b>3,305,085</b>	<b>100.00</b>	<b>2,362,393</b>	<b>100.00</b>
<b>EXPENSES</b>										
Salaries and Wages	526,529	12.64	522,491	12.04	518,081	11.67	381,767	11.55	265,827	11.25
Rent Paid	249,038	5.98	183,933	4.24	161,202	3.63	139,546	4.22	50,128	2.12
Outgoings - Rental & Rates	13,647	0.33	11,729	0.27	6,880	0.15	2,883	0.09	1,567	0.07
Accounting	19,142	0.46	16,902	0.39	16,314	0.37	10,363	0.31	9,003	0.38
Advertising	72,882	1.75	57,580	1.33	46,592	1.05	26,190	0.79	10,662	0.45
Bank Charges	12,420	0.30	17,320	0.40	12,543	0.28	8,540	0.26	4,557	0.19
Computer Expenses	8,797	0.21	9,931	0.23	7,772	0.18	8,397	0.25	6,559	0.28
Depreciation	47,857	1.15	37,277	0.86	39,229	0.88	27,518	0.83	13,771	0.58
Electricity, Water, Heating	14,896	0.36	9,855	0.23	12,159	0.27	9,434	0.29	4,773	0.20
Insurance	9,295	0.22	13,514	0.31	12,033	0.27	8,621	0.26	7,410	0.31
Interest Paid	91,648	2.20	125,610	2.90	53,300	1.20	78,915	2.39	33,187	1.40
Leasing Expenses	12,892	0.31	15,238	0.35	25,479	0.57	5,229	0.16	2,849	0.12
Motor Vehicle Expenses	3,191	0.08	8,432	0.19	5,704	0.13	3,952	0.12	4,409	0.19
Postage, Freight, Printing	15,320	0.37	12,424	0.29	13,654	0.31	10,189	0.31	11,789	0.50
Repairs, Maintenance, Service	7,199	0.17	5,325	0.12	6,752	0.15	4,275	0.13	4,152	0.18
Subs and Registrations	7,194	0.17	12,131	0.28	12,493	0.28	11,716	0.35	8,959	0.38
Superannuation	43,485	1.04	46,719	1.08	51,419	1.16	33,459	1.01	27,730	1.17
Telephone	7,781	0.19	11,185	0.26	8,255	0.19	6,545	0.20	4,494	0.19
Training	6,446	0.15	4,203	0.10	5,852	0.13	4,343	0.13	2,603	0.11
Abnormal Expenses	6,673	0.16	16,912	0.39	4,658	0.10	4,427	0.13	2,856	0.12
Payroll Tax	8,123	0.19	7,992	0.18	11,311	0.25	5,244	0.16	2,364	0.10
Workers' Compensation	3,501	0.08	4,502	0.10	4,532	0.10	2,764	0.08	1,563	0.07
Other Expenses	37,452	0.90	65,322	1.51	74,061	1.67	73,159	2.21	29,386	1.24
<b>TOTAL EXPENSES</b>	<b>1,225,407</b>	<b>29.41</b>	<b>1,216,528</b>	<b>28.04</b>	<b>1,110,277</b>	<b>25.01</b>	<b>867,472</b>	<b>26.25</b>	<b>510,599</b>	<b>21.61</b>
<b>TOTAL INCOME</b>	<b>197,824</b>	<b>4.75</b>	<b>282,368</b>	<b>6.51</b>	<b>363,025</b>	<b>8.18</b>	<b>301,564</b>	<b>9.12</b>	<b>305,497</b>	<b>12.93</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	137,043 1.07	3.29	159,582 1.18	3.68	189,370 1.43	4.27	185,547 1.43	5.61	161,194 1.16	6.82
<b>NET PROFIT/LOSS</b>	<b>60,781</b>	<b>1.46</b>	<b>122,786</b>	<b>2.83</b>	<b>173,655</b>	<b>3.91</b>	<b>116,016</b>	<b>3.51</b>	<b>144,303</b>	<b>6.11</b>
<b>SALES ANALYSIS</b>										
Prescriptions	1,742,039	42.10	2,334,265	54.58	2,883,510	65.77	2,409,567	73.84	1,998,293	85.12
Other Sales	2,395,370	57.90	1,942,331	45.42	1,500,536	34.23	853,785	26.16	349,462	14.88
<b>INVENTORY ANALYSIS</b>										
Prescription	94,103	2.26	128,393	2.96	125,870	2.84	105,344	3.19	64,403	2.73
Other	386,188	9.27	255,145	5.88	224,651	5.06	164,484	4.98	81,048	3.43
<b>STOCK CARRIED (Total)</b>	<b>480,291</b>	<b>11.53</b>	<b>383,538</b>	<b>8.84</b>	<b>350,521</b>	<b>7.90</b>	<b>269,829</b>	<b>8.16</b>	<b>145,451</b>	<b>6.16</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>5.71</b>		<b>7.40</b>		<b>8.46</b>		<b>7.92</b>		<b>10.63</b>	
<b>SALES PER INVENTORY DOLLAR</b>										
Prescription	18.51		18.18		22.91		22.87		31.03	
Other	6.20		7.61		6.68		5.19		4.31	
<b>STATISTICS</b>										
PHARMACY SIZE (square metres)	243		208		207		178		105	
PRESCRIPTIONS DISPENSED (Total)	48,624		70,210		77,487		66,316		54,169	
PRESCRIPTIONS DISPENSED WEEKLY	933		1,346		1,486		1,272		1,039	
TOTAL HOURS OPEN per WEEK	62.6		64.4		61.9		59.7		55.7	
AV HRS WORKED BY PROPRIETORS/WEEK	40.5		44.9		54.2		54.3		44.1	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>148,266</b>	<b>3.56</b>	<b>219,169</b>	<b>5.05</b>	<b>235,626</b>	<b>5.31</b>	<b>126,991</b>	<b>3.84</b>	<b>129,859</b>	<b>5.50</b>

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

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

**AUSTRALIAN PHARMACIES – WEEKLY HOURS OPEN**  
(Based on 12 Months of Trading to 30/06/09)

**Table 21**

	Less Than 50		51 - 60		61 - 70		Over 70	
<b>SALES, EXPENSES &amp; PROFITABILITY</b>	\$	%	\$	%	\$	%	\$	%
<b>SALES</b>	<b>2,090,228</b>		<b>3,575,187</b>		<b>3,433,483</b>		<b>4,285,235</b>	
<b>COST OF GOODS SOLD</b>	<b>1,354,333</b>	<b>64.79</b>	<b>2,379,700</b>	<b>66.56</b>	<b>2,306,520</b>	<b>67.18</b>	<b>2,860,009</b>	<b>66.74</b>
<b>GROSS MARGIN</b>	<b>735,895</b>	<b>35.21</b>	<b>1,195,487</b>	<b>33.44</b>	<b>1,126,963</b>	<b>32.82</b>	<b>1,425,226</b>	<b>33.26</b>
Other Income	24,409		30,501		50,515		56,720	
<b>GROSS MARGIN PLUS OTHER INCOME</b>	<b>760,304</b>		<b>1,225,988</b>		<b>1,177,477</b>		<b>1,481,946</b>	
<b>TOTAL REVENUE</b>	<b>2,114,637</b>	<b>100.00</b>	<b>3,605,688</b>	<b>100.00</b>	<b>3,483,998</b>	<b>100.00</b>	<b>4,341,955</b>	<b>100.00</b>
<b>EXPENSES</b>								
Salaries and Wages	235,894	11.16	407,755	11.31	391,008	11.22	497,523	11.46
Rent Paid	39,326	1.86	133,505	3.70	170,445	4.89	175,472	4.04
Outgoings - Rental & Rates	1,814	0.09	2,915	0.08	2,786	0.08	6,595	0.15
Accounting	6,712	0.32	11,990	0.33	10,855	0.31	14,485	0.33
Advertising	10,916	0.52	30,347	0.84	25,584	0.73	37,820	0.87
Bank Charges	4,095	0.19	11,014	0.31	8,996	0.26	12,093	0.28
Computer Expenses	7,588	0.36	8,135	0.23	8,080	0.23	12,957	0.30
Depreciation	10,562	0.50	30,612	0.85	29,785	0.85	28,781	0.66
Electricity, Water, Heating	5,147	0.24	8,486	0.24	9,095	0.26	13,641	0.31
Insurance	7,924	0.37	9,657	0.27	9,631	0.28	10,375	0.24
Interest Paid	30,203	1.43	59,175	1.64	92,051	2.64	99,122	2.28
Leasing Expenses	1,660	0.08	10,524	0.29	11,166	0.32	12,847	0.30
Motor Vehicle Expenses	4,710	0.22	5,588	0.15	4,602	0.13	3,873	0.09
Postage, Freight, Printing	8,248	0.39	11,899	0.33	5,928	0.17	9,019	0.21
Repairs, Maintenance, Service	4,279	0.20	5,658	0.16	3,926	0.11	6,714	0.15
Subs and Registrations	9,627	0.46	10,212	0.28	12,062	0.35	11,001	0.25
Superannuation	25,579	1.21	41,113	1.14	36,046	1.03	41,420	0.95
Telephone	4,218	0.20	6,841	0.19	6,723	0.19	8,211	0.19
Training	2,250	0.11	4,569	0.13	3,006	0.09	4,426	0.10
Abnormal Expenses	3,175	0.15	2,095	0.06	6,045	0.17	13,366	0.31
Payroll Tax	2,198	0.10	6,152	0.17	5,193	0.15	9,469	0.22
Workers' Compensation	1,754	0.08	2,815	0.08	3,678	0.11	4,659	0.11
Other Expenses	21,581	1.02	60,503	1.68	89,782	2.58	96,208	2.22
<b>TOTAL EXPENSES</b>	<b>449,460</b>	<b>21.25</b>	<b>881,559</b>	<b>24.45</b>	<b>946,473</b>	<b>27.17</b>	<b>1,130,077</b>	<b>26.03</b>
<b>TOTAL INCOME</b>	<b>310,843</b>	<b>14.70</b>	<b>344,429</b>	<b>9.55</b>	<b>231,004</b>	<b>6.63</b>	<b>351,869</b>	<b>8.10</b>
Less Proprietors' Salary (1) [ Full-Time-Equivalents ]	130,453 0.98	6.17	183,391 1.37	5.09	172,790 1.32	4.96	171,867 1.23	3.96
<b>NET PROFIT/LOSS</b>	<b>180,390</b>	<b>8.53</b>	<b>161,038</b>	<b>4.47</b>	<b>58,214</b>	<b>1.67</b>	<b>180,002</b>	<b>4.15</b>
<b>SALES ANALYSIS</b>								
Prescriptions	1,616,612	77.34	2,502,033	69.98	2,394,571	69.74	2,812,152	65.62
Other Sales	473,615	22.66	1,073,154	30.02	1,038,912	30.26	1,473,083	34.38
<b>INVENTORY ANALYSIS</b>								
Prescription	58,641	2.77	108,585	3.01	109,087	3.13	143,213	3.30
Other	95,273	4.51	179,597	4.98	163,729	4.70	231,378	5.33
<b>STOCK CARRIED (Total)</b>	<b>153,914</b>	<b>7.28</b>	<b>288,182</b>	<b>7.99</b>	<b>272,816</b>	<b>7.83</b>	<b>374,590</b>	<b>8.63</b>
<b>STOCK TURN (On Total Inventory)</b>	<b>8.80</b>		<b>8.26</b>		<b>8.45</b>		<b>7.64</b>	
<b>SALES PER INVENTORY DOLLAR</b>								
Prescription	27.57		23.04		21.95		19.64	
Other	4.97		5.98		6.35		6.37	
<b>STATISTICS</b>								
PHARMACY SIZE (square metres)	144		181		197		222	
PRESCRIPTIONS DISPENSED (Total)	45,488		68,058		64,766		77,642	
PRESCRIPTIONS DISPENSED WEEKLY	872		1,305		1,242		1,489	
TOTAL HOURS OPEN per WEEK	47.3		54.6		63.9		81.7	
AV HRS WORKED BY PROPRIETORS/WEEK	37.4		52.2		50.0		46.8	
<b>FUNDS RETAINED IN BUSINESS (2)</b>	<b>120,397</b>	<b>5.69</b>	<b>172,443</b>	<b>4.78</b>	<b>75,886</b>	<b>2.18</b>	<b>120,180</b>	<b>2.77</b>

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

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

AUSTRALIAN PHARMACIES – BALANCE SHEET 2008-09

**Table 22**

	30 June 2008 (353 Pharmacies)		30 June 2009 (326 Pharmacies)		Amount and % of Change	
	\$	%	\$	%	\$	%
<b>Assets</b>	588,994	22.71	635,216	21.64	46,221	7.85
<b>Liabilities</b>	806,112	31.09	1,128,454	38.44	322,341	39.99
<b>Net Worth</b>	-217,118	-8.37	-493,238	-16.80	-276,120	127.18
<b>Total Revenue</b>	2,592,985	100.00	2,935,645	100.00	342,659	13.21
<b>Trading Profit</b>	227,474	8.77	259,556	8.84	32,082	14.10

**AUSTRALIAN PHARMACIES – BALANCE SHEET 2008-09  
BY TURNOVER GROUP**

**Table 23**

	Under \$1,000,000		\$1.0M - \$1.5M		\$1.5M - \$2.0M		\$2.0M - \$2.5M	
	\$	%	\$	%	\$	%	\$	%
<b>Assets</b>	252,183	32.80	387,527	29.82	353,854	20.11	335,363	14.54
<b>Liabilities</b>	528,193	68.69	512,444	39.43	682,597	38.80	602,937	26.15
<b>Net Worth</b>	-276,010	-35.89	-124,917	-9.61	-328,743	-18.69	-267,574	-11.60
<b>Total Revenue</b>	768,960	100.00	1,299,728	100.00	1,759,216	100.00	2,305,847	100.00
<b>Trading Profit</b>	35,286	4.59	177,567	13.66	166,989	9.49	264,995	11.49

	\$2.5M - \$3.0M		\$3.0M - \$4.0M		\$4.0M - \$5.0M		OVER \$5.0M	
	\$	%	\$	%	\$	%	\$	%
<b>Assets</b>	712,636	25.10	557,341	15.87	754,641	16.66	1,042,545	15.47
<b>Liabilities</b>	1,146,360	40.37	1,001,942	28.54	1,092,829	24.12	1,870,739	27.77
<b>Net Worth</b>	-433,724	-15.28	-444,600	-12.66	-338,188	-7.46	-828,195	-12.29
<b>Total Revenue</b>	2,839,411	100.00	3,511,212	100.00	4,530,420	100.00	6,737,760	100.00
<b>Trading Profit</b>	304,350	10.72	306,096	8.72	448,132	9.89	456,830	6.78

TABLE 24

## BENEFIT PRESCRIPTION STATISTICS, STATES AND TERRITORIES - 2008/2009

Benefit prescriptions	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	AUSTRALIA
(\$'000)									
<b>COMMONWEALTH GOVERNMENT</b>									
<b>PAYMENTS ON BENEFIT PRESCRIPTIONS</b>									
General	401,944	289,048	245,034	91,072	134,195	26,551	7,722	24,673	1,220,279
Concessional	1,435,383	1,033,332	772,510	359,469	352,192	115,073	14,037	45,072	4,127,071
Safety Net (a)	433,406	304,741	234,100	103,236	92,354	35,753	1,919	10,537	1,216,050
TOTAL (b)	2,270,734	1,627,158	1,251,645	553,778	578,743	177,377	23,679	80,283	6,563,401
<b>PATIENT CONTRIBUTION ON BENEFIT PRESCRIPTIONS</b>									
General	218,170	159,698	134,225	47,463	71,229	14,173	4,316	14,103	663,449
Concessional	219,708	165,374	122,404	55,694	55,107	18,467	2,158	6,468	645,308
TOTAL (b)	437,878	325,072	256,629	103,157	126,336	32,640	6,474	20,571	1,308,757
<b>TOTAL BENEFIT PRESCRIPTION COST</b>									
	2,708,612	1,952,230	1,508,274	656,935	705,079	210,017	30,153	100,854	7,872,158
<b>DISSECTION OF COSTS (c)</b>									
Cost of Ingredients and containers	2,125,183	1,518,147	1,180,900	513,047	558,528	162,214	24,394	82,166	6,164,544
Suppliers' remuneration	583,429	434,083	327,374	143,888	146,551	47,803	5,759	18,688	1,707,614
Total	2,708,612	1,952,230	1,508,274	656,935	705,079	210,017	30,153	100,854	7,872,158
<b>BENEFIT PRESCRIPTIONS ('000)</b>									
General	6,824	4,993	4,196	1,484	2,228	442	135	441	20,746
Concessional	42,741	32,152	23,798	10,828	10,704	3,585	422	1,261	125,488
Safety Net (a)	12,436	8,985	6,796	2,979	2,642	1,053	55	284	35,234
Total (b)	62,001	46,130	34,790	15,291	15,574	5,080	612	1,986	181,468
<b>AVERAGE TOTAL COST PER PRESCRIPTION</b>									
General	90.87	89.88	90.39	93.35	92.20	92.14	89.17	87.93	90.80
Concessional	38.72	37.28	37.60	38.34	38.05	37.25	38.38	40.87	38.03
Safety Net (a)	34.85	33.92	34.45	34.65	34.96	33.95	34.89	37.10	34.51
Total	43.69	42.32	43.35	42.96	45.27	41.34	49.27	50.78	43.38

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

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

(c) Estimate only. Actual dissection of costs by State was not prepared for 2007/08

Source: Commonwealth Department of Health and Ageing.

TABLE 25

## COST OF PHARMACEUTICAL BENEFITS, 2002-03 TO 2008-09

(\$'000)

Year ending 30 June:	2003	2004	2005	2006	2007	2008	2009
<b>COMMONWEALTH GOVERNMENT</b>							
<b>PAYMENTS ON BENEFIT PRESCRIPTIONS (a)</b>							
General	750,544	824,131	850,691	850,095	890,276	1,039,451	1,220,279
Safety Net	169,805	190,683	222,668	216,247	174,128	173,500	217,487
Concessional (b)	2,747,330	2,972,332	3,077,034	3,145,480	3,333,876	3,561,294	3,909,584
Concessional Safety Net	907,524	1,004,523	1,145,497	1,172,502	1,067,478	1,137,925	1,216,050
<b>TOTAL COMMONWEALTH PAYMENTS</b>	<b>4,575,203</b>	<b>4,991,669</b>	<b>5,295,890</b>	<b>5,384,324</b>	<b>5,465,758</b>	<b>5,912,170</b>	<b>6,563,401</b>
<b>PATIENT CONTRIBUTIONS</b>							
General Benefit Prescriptions	470,555	524,763	572,963	606,898	596,483	607,183	663,449
Concessional Benefit Prescriptions	389,188	413,053	467,674	516,372	554,837	582,287	645,307
<b>TOTAL PATIENT CONTRIBUTIONS</b>	<b>859,744</b>	<b>937,816</b>	<b>1,040,637</b>	<b>1,123,270</b>	<b>1,151,320</b>	<b>1,189,470</b>	<b>1,308,756</b>
<b>Total cost of benefit prescriptions (including patients' contributions)</b>	<b>5,434,947</b>	<b>5,929,485</b>	<b>6,336,527</b>	<b>6,507,594</b>	<b>6,617,078</b>	<b>7,101,640</b>	<b>7,872,157</b>
Commonwealth Government payments through miscellaneous services	477,352	570,500	660,000	764,700	850,900	975,500	1,081,400
Total cost of pharmaceutical benefits	5,912,299	6,499,985	6,996,527	7,272,294	7,467,978	8,077,140	8,953,557
Total Commonwealth Government payments	5,052,555	5,562,169	5,955,890	6,149,024	6,316,658	6,887,670	7,644,801

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

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

TABLE 26

## PHARMACEUTICAL BENEFITS YEAR ENDED 30 JUNE 2009

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

State	Ingredient and container cost	Suppliers' Remuneration	Total Cost
	(\$'000)	(\$'000)	(\$'000)
NSW	2,125,183	583,429	2,708,612
VIC	1,518,147	434,083	1,952,230
QLD	1,180,900	327,374	1,508,274
SA	513,047	143,888	656,935
WA	558,528	146,551	705,079
TAS	162,214	47,803	210,017
NT	24,394	5,759	30,153
ACT	82,166	18,688	100,854
<b>TOTAL</b>	<b>6,164,544</b>	<b>1,707,614</b>	<b>7,872,154</b>

NOTE: (1) Estimated dissection between ingredient costs and remuneration by State.

(2) Includes mark-up on wholesale price and professional fees but does not include discounts allowed to pharmacists by wholesalers and manufacturers.

(3) All figures relate only to prescriptions which have been subsidised by the Government through the Pharmaceutical Benefits Scheme. Non PBS prescriptions are not included.

TABLE 27

## REPATRIATION PHARMACEUTICAL BENEFITS

Year	Cost \$	Number of prescriptions	Average cost per prescription \$	% Change
1971/72	19,046,307	6,629,477	2.87	
1972/73	20,016,887	6,518,103	3.07	6.89%
1973/74	21,121,909	6,357,947	3.32	8.18%
1974/75	22,761,634	6,538,902	3.48	4.78%
1975/76	29,991,915	7,089,899	4.23	21.52%
1976/77	31,253,962	7,786,899	4.01	-5.12%
1977/78	33,427,821	7,662,328	4.36	8.69%
1978/79	35,553,066	7,484,528	4.75	8.88%
1979/80	38,984,952	8,116,373	4.80	1.12%
1980/81	44,921,391	8,997,730	4.99	3.94%
1981/82	54,851,219	9,661,876	5.68	13.71%
1982/83	61,029,969	9,816,044	6.22	9.52%
1983/84	66,087,396	10,585,324	6.24	0.42%
1984/85	77,089,793	11,248,654	6.85	9.77%
1985/86	86,507,716	11,515,486	7.51	9.62%
1986/87	94,829,444	11,153,714	8.50	13.18%
1987/88	85,725,923	9,008,826	9.52	11.92%
1988/89	80,879,482	7,914,298	10.22	7.39%
1989/90	83,684,977	7,593,329	11.02	7.84%
1990/91	86,043,778	7,224,499	11.91	8.07%
1991/92	92,947,647	6,654,306	13.97	17.28%
1992/93	92,202,894	5,876,127	15.69	12.34%
1993/94	98,671,107	5,686,939	17.35	10.58%
1994/95	104,193,758	5,449,513	19.12	10.20%
1995/96	122,888,989	6,515,884	18.86	-1.36%
1996/97	197,146,559	9,208,882	21.41	13.51%
1997/98	204,715,632	9,928,485	20.62	-3.69%
1998/99	229,869,461	10,690,911	21.50	4.28%
1999/00	272,323,263	12,045,595	22.61	5.15%
2000/01	325,142,363	13,099,032	24.82	9.79%
2001/02	371,279,280	14,243,945	26.07	5.01%
2002/03	425,885,375	15,362,564	27.72	6.36%
2003/04	456,299,564	15,627,475	29.20	5.33%
2004/05	465,740,225	15,734,655	29.60	1.37%
2005/06	455,134,031	15,167,849	30.01	1.37%
2006/07	439,302,269	14,822,828	29.64	-1.23%
2007/08	445,626,200	14,256,149	31.26	5.47%
2008/09	462,688,289	14,336,093	32.27	3.25%
2009/10	470,377,027	13,863,867	33.93	5.12%

SOURCE: Commonwealth Department of Veterans' Affairs.

TABLE 28

**PHARMACEUTICAL BENEFITS  
PRESCRIPTIONS AND DERIVED STATISTICS FOR THE YEAR ENDED 30 JUNE 2009**

State	Number of Prescriptions			Average Cost Per Prescription				
	Total	For General Patients	For Concessional Patients	For Safety Net Patients	Total \$	For General Patients \$	For Concessional Patients \$	For Safety Net Patients \$
<b>NSW</b>	62,001,893	6,824,558	42,740,399	12,436,936	43.69	90.87	38.72	34.85
<b>VIC</b>	46,130,386	4,993,468	32,151,049	8,985,869	42.32	89.87	37.28	33.91
<b>QLD</b>	34,790,799	4,196,527	23,797,880	6,796,392	43.35	90.37	37.61	34.44
<b>SA</b>	15,291,114	1,484,129	10,827,901	2,979,084	42.96	93.34	38.34	34.65
<b>WA</b>	15,574,725	2,228,838	10,703,529	2,642,358	45.27	92.20	38.05	34.95
<b>TAS</b>	5,080,852	442,805	3,584,870	1,053,177	41.34	91.97	37.25	33.95
<b>NT</b>	612,301	135,256	421,194	55,851	49.25	89.01	38.45	34.37
<b>ACT</b>	1,986,061	441,196	1,260,161	284,704	50.78	87.89	40.90	37.01
<b>TOTAL</b>	181,468,131	20,746,777	125,486,983	35,234,371	43.38	90.80	38.03	34.51

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

TABLE 29

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

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

TABLE 29 (Cont.)

From	To	RP ITEMS		EP ITEMS
		Professional Fee \$	Markup on Wholesale Price %	Professional Fee \$
1 July 2000	30 January 2001	4.40	10 ***	6.28
1 February 2001	30 June 2001	4.50	10 ***	6.38
1 July 2001	30 September 2001	4.53	10 ***	6.44
1 October 2001	30 January 2002	4.68	10 ***	6.59
1 February 2002	30 June 2002	4.58	10 ***	6.49
1 July 2002	30 June 2003	4.62	10 ***	6.56
1 July 2003	30 June 2004	4.66	10 ***	6.63
1 July 2004	30 June 2005	4.70	10 ***	6.70
1 July 2005	30 November 2005	4.75	10 ***	6.78
1 December 2005	30 June 2006	4.94	10 ***	6.97
1 July 2006	30 June 2007	5.15	10 ~	7.19
1 July 2007	31 July 2007	5.32	10 ~	7.36
1 August 2007	30 June 2008	5.44	10 ~	7.48
1 July 2008	31 July 2008	5.81	10 ~	7.85
1 August 2008	30 June 2009	5.99	~~	8.03
1 July 2009		6.42	~~	8.46
1 July 2010		6.42	~~	8.46

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

\*\* 10% Mark-up applies to items with approved price to pharmacists of less than \$180.00

\$18.00 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$360.00

5% Mark-up applies to items with approved price to pharmacists of more than \$360.00

\*\*\* 10% Mark-up applies to items with approved price to pharmacists of less than \$180.00

\$18.00 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$450.00

4% Mark-up applies to items with approved price to pharmacists of more than \$450.00

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

~~ 15% Mark-up applied to items with approved price to pharmacists of less than \$30.00

\$4.50 Mark-up applies to items with approved price to pharmacists of between \$30.00 and \$45.00

10% Mark-up applies to items with approved price to pharmacists of between \$45.00 and \$180.00

\$18 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$450.00

4% Mark-up applies to items with approved price to pharmacists of between \$450.00 and \$1750.00

\$70 Mark-up applies to items with approved price to pharmacists of more than \$1750.00

Source: Commonwealth Department of Health and Ageing

TABLE 30

### CHANGES IN THE LEVEL OF PATIENT CONTRIBUTION

Date of Change	Amount general	Percentage of average cost of a "general" benefit	Amount concessional	Percentage of average cost of a "concessional" benefit
March 1960	\$0.50	22 %		
November 1971	\$1.00	40 %		
September 1975	\$1.50	51 %		
March 1976	\$2.00	59 %		
July 1978	\$2.50	60 %		
September 1979	\$2.75	60 %		
December 1981	\$3.20	62 %		
January 1983	\$4.00	69 %	\$2.00	34 %
July 1985	\$5.00	73 %	\$2.00	32 %
July 1986	\$5.00	64 %	\$2.00	29 %
November 1986	MAX \$10.00	54 %	\$2.50	27 %
July 1988	MAX \$11.00	51 %	\$2.50	27 %
July 1989	MAX \$11.00	53 %	\$2.50	25 %
July 1990	MAX \$11.00	49 %	\$2.50	23 %
November 1990	MAX \$15.00	55 %	\$2.50	21 %
August 1991	MAX \$15.70	57 %	\$2.50	21 %
October 1991	MAX \$15.70	57 %	\$2.60	22 %
August 1992	MAX \$15.90	45 %	\$2.60	20 %
August 1993	MAX \$16.00	47 %	\$2.60	18 %
August 1994	MAX \$16.20	45 %	\$2.60	16 %
August 1995	MAX \$16.80	45 %	\$2.60	15 %
August 1996	MAX \$17.40	43 %	\$2.70	14 %
January 1997	MAX \$20.00	44 %	\$3.20	16 %
January 1999	MAX \$20.30	40 %	\$3.20	14 %
January 2000	MAX \$20.60	40 %	\$3.30	14 %
January 2001	MAX \$21.90	42 %	\$3.50	14 %
January 2002	MAX \$22.40	42 %	\$3.60	14 %
January 2003	MAX \$23.10	40 %	\$3.70	13 %
January 2004	MAX \$23.70	39 %	\$3.80	12 %
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	36 %	\$5.30	14 %
January 2010	MAX \$33.30	37 %	\$5.40	14 %

TABLE 31

## P B S REMUNERATION PER PRESCRIPTION

Year	Average Price per prescription \$	Mark-up* \$	Average professional fee \$	Total remuneration * \$	Remuneration as % of Ave. Price	Annual Volume of prescriptions (‘000)
1970/71	2.21	0.48	0.34	0.82	37.10	71,487
1971/72	2.46	0.51	0.38	0.89	36.18	72,442
1972/73	2.64	0.56	0.47	1.01	38.26	74,676
1973/74	2.78	0.53	0.65	1.18	42.45	87,288
1974/75	2.99	0.54	0.83	1.37	45.82	97,674
1975/76	3.28	0.60	0.88	1.48	45.12	101,117
1976/77	3.71	0.66	1.04	1.70	45.82	89,705
1977/78	3.93	0.66	1.22	1.88	47.84	93,167
1978/79	4.16	0.59 **	1.35	1.94	46.63	92,963
1979/80	4.38	0.62	1.36	1.98	45.21	89,075
1980/81	4.53 4.65 @	0.66	1.30 1.42 @	1.96 2.08 @	43.27	94,397
1981/82	5.08	0.68	1.62	2.30	45.28	103,574
1982/83	5.61	0.77	1.77	2.54	45.28	105,540
1983/84	5.96	0.79	1.90	2.69	45.13	108,385
1984/85	6.32	0.80	2.14	2.94	46.52	120,829
1985/86	7.01	0.94	2.33	3.27	46.65	119,842
1986/87	8.79 @@	1.26	2.48	3.74	42.55	102,762
1987/88	10.37 @@	1.57	2.53	4.10	39.54	100,901
1988/89	11.51 @@	1.78	2.64	4.42	38.40	100,586
1989/90	12.54 @@	1.99	2.57	4.56	36.40	104,979
1990/91	13.82 @@	1.84	2.84	4.68	33.86	96,300
1991/92	15.46 @@	1.10 **	3.43	4.53	29.30	94,121
1992/93	16.78 @@	1.20	3.60	4.79	28.55	105,953
1993/94	18.18 @@	1.31	3.85	5.16	28.38	115,041
1994/95	19.71 @@	1.43	4.06	5.49	27.85	118,046
1995/96	21.49 @@	1.57	4.27	5.84	27.18	124,205
1996/97	23.19 @@	1.72	4.29	6.01	25.92	123,434
1997/98	24.88 @@	1.87	4.34	6.21	24.96	124,483
1998/99	26.38 @@	1.95	4.34	6.29	23.84	128,348
1999/00	27.82 @@	2.07	4.39	6.46	23.23	137,585
2000/01	30.86 @@	2.34	4.44	6.78	21.96	147,571
2001/02	32.32 @@	2.46	4.53	6.99	21.62	154,530
2002/03	34.28 @@	2.62	4.62	7.24	21.13	158,548
2003/04	35.84 @@	2.68	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	9.39	21.65	181,836
2009/10	45.84 @@	3.61	6.42	10.03	21.88	183,911

\* Excludes wholesalers' surcharges, discounts and rebates

\*\* Percentage mark-up changed.

@ Adjusted for retrospective payments.

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

TABLE 32

HIGHEST GOVERNMENT COST PBS DRUGS BY GENERIC NAME  
(Year ended 30 June 2010)

Ranking	Drug Name	Prescriptions	% of Total Scripts	Government Cost (\$)	% of Total Cost
1	ATORVASTATIN	10,944,887	5.57	628,700,130	8.43
2	ROSUVASTATIN	4,541,134	2.31	285,712,159	3.83
3	RANIBIZUMAB	109,082	0.06	228,363,006	3.06
4	CLOPIDOGREL	2,978,672	1.52	211,062,717	2.83
5	ESOMEPRAZOLE MAGNESIUM TRIHYDRATE	6,188,606	3.15	204,745,457	2.74
6	FLUTICASON PROPRIONATE with SALMETEROL XINAFOATE	2,928,798	1.49	166,245,002	2.23
7	OLANZAPINE	928,645	0.47	158,251,287	2.12
8	SIMVASTATIN	4,722,375	2.40	153,846,890	2.06
9	ADALIMUMAB	83,191	0.04	148,312,477	1.99
10	TIOTROPIUM BROMIDE MONOHYDRATE	1,619,801	0.82	113,792,938	1.53
11	PANTOPRAZOLE SODIUM SESQUIHYDRATE	3,823,441	1.95	112,645,788	1.51
12	ETANERCEPT	63,457	0.03	111,859,317	1.50
13	VENLAFAXINE HYDROCHLORIDE	2,697,921	1.37	102,645,450	1.38
14	RISPERIDONE	632,023	0.32	90,520,626	1.21
15	QUETIAPINE	560,200	0.29	87,702,326	1.18
16	IMATINIB	21,234	0.01	86,988,014	1.17
17	RITUXIMAB	45,166	0.02	84,604,166	1.13
18	INSULIN GLARGINE	200,766	0.10	82,766,156	1.11
19	OMEPRAZOLE	2,699,005	1.37	76,447,770	1.02
20	OXYCODONE HYDROCHLORIDE	2,136,741	1.09	73,114,660	0.98
21	IRBESARTAN	3,098,557	1.58	70,187,030	0.94
22	IRBESARTAN with HYDROCHLOROTHIAZIDE	2,583,394	1.31	67,297,060	0.90
23	BUDESONIDE with EFORMOTEROL FUMARATE DIHYDRATE	1,289,067	0.66	66,330,288	0.89
24	RABEPRAZOLE SODIUM	2,341,065	1.19	66,075,591	0.89
25	EZETIMIBE with SIMVASTATIN	623,778	0.32	64,125,294	0.86
26	AMLODIPINE BESYLATE with ATORVASTATIN CALCIUM	884,654	0.45	63,092,535	0.85
27	PERINDOPRIL	3,967,945	2.02	61,014,659	0.82
28	VARENICLINE	477,070	0.24	59,571,099	0.80
29	GOSERELIN ACETATE	65,556	0.03	57,028,403	0.76
30	EZETIMIBE	937,049	0.48	55,743,099	0.75
31	VALACICLOVIR HYDROCHLORIDE	372,286	0.19	54,182,780	0.73
32	CANDESARTAN CILEXETIL	2,079,905	1.06	52,382,405	0.70
33	LATANOPROST	1,488,252	0.76	50,589,499	0.68
34	FENTANYL	489,151	0.25	47,398,640	0.64
35	PARACETAMOL	4,235,629	2.16	43,273,670	0.58
36	LEUPRORELIN ACETATE	35,569	0.02	42,995,226	0.58
37	DOCETAXEL	21,405	0.01	41,380,407	0.55
38	PRAVASTATIN	1,235,612	0.63	41,354,548	0.55
39	INTERFERON BETA-1a	39,510	0.02	40,906,224	0.55
40	CARVEDILOL	572,784	0.29	40,093,026	0.54
41	MESALAZINE	176,540	0.09	39,348,819	0.53
42	PIOGLITAZONE HYDROCHLORIDE	474,813	0.24	39,052,401	0.52
43	BUPRENORPHINE	886,888	0.45	39,026,050	0.52
44	MELOXICAM	1,735,451	0.88	38,967,055	0.52
45	RAMIPRIL	2,591,259	1.32	38,116,043	0.51
46	SERTRALINE HYDROCHLORIDE	1,771,818	0.90	37,965,580	0.51
47	INTERFERON BETA-1b	32,326	0.02	37,492,837	0.50
48	ALENDRONATE SODIUM with COLECALCIFEROL	941,703	0.48	37,194,572	0.50
49	METFORMIN HYDROCHLORIDE	3,359,733	1.71	36,730,619	0.49
50	AMLODIPINE	2,303,883	1.17	36,452,826	0.49
		<b>89,037,797</b>	<b>45.31</b>	<b>4,673,694,621</b>	<b>62.66</b>

TABLE 33

MOST FREQUENTLY PRESCRIBED PBS DRUGS BY GENERIC NAME  
(Year ended 30 June 2010)

Ranking	Drug Name	Prescriptions	% of Total Scripts	Government Cost (\$)	% of Total Cost
1	ATORVASTATIN	10,944,887	5.57	628,700,130	8.43
2	ESOMEPRAZOLE MAGNESIUM TRIHYDRATE	6,188,606	3.15	204,745,457	2.74
3	SIMVASTATIN	4,722,375	2.40	153,846,890	2.06
4	ROSUVASTATIN	4,541,134	2.31	285,712,159	3.83
5	PARACETAMOL	4,235,629	2.16	43,273,670	0.58
6	PERINDOPRIL	3,967,945	2.02	61,014,659	0.82
7	PANTOPRAZOLE SODIUM SESQUIHYDRATE	3,823,441	1.95	112,645,788	1.51
8	METFORMIN HYDROCHLORIDE	3,359,733	1.71	36,730,619	0.49
9	ATENOLOL	3,125,635	1.59	19,976,945	0.27
10	IRBESARTAN	3,098,557	1.58	70,187,030	0.94
11	CLOPIDOGREL	2,978,672	1.52	211,062,717	2.83
12	FLUTICASONЕ PROPIONATE with SALMETEROL XINAFOATE	2,928,798	1.49	166,245,002	2.23
13	SALBUTAMOL SULFATE	2,761,782	1.41	34,273,003	0.46
14	OMEPRAZOLE	2,699,005	1.37	76,447,770	1.02
15	VENLAFAXINE HYDROCHLORIDE	2,697,921	1.37	102,645,450	1.38
16	WARFARIN SODIUM	2,609,739	1.33	23,320,485	0.31
17	RAMIPRIL	2,591,259	1.32	38,116,043	0.51
18	IRBESARTAN with HYDROCHLOROTHIAZIDE	2,583,394	1.31	67,297,060	0.90
19	CEPHALEXIN	2,503,998	1.27	16,073,196	0.22
20	AMOXYCILLIN	2,465,166	1.25	14,605,128	0.20
21	RABEPRAZOLE SODIUM	2,341,065	1.19	66,075,591	0.89
22	CODEINE PHOSPHATE with PARACETAMOL	2,329,848	1.19	16,842,932	0.23
23	AMLODIPINE	2,303,883	1.17	36,452,826	0.49
24	OXYCODONE HYDROCHLORIDE	2,136,741	1.09	73,114,660	0.98
25	CANDESARTAN CILEXETIL	2,079,905	1.06	52,382,405	0.70
26	TEMAZEPAM	1,967,984	1.00	7,513,777	0.10
27	SERTRALINE HYDROCHLORIDE	1,771,818	0.90	37,965,580	0.51
28	MELOXICAM	1,735,451	0.88	38,967,055	0.52
29	AMOXYCILLIN with CLAVULANIC ACID	1,715,937	0.87	16,897,372	0.23
30	TRAMADOL HYDROCHLORIDE	1,711,081	0.87	23,886,850	0.32
31	DIAZEPAM	1,669,915	0.85	6,100,872	0.08
32	LERCANIDIPINE HYDROCHLORIDE	1,637,323	0.83	33,267,404	0.45
33	TIOTROPIUM BROMIDE MONOHYDRATE	1,619,801	0.82	113,792,938	1.53
34	TELMISARTAN	1,552,146	0.79	32,440,131	0.43
35	LATANOPROST	1,488,252	0.76	50,589,499	0.68
36	GLICLAZIDE	1,475,795	0.75	14,470,163	0.19
37	FRUSEMIDE	1,421,035	0.72	7,574,314	0.10
38	METOPROLOL TARTRATE	1,396,003	0.71	9,808,863	0.13
39	ASPIRIN	1,320,711	0.67	6,427,885	0.09
40	PERINDOPRIL with INDAPAMIDE HEMIHYDRATE	1,309,381	0.67	32,135,282	0.43
41	BUDESONIDE with EFORMOTEROL FUMARATE DIHYDRATE	1,289,067	0.66	66,330,288	0.89
42	PRAVASTATIN	1,235,612	0.63	41,354,548	0.55
43	CELECOXIB	1,186,782	0.60	33,897,770	0.45
44	CITALOPRAM HYDROBROMIDE	1,180,989	0.60	24,247,008	0.33
45	ROXITHROMYCIN	1,141,669	0.58	8,517,711	0.11
46	AMITRIPTYLINE HYDROCHLORIDE	1,114,748	0.57	5,269,083	0.07
47	DILTIAZEM HYDROCHLORIDE	1,104,849	0.56	18,215,012	0.24
48	ESCITALOPRAM OXALATE	1,088,431	0.55	28,092,848	0.38
49	MIRTAZAPINE	1,071,153	0.55	27,889,101	0.37
50	OXAZEPAM	1,062,996	0.54	4,149,486	0.06
		<b>121,288,047</b>	<b>61.72</b>	<b>3,301,588,450</b>	<b>44.26</b>

TABLE 34

## POPULATION TO PHARMACY RATIOS IN AUSTRALIA

YEAR (30 JUNE)	POPULATION *	NUMBER OF PHARMACIES	POPULATION : PHARMACY RATIO
1970	12,663,469	5,876	2,155
1975	13,893,000	5,566	2,496
1980	14,695,400	5,417	2,713
1985	15,788,300	5,484	2,879
1986	16,018,400	5,549	2,887
1987	16,263,300	5,559	2,926
1988	16,532,200	5,609	2,947
1989	16,814,400	5,612	2,996
1990	17,065,100	5,625	3,034
1991	17,284,000	5,351	3,230
1992	17,489,100	5,091	3,435
1993	17,656,400	5,018	3,519
1994	17,847,400	4,980	3,584
1995	18,063,300	4,949	3,650
1996	18,310,714	4,953	3,697
1997	18,532,247	4,954	3,741
1998	18,730,359	4,952	3,782
1999	18,871,800	4,942	3,819
2000	19,080,200	4,925	3,874
2001	19,334,200	4,925	3,926
2002	19,657,400	4,926	3,991
2003	19,757,900	4,907	4,026
2004	20,009,000	4,910	4,075
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

TABLE 35

## TRENDS IN POPULATION TO PHARMACY RATIOS

30 JUNE 2009				30 JUNE 2010			
STATE OR TERRITORY	POPULATION ('000)	NUMBER OF PHARMACIES	POPULATION/ PHARMACY	POPULATION ('000)	NUMBER OF PHARMACIES	POPULATION/ PHARMACY	% Change in Population to Pharmacy Ratios
<b>NSW</b>	7,076.5	1,731	4,088	7,221.0	1,731.0	4,172	2.0
<b>VIC</b>	5,402.6	1,170	4,618	5,529.4	1,184.0	4,670	1.1
<b>QLD</b>	4,380.4	1,011	4,333	4,498.9	1,017.0	4,424	2.1
<b>SA</b>	1,618.2	404	4,005	1,640.7	414.0	3,963	-1.1
<b>WA</b>	2,224.3	508	4,379	2,286.1	516.0	4,430	1.2
<b>TAS</b>	501.8	131	3,831	507.1	133.0	3,813	-0.5
<b>NT</b>	223.1	29	7,693	228.4	30.0	7,613	-1.0
<b>ACT</b>	349.9	62	5,644	357.7	63.0	5,678	0.6
<b>AUSTRALIA</b>	<b>21,779.1</b>	<b>5,046</b>	<b>4,316</b>	<b>22,271.9</b>	<b>5,088.0</b>	<b>4,377</b>	<b>1.4</b>

TABLE 36

PHARMACIES DISPENSING PHARMACEUTICAL BENEFITS  
STATES AND TERRITORIES 1995 TO 2010

(Number at 30 June)

STATE OR TERRITORY	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>NSW</b>	1,736	1,731	1,729	1,727	1,724	1,723	1,722	1,727	1,709	1,699	1,702	1,705	1,708	1,722	1,731	1,731
<b>VIC</b>	1,213	1,200	1,190	1,181	1,169	1,159	1,161	1,159	1,160	1,160	1,165	1,166	1,170	1,161	1,170	1,184
<b>QLD</b>	931	942	952	959	959	954	951	948	944	953	952	963	987	987	1,011	1,017
<b>SA</b>	386	386	385	383	386	386	387	385	386	389	391	399	400	407	404	414
<b>WA</b>	457	467	470	474	477	478	479	480	484	489	492	502	509	508	508	516
<b>TAS</b>	142	143	144	143	140	140	140	140	139	135	134	131	133	132	131	133
<b>NT</b>	26	26	27	27	28	28	28	30	28	28	27	27	26	27	29	30
<b>ACT</b>	58	58	57	58	59	57	57	57	57	57	58	58	59	61	62	63
<b>AUSTRALIA</b>	4,949	4,953	4,954	4,952	4,942	4,925	4,925	4,926	4,907	4,910	4,921	4,951	4,992	5,005	5,046	5,088

Source: Medicare Australia

TABLE 37

## PRICING AND EARNING INDICES

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

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

(b) All Males.

## Chart 6

