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AUDIOLOGY AND AUDIOMETRY SERVICES

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CONTENTS

	<i>page</i>
Notes	2
Summary of findings	3
TABLES	
1 Key figures	5
2 Activity, by type of business	5
3 Sources of income	6
4 Items of expenditure	7
5 Characteristics of employment, end June	8
6 State and Territory comparisons	8
7 Key characteristics, by practice size	9
8 Selected performance ratios	9
ADDITIONAL INFORMATION	
Explanatory notes	10
Glossary	11

- For further information about these and related statistics, contact Annette Scott on Melbourne 03 9615 7977, or any ABS office shown on the back cover of this publication.

NOTES

ABOUT THIS PUBLICATION

This publication presents results, in respect of the 1997–98 financial year, from an Australian Bureau of Statistics (ABS) census of Australian audiology and audiometry businesses. The census included all businesses mainly engaged in the provision of audiology and audiometry services such as hearing assessment and the sale and fitting of hearing instruments. Businesses whose main activity was the manufacture of hearing instruments and devices were excluded from this census. This is the first time that the ABS has collected data from the audiology and audiometry industries in Australia.

This publication is part of a series to be issued in respect of 1997–98 covering a range of allied health industries. Other publications in this series are:

Chiropractic and Osteopathic Services, Australia, 1997–98
(Cat. no. 8550.0)

Dental Services, Australia, 1997–98 (Cat. no. 8551.0)

Physiotherapy Services, Australia, 1997–98 (Cat. no. 8552.0)

Optometry and Optical Dispensing Services, Australia, 1997–98
(Cat. no. 8553.0)

COMMENTS ON THIS PUBLICATION

The ABS welcomes comments and suggestions from users recommending industries and data items for inclusion in future service industries surveys. These comments should be addressed to the Director, Service Industries Surveys, ABS, PO Box 10, Belconnen, ACT, 2616.

SYMBOLS AND OTHER USAGES

ABS	Australian Bureau of Statistics
n.e.c.	not elsewhere classified
n.p.	not available for publication, but included in totals where applicable
PAYE	pay as you earn
—	nil or rounded to zero

Where figures have been rounded, discrepancies may occur between the sum of the component items and the total.

W. McLennan
Australian Statistician

SUMMARY OF FINDINGS

INTRODUCTION

This publication presents results, in respect of the 1997–98 financial year, from an Australian Bureau of Statistics (ABS) census of Australian audiology and audiometry businesses. This is the first time that the ABS has collected data on the audiology and audiometry industries in Australia.

At the end of June 1998, there were 146 audiology and audiometry businesses in Australia, operating from 985 locations (362 in capital cities and 623 in other locations). These businesses provided a range of audiology and audiometry services including the fitting and post-fitting of hearing instruments (140 businesses), sale of hearing instruments (135 businesses) and consultation and diagnostic work (134 businesses).

The audiology and audiometry industries were small in terms of the number of businesses, employment and income, with the 146 businesses having a total employment of 1,367 persons and generating a total income of \$158 million.

SOURCES OF INCOME

The audiology and audiometry industries generated total income of \$158 million during 1997–98. Fee-for-service income of \$127 million represented 81% of total income. The major components of the fee-for-service income were \$72 million in the form of payments from the Office of Hearing Services and \$48 million received from direct patient payments.

The average fee-for-service income per practitioner during 1997–98 was \$191,600. This varied from \$240,100 per practitioner in single practitioner businesses to \$181,800 per practitioner for businesses with three or more practitioners.

EXPENSES

Total expenses for the audiology/audiometry industries during 1997–98 were \$157 million.

Labour costs of \$57 million represented 36% of total expenses for the audiology and audiometry industries. The average labour costs per employee were \$43,300.

Other major expenses were purchases of hearing instruments of \$55 million (35%), and rent, leasing and hiring expenses of \$13 million (8%). Other operating expenses, which were not separately itemised, were \$16 million and included such expenses as advertising, stationery and repair and maintenance expenses.

OPERATING PROFIT BEFORE TAX	<p>In 1997–98, the audiology and audiometry industries had an operating profit before tax of \$1 million, which represented an operating profit margin of 0.7%. This profit margin varied by size of business. Businesses with one audiologist or audiometrist had an operating profit margin of 11.5%, in part reflecting the fact that many of the smaller businesses were sole proprietors or partnerships where the principals do not receive a wage but make drawings from business profits. In contrast to the smaller businesses, those businesses with three or more audiologists and/or audiometrists recorded a negative operating profit margin of –2.6%, although the majority of the businesses in this size group made a profit.</p>
EMPLOYMENT	<p>At the end of June 1998, there were 1,367 persons working in audiology and audiometry businesses in Australia, comprising 57 working proprietors and partners, and 1,310 employees.</p> <p>In total there were, at the end of June 1998, 503 audiologists and 162 audiometrists working for these businesses. The gender mix varied considerably between the two professions, with 73% (367) of audiologists being female, whereas only 36% (59) of the audiometrists were female. The majority (76%) of persons working for audiology and audiometry businesses worked on a full-time basis, with 73% of audiologists and audiometrists, and 79% of support staff working on this basis.</p>
STATE AND TERRITORY DATA	<p>At the end of June 1998, 34% of audiology and audiometry businesses operated in New South Wales, while 30% and 19% operated in Victoria and Queensland respectively. The distribution of total income across the States and Territories was slightly different to the population distribution, with business operations in New South Wales accounting for 38% of total income compared to 34% of the population, whereas business operations in Victoria accounted for 23% of total income compared to 25% of the population.</p>
BUSINESS SIZE BY NUMBER OF PRACTITIONERS	<p>There were 73 single practitioner businesses which accounted for 50% of all audiology and audiometry businesses in Australia at the end of June 1998. While these single practitioner businesses earned only 12% (\$18 million) of industry income, their operating profit margin was 11.5%.</p> <p>The 35 larger businesses (i.e. those with three or more practitioners) dominated the industry with 77% of employment and 78% of industry income. However, the operating profit margin of these businesses was –2.6%.</p>

1 KEY FIGURES

	<i>Value</i>
Businesses at end June (no.)	146
Private practice locations at end June	
Capital city (no.)	362
Other (no.)	623
<i>Total (no.)</i>	985
Employment at end June	
Audiologists (no.)	503
Audiometrists (no.)	162
Other (no.)	702
<i>Total (no.)</i>	1 367
Contract audiologists/audiometrists at end June (no.)	14
Income	
Fee-for-service (\$m)	127.4
Other income (\$m)	30.6
<i>Total (\$m)</i>	157.9
Expenses	
Labour costs (\$m)	56.8
Purchases of hearing instruments (\$m)	55.1
Other expenses (\$m)	45.1
<i>Total (\$m)</i>	156.9
Operating profit before tax (\$m)	0.9
Operating profit margin (%)	0.7

2 ACTIVITIES, BY TYPE OF BUSINESS

	<i>Sole proprietorships</i>	<i>Partnerships</i>	<i>Incorporated companies</i>	<i>Other</i>	<i>Total</i>
	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>
Consultation and diagnostic work	23	15	86	10	134
Fitting and post-fitting of hearing instruments	22	16	91	11	140
Sale of hearing instruments	20	15	89	11	135
Sale of assistive listening devices	17	12	74	8	111
Repair and maintenance of hearing instruments	17	16	84	11	128
Hearing rehabilitation and counselling	21	14	81	10	126
Workplace assessments	9	9	46	8	72
All businesses(a)	23	16	95	12	146

(a) Businesses are counted once for each activity in which they are involved. Hence, the counts for businesses by type do not sum to the total.

3

SOURCES OF INCOME

	<i>Value</i>	<i>Proportion of total</i>
	<i>\$m</i>	<i>%</i>
Sales of goods and services		
Fee-for-service		
Direct patient payments		
Direct private patient payments	37.4	23.7
Top-up payments from patients	5.2	3.3
Other patient payments	5.2	3.3
<i>Total</i>	47.8	30.3
Office of Hearing Services payments(a)	72.1	45.7
Other	7.5	4.7
<i>Total</i>	127.4	80.7
Income from other audiology/audiometry related services	1.0	0.6
Rent, leasing and hiring income	n.p.	n.p.
Other operating income	n.p.	n.p.
<i>Total</i>	131.1	83.0
Government funding(b)	26.2	16.6
Interest income	0.5	0.3
Total	157.9	100.0

(a) Represents payments received under the Commonwealth Hearing Services Program.

(b) Government funding received by Australian Hearing Services for community service and research work.

4

ITEMS OF EXPENDITURE

	<i>Value</i>	<i>Proportion of total</i>
	\$m	%
Labour costs		
Wages and salaries		
Working directors and principals of incorporated companies		
Audiologists and audiometrists	4.9	3.1
Other working directors and principals	1.1	0.7
<i>Total</i>	6.1	3.9
Other employees		
Audiologists and audiometrists	22.4	14.3
Other	22.1	14.1
<i>Total</i>	44.5	28.4
<i>Total</i>	50.5	32.2
Employer contributions to superannuation funds	5.8	3.7
Workers compensation costs	0.4	0.3
<i>Total</i>	56.8	36.2
Selected expenses		
Contract payments to locums	0.8	0.5
Continuing education expenses and other training services	0.2	0.1
Subscriptions and indemnity insurance	0.3	0.2
Motor vehicle running expenses	1.3	0.8
Telecommunication services	2.6	1.7
Travel and accommodation expenses	2.4	1.5
Rent, leasing and hiring expenses		
Land, buildings and other structures	11.3	7.2
Other rent, leasing and hiring expenses	1.3	0.8
<i>Total</i>	12.5	8.0
Other operating expenses	16.0	10.2
<i>Total</i>	36.0	22.9
Other costs		
Purchases		
Purchases of hearing instruments	55.1	35.1
Other purchases	1.1	0.7
<i>Total</i>	56.2	35.8
Other insurance premiums	0.3	0.2
Interest expenses	0.9	0.6
Depreciation and amortisation	3.3	2.1
Other	3.2	2.0
<i>Total</i>	64.0	40.8
Total	156.9	100.0

5

CHARACTERISTICS OF EMPLOYMENT, END JUNE

	<i>Full-time</i>			<i>Part-time</i>			<i>Total</i>		
	<i>Males</i>	<i>Females</i>	<i>Persons</i>	<i>Males</i>	<i>Females</i>	<i>Persons</i>	<i>Males</i>	<i>Females</i>	<i>Persons</i>
	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>	<i>no.</i>
Audiologists									
Working proprietors and partners	19	8	27	3	3	6	22	11	33
Working directors	23	n.p.	n.p.	8	n.p.	n.p.	31	20	51
Other employees(a)	72	n.p.	n.p.	11	n.p.	n.p.	83	336	419
Total	114	225	339	22	142	164	136	367	503
Audiometrists									
Working proprietors and partners	9	3	12	—	—	—	9	3	12
Working directors	48	19	67	3	4	7	51	23	74
Other employees(b)	39	27	66	4	6	10	43	33	76
Total	96	49	145	7	10	17	103	59	162
Other									
Working proprietors and partners	—	4	4	3	5	8	3	9	12
Working directors	6	n.p.	n.p.	5	n.p.	n.p.	11	29	40
Other employees	193	n.p.	n.p.	15	n.p.	n.p.	208	442	650
Total	199	353	552	23	127	150	222	480	702
Total									
Working proprietors and partners	28	15	43	6	8	14	34	23	57
Working directors	77	53	130	16	19	35	93	72	165
Other employees	304	559	863	30	252	282	334	811	1 145
Total	409	627	1 036	52	279	331	461	906	1 367

(a) Includes 8 provisional audiologists.

(b) Includes 21 trainee audiometrists.

6

STATE AND TERRITORY COMPARISONS

	<i>Businesses at end June(a)</i>	<i>Employment at end June</i>		<i>Wages and salaries</i>		<i>Total income</i>	
	<i>no.</i>	<i>no.</i>	<i>%</i>	<i>\$m</i>	<i>%</i>	<i>\$m</i>	<i>%</i>
New South Wales	50	541	39.6	23.6	46.7	59.4	37.6
Victoria	44	321	23.5	9.9	19.6	36.1	22.9
Queensland	28	235	17.2	7.9	15.6	28.7	18.2
South Australia	13	92	6.7	3.5	6.9	12.6	8.0
Western Australia	14	99	7.2	3.4	6.7	12.2	7.7
Tasmania	9	45	3.3	1.2	2.4	4.8	3.0
Northern Territory	2	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australian Capital Territory	5	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australia	146	1 367	100.0	50.5	100.0	157.9	100.0

(a) Businesses are counted in each State and Territory in which they operate. Hence the counts of businesses for States and Territories do not sum to the total for Australia.

7

KEY CHARACTERISTICS, BY PRACTICE SIZE

	<i>Number of audiologists/audiometrists</i>			Total
	<i>1</i>	<i>2</i>	<i>3 or more</i>	
Businesses at end June (no.)	73	38	35	146
Employment				
Audiologists (no.)	44	40	419	503
Audiometrists (no.)	29	36	97	162
Other employment (no.)	88	74	540	702
Total (no.)	161	150	1 056	1 367
Fee-for-service (\$m)	17.5	16.1	93.8	127.4
Total income (\$m)	18.2	16.3	123.4	157.9
Total expenses (\$m)	16.2	14.9	125.7	156.9
Operating profit margin (%)	11.5	8.4	-2.6	0.7

8

SELECTED PERFORMANCE RATIOS

	<i>Number of audiologists/audiometrists</i>			Total
	<i>1</i>	<i>2</i>	<i>3 or more</i>	
Total income per person employed (\$'000)	113.1	108.7	116.9	115.5
Total expenses per person employed (\$'000)	100.9	99.4	119.1	114.8
Labour costs per employee (\$'000)	30.1	28.1	46.9	43.3
Labour costs to total expenses (%)	22.4	26.0	39.2	36.2
Operating profit before tax per person employed (\$'000)	12.9	9.1	-2.4	0.7
Fee-for-service per practitioner (\$'000)	240.1	211.5	181.8	191.6
Fee-for-service to total income (%)	96.2	98.6	76.0	80.7

GLOSSARY

Assistive listening devices	Include listening devices additional to hearing aids such as audiometers, infra-red TV sound assistors, and headphones.
Audiologist	An audiologist is a university graduate with post-graduate qualifications in audiology. Audiologists have responsibilities and expertise in the areas of hearing loss prevention, complex hearing assessment, evaluation of hearing, and rehabilitation of hearing impairment through the selection, fitting and management of hearing aids and any associated rehabilitation programs. For the purposes of this publication, audiologists also include provisional audiologists who have completed their university degree, and who then work under supervision in a practice for a period of usually two years.
Audiometrist	An audiometrist's primary functions are the assessment of hearing and rehabilitation of hearing loss for non-complex clients, through the selection and fitting of hearing aids and any associated rehabilitation programs. Audiometrists generally have completed a certificate in hearing aid audiometry. For the purposes of this publication, audiometrists also include trainee audiometrists who have attained their qualifications, and who then work under the supervision of a fully qualified audiometrist for a period of usually two years.
Businesses at end June	The number of management units operating at the end of June. A management unit is the highest-level accounting unit within a business, having regard for industry homogeneity, for which accounts are maintained.
Capital city	Capital cities are Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Canberra and Darwin and all suburbs of these cities.
Contract audiologists/audiometrists	Contract audiologists and audiometrists are qualified audiologists and audiometrists for whom PAYE tax is not deducted and other payroll deductions are not withdrawn.
Depreciation and amortisation	The financial charges made to the accounts to reflect the part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period.
Employees	This includes working directors, and other employees working for a business during the last pay period in June. Employees absent on paid or prepaid leave are included. Excludes working proprietors and partners of unincorporated businesses.
Employer contributions to superannuation funds	Includes all employer contributions to superannuation schemes (including the employer productivity contribution).
Employment at end June	Includes working proprietors and partners, working directors, and other employees working for a business during the last pay period in June. Employees absent on paid or prepaid leave are included.

Fee-for-service income	This is income received by the audiology or audiometry business for the provision of audiology or audiometry goods and services. This includes payments made by the Office of Hearing Services under the Voucher System and direct patient payments including top-up payments.
Full-time employees	Persons who work 35 hours per week or more.
Government funding	Payments made by the Commonwealth Government to Australian Hearing Services as part of their community service obligations. This does not include payments made through the Office of Hearing Services under the Voucher System.
Interest expenses	Include interest on bank loans, loans from partners, and loans from government funding bodies, interest in respect of finance leases, interest equivalents such as hedging costs, and expenses associated with discounted bills.
Interest income	Includes interest from loans, finance leases, deposits in banks and non-bank financial institutions.
Labour costs	Includes wages and salaries, employer contributions to superannuation funds, and workers compensation costs.
Location	A location is a physical site from where the business provides audiology/audiometry services on a relatively regular basis. It includes both permanent and visiting sites.
Operating profit before tax	A measure of profit before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners.
Operating profit margin	The percentage of sales of goods and services available as operating profit, i.e. operating profit before tax times 100 divided by sales of goods and services.
Part-time employees	Persons who work less than 35 hours per week.
Rent, leasing and hiring expenses	These expenses are the costs for rent, leasing (except finance leases) and hiring of vehicles, land, buildings, machinery, equipment and any other property from other businesses or individuals.
Rent, leasing and hiring income	This item includes income derived from renting, leasing or hiring of assets such as land, buildings, vehicles, or equipment to other businesses or individuals.
Wages and salaries	This refers to gross earnings of all employees before taxation and other deductions. Drawings by sole practitioners/partners are excluded.
Workers compensation costs	Workers compensation is a compulsory insurance cover to be taken out by all employers, except self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.

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