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# CHIROPRACTIC AND OSTEOPATHIC SERVICES

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

## NOTES

### INTRODUCTION

This publication presents results, in respect of the 1997–98 financial year, from two Australian Bureau of Statistics (ABS) surveys of private sector practitioners and businesses involved in the provision of chiropractic and osteopathic services. These were the first ABS surveys of this industry.

The first survey was a sample of private practice chiropractors and osteopaths. Results of that survey are presented in section 1 of this publication. The second survey was of private practice chiropractic and osteopathic businesses (and their related administrative service businesses) which were identified from the first survey. Results from the second survey are presented in section 2 of this publication.

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

*Audiology and Audiometry Services, Australia, 1997–98* (Cat. no. 8554.0)  
—issued 28 June 1999;

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

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

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

### 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.

W. McLennan  
Australian Statistician

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## SECTION 1

## CHIROPRACTORS AND OSTEOPATHS

### INTRODUCTION

This section of the publication presents results of a survey conducted in April–May 1998 of practitioners providing chiropractic and/or osteopathic services in private practice.

### CHIROPRACTORS

There were 2,053 chiropractors working in private practice during March 1998, of whom 67% (1,367) were aged between 25 and 44 years and 5% (95) were over 65 years of age.

Males dominated the profession, with 76% (1,555) of chiropractors being male. This gender imbalance varied with age with 63% of those less than 35 years of age being male, compared with 83% of those 35 years of age or older.

The number of chiropractors per person in Victoria and South Australia was above the Australian average, and in New South Wales it was at the national average. In the other States and Territories it was lower.

Tasmania and New South Wales had the highest proportion of practising female chiropractors with 35% and 28% respectively. The lowest proportions were recorded in Queensland (18%) and South Australia (19%).

In an average working week chiropractors had 180,258 patient consultations. On average each chiropractor had 88 consultations per week. However, the work practices of chiropractors varied significantly, with 22% of chiropractors having in excess of 125 consultations per week and 19% having between 100 and 124 consultations. In contrast 26% of chiropractors had less than 50 consultations per week. A low level of consultations was particularly evident in the 55 years or greater age group where 56% of practitioners had less than 50 consultations per week.

### 1.1 CHIROPRACTORS, BY AGE AND SEX

<i>Age of practitioner</i>	<i>Males</i>		<i>Females</i>		<i>Persons</i>	
	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>
Less than 25 years	**8	0.5	*34	6.8	42	2.0
25–34 years	465	29.9	245	49.0	710	34.6
35–44 years	512	32.9	145	29.1	657	32.0
45–54 years	305	19.6	*47	9.4	352	17.1
55–64 years	n.p.	n.p.	n.p.	n.p.	197	9.6
65 or more years	n.p.	n.p.	n.p.	n.p.	95	4.6
<b>Total</b>	<b>1 555</b>	<b>100.0</b>	<b>498</b>	<b>100.0</b>	<b>2 053</b>	<b>100.0</b>

### 1.2 CHIROPRACTORS, BY STATE AND TERRITORY AND SEX

<i>State and Territory</i>	<i>Males</i>		<i>Females</i>		<i>Persons</i>	
	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>
New South Wales	494	31.8	196	39.4	690	33.6
Victoria	445	28.6	146	29.5	591	28.8
Queensland	289	18.6	64	12.9	353	17.2
South Australia	176	11.3	41	8.2	217	10.6
Western Australia	114	7.3	32	6.4	146	7.1
Tasmania	17	1.1	9	1.8	26	1.3
Northern Territory	n.p.	n.p.	n.p.	n.p.	3	0.1
Australian Capital Territory	n.p.	n.p.	n.p.	n.p.	27	1.3
<b>Australia</b>	<b>1 555</b>	<b>100.0</b>	<b>498</b>	<b>100.0</b>	<b>2 053</b>	<b>100.0</b>

### 1.3 CHIROPRACTORS, BY AGE AND NUMBER OF CONSULTATIONS

<i>Age of practitioner</i>	<i>Consultations per week</i>						<i>Total number of practitioners</i>	<i>Total number of consultations per week</i>
	<i>Less than 25</i>	<i>25–49</i>	<i>50–74</i>	<i>75–99</i>	<i>100–124</i>	<i>125 or more</i>		
Less than 25 years	—	*13	*13	—	**6	*11	42	*3 543
25–34 years	*48	72	144	141	153	152	710	67 681
35–44 years	62	90	129	80	140	156	657	59 636
45–54 years	*26	65	48	59	50	96	352	33 429
55 or more years	79	84	49	*11	*36	*33	292	15 969
<b>Total</b>	<b>216</b>	<b>323</b>	<b>382</b>	<b>291</b>	<b>393</b>	<b>448</b>	<b>2 053</b>	<b>180 258</b>

## OSTEOPATHS

There were 395 osteopaths working in private practice during March 1998, of whom 35% (137) were less than 35 years of age and 20% (80) were aged 55 years or greater.

Males dominated the profession with 72% of osteopaths being male. For osteopaths less than 35 years of age, the proportion of males was 52%, and for those aged 35 years or greater, 83% were male.

Almost half (46%) of osteopaths practised in New South Wales. The number of osteopaths per person was therefore highest for New South Wales. Of the other States and Territories, Victoria, Tasmania and the Australian Capital Territory had a higher number of osteopaths per person than the national average.

Osteopaths made 17,011 patient consultations in an average working week. On average, each osteopath had 43 consultations per week. However, there was a significant variation in the work patterns of practitioners with 19% having less than 25 consultations, and 33% of osteopaths having 50 or more consultations per week.

#### 1.4 OSTEOPATHS, BY AGE AND SEX

<i>Age of practitioner</i>	<i>Males</i>		<i>Females</i>		<i>Persons</i>	
	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>
Less than 25 years	—	—	*11	9.8	*11	2.8
25–34 years	71	25.0	55	49.1	126	31.9
35–44 years	78	27.5	*26	23.2	104	26.3
45–54 years	60	21.1	*14	12.5	74	18.7
55–64 years	n.p.	n.p.	n.p.	n.p.	54	13.7
65 or more years	n.p.	n.p.	n.p.	n.p.	*26	6.6
<b>Total</b>	<b>284</b>	<b>100.0</b>	<b>111</b>	<b>100.0</b>	<b>395</b>	<b>100.0</b>

#### 1.5 OSTEOPATHS, BY STATE AND TERRITORY AND SEX

<i>State and Territory</i>	<i>Males</i>		<i>Females</i>		<i>Persons</i>	
	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>	<i>no.</i>	<i>%</i>
New South Wales	131	46.1	52	46.4	183	46.3
Victoria	79	27.8	35	31.3	114	28.9
Queensland	*30	10.6	*10	8.9	40	10.1
South Australia	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Western Australia	13	4.6	**5	4.5	18	4.6
Tasmania	*9	3.2	5	4.5	14	3.5
Northern Territory	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Australian Capital Territory	*11	3.9	—	—	*11	2.8
<b>Australia</b>	<b>284</b>	<b>100.0</b>	<b>111</b>	<b>100.0</b>	<b>395</b>	<b>100.0</b>

#### 1.6 OSTEOPATHS, BY AGE AND NUMBER OF CONSULTATIONS

<i>Age of practitioner</i>	<i>Consultations per week</i>			<i>Total number of practitioners</i>	<i>Total number of consultations per week</i>
	<i>Less than 25</i>	<i>25–49</i>	<i>50 or more</i>		
Less than 25 years	n.p.	n.p.	n.p.	*11	*423
25–34 years	38	48	40	126	4 962
35–44 years	*21	39	44	104	5 109
45–54 years	n.p.	n.p.	n.p.	74	3 595
55 or more years	**11	56	*13	80	2 921
<b>Total</b>	<b>76</b>	<b>189</b>	<b>130</b>	<b>395</b>	<b>17 011</b>





## SECTION 2

## CHIROPRACTIC AND OSTEOPATHIC SERVICES INDUSTRY

### INTRODUCTION

This section of the publication presents results in respect of 1997–98 from a sample survey of chiropractic and osteopathic businesses in private practice.

### TYPES OF BUSINESSES

At 30 June 1998, there were 2,150 chiropractic and osteopathic businesses in the industry, comprising 1,776 chiropractic businesses and 374 osteopathic businesses. The majority (56%) of these businesses were unincorporated businesses, i.e. sole proprietorships or partnerships. In this industry, as with other allied health professions, the unit of most interest is the practice, i.e. all businesses working jointly, usually from the same location.

Practices can be formed in varying ways. In its simplest form the chiropractic or osteopathic business equates to the practice, i.e. all income is received and all expenses are paid through the one business. This was the situation for the vast majority (91%) of chiropractic and osteopathic businesses, representing 1,956 practices. In the more complex situations there is an administrative service business providing administrative, secretarial or similar services to one or more chiropractic or osteopathic businesses. In such cases the practice is defined as the administrative service business and all linked chiropractic or osteopathic businesses. Only 194 (9%) chiropractic and osteopathic businesses were linked to administrative service businesses in this way resulting in 176 practices. In total, at 30 June 1998 there were 2,132 chiropractic and osteopathic practices in the industry.

Further details on the definition of the practice and associated business arrangements are detailed in paragraphs 5–9 of the Explanatory Notes.

#### 2.1 BUSINESSES, BY TYPE

	<i>Chiropractic services</i>	<i>Osteopathic services</i>	<i>Total</i>
	<i>no.</i>	<i>no.</i>	<i>no.</i>
Chiropractic and osteopathic businesses			
Sole proprietorships	825	268	1 092
Partnerships	97	*24	122
Incorporated companies	679	71	750
Trusts	175	*11	186
<i>Total</i>	<i>1 776</i>	<i>374</i>	<i>2 150</i>
Businesses without an administrative service business	1 595	361	1 956
Businesses with an administrative service business	181	*13	194
<i>Total</i>	<i>1 776</i>	<i>374</i>	<i>2 150</i>
Administrative service businesses	163	*13	176
Practices	1 758	374	2 132

SUMMARY OF OPERATIONS

The 2,132 practices in the chiropractic and osteopathic services industry at the end of June 1998, provided their services from 2,755 locations, 1,929 in capital cities and 826 in non-capital city areas.

During 1997-98, the industry received total income of \$268 million. Fee for service income was the major component, accounting for 95% (\$254 million) of total income. The industry incurred expenses of \$212 million, of which labour costs of \$102 million was the major component.

The operating profit before tax for the industry was \$55 million, which represented an operating profit margin of 20.4%. The operating profit margin for chiropractic practices was 19.4% and that of osteopathic practices was 29.5%.

At the end of June 1998, there were 5,870 persons working in the chiropractic and osteopathic services industry. Practitioners accounted for 43% of employment, with support staff accounting for the balance, representing a ratio of 1.34 support staff per practitioner, although most (67%) support staff worked on a part time basis.

**2.2** KEY FIGURES

	<i>Chiropractic services</i>	<i>Osteopathic services</i>	<i>Total</i>
Practices (no.)	1 758	374	2 132
Locations at end June			
Capital city (no.)	1 570	359	1 929
Other (no.)	710	116	826
<i>Total (no.)</i>	2 280	475	2 755
Employment at end June			
Practitioners (no.)	2 111	398	2 509
Other (no.)	3 033	328	3 361
<i>Total (no.)</i>	5 144	726	5 870
Income			
Fee for service (\$m)	228.9	25.1	254.0
Other income (\$m)	10.4	3.7	14.0
<i>Total income (\$m)</i>	239.2	28.8	268.0
Expenses			
Labour costs (\$m)	93.7	8.4	102.2
Other expenses (\$m)	98.3	11.7	110.0
<i>Total expenses (\$m)</i>	192.0	20.2	212.2
Operating profit before tax (\$m)	46.2	8.4	54.6
Operating profit margin (%)	19.4	29.5	20.4

## SOURCES OF INCOME

During 1997–98, the total income of practices in the chiropractic and osteopathic services industry was \$268 million. Fee for service income of \$254 million represented 95% of the total income.

The total income of chiropractic practices was \$239 million, of which \$229 million (96%) was sourced from fee for service. The large majority (97%) of fee for service income resulted from direct patient payments of \$223 million.

Other minor income items for chiropractic practices in the industry included rent, leasing and hiring income (\$2 million), sales of goods (\$3 million) and income from related services such as teaching, writing of articles and legal reports (\$3 million).

The total income of osteopathic practices was \$29 million. Fee for service income accounted for 87% (\$25 million) of this income, of which \$24 million was received from direct patient payments.

The income from related osteopathic services such as teaching, writing of articles and legal reports of \$2 million represented 7% of the total income of osteopathic practices.

### 2.3 SOURCES OF INCOME

Sources of income	Chiropractic services		Osteopath services		Total	
	Value \$m	Contribution to total %	Value \$m	Contribution to total %	Value \$m	Contribution to total %
<b>Sales of goods and services</b>						
Practitioner related service income						
Fee for service						
Direct patient payments	222.9	93.2	23.7	82.3	246.6	92.0
Department of Veterans Affairs payments	1.8	0.8	0.2	0.7	2.0	0.7
Other	4.2	1.8	*1.2	4.2	5.4	2.0
<i>Total</i>	228.9	95.7	25.1	87.2	254.0	94.8
Other practitioner related service income	3.3	1.4	2.0	6.9	5.3	2.0
<i>Total</i>	232.2	97.1	27.1	94.1	259.3	96.8
Rent, leasing and hiring income	2.4	1.0	*0.7	2.4	3.1	1.2
Other operating income	*1.2	0.5	**0.3	1.0	*1.6	0.6
Sales of goods	2.6	1.1	*0.4	1.4	3.1	1.2
<i>Total</i>	238.4	99.7	28.6	99.3	267.0	99.6
<b>Other income</b>						
Interest income	0.5	0.2	*0.2	0.7	0.7	0.3
Other non-operating income	*0.3	0.1	—	—	*0.3	0.1
<i>Total</i>	0.8	0.3	*0.2	0.7	1.0	0.4
<b>Total</b>	<b>239.2</b>	<b>100.0</b>	<b>28.8</b>	<b>100.0</b>	<b>268.0</b>	<b>100.0</b>

## EXPENDITURE

The total expenditure of practices in the chiropractic and osteopathic services industry during 1997–98 was \$212 million.

Labour costs accounted for 48% (\$102 million) of the total expenses. However, the proportion of labour costs to total expenses varied between chiropractic and osteopathic practices. The labour costs of \$94 million represented 49% of the total expenses of chiropractic practices, while labour costs of \$8 million represented 42% of the total expenses of osteopathic practices. In addition to labour costs there were contract payments to practitioners by osteopathic practices of \$1 million which represented 5% of total expenses, while contract payments to practitioners by chiropractic practices accounted for a further 4% of total expenses.

The average wages and salaries per employed practitioner for the two professions were similar at \$36,300 for chiropractors and \$34,300 for osteopaths.

The other major expense for the industry was rent, leasing and hiring expenses of \$29 million, which represented 14% of total expenses. As a proportion of total expenses, rent, leasing and hiring expense was higher for osteopathic practices (18%) than chiropractic practices (13%).

Other identified expense items for the industry included purchases (\$9 million), motor vehicle running expenses (\$8 million), interest expenses (\$8 million), depreciation and amortisation (\$6 million) and telecommunication expenses (\$5 million).

## 2.4

## ITEMS OF EXPENDITURE

<i>Item of expenditure</i>	<i>Chiropractic services</i>		<i>Osteopathic services</i>		<i>Total</i>	
	<i>Value</i>	<i>Contribution to total</i>	<i>Value</i>	<i>Contribution to total</i>	<i>Value</i>	<i>Contribution to total</i>
	<i>\$m</i>	<i>%</i>	<i>\$m</i>	<i>%</i>	<i>\$m</i>	<i>%</i>
<b>Labour costs</b>						
Wages and salaries						
Working directors and principals of incorporated companies						
Practitioners	34.4	17.9	3.3	16.3	37.7	17.8
Other	7.1	3.7	1.3	6.4	8.4	4.0
<i>Total</i>	41.6	21.7	4.5	22.3	46.1	21.7
Other employees						
Practitioners	7.8	4.1	*0.2	1.0	8.0	3.8
Other	35.3	18.4	2.2	10.9	37.5	17.7
<i>Total</i>	43.1	22.4	2.4	11.9	45.5	21.4
<i>Total wages and salaries</i>	84.6	44.1	7.0	34.7	91.6	43.2
Employer contributions to superannuation funds	8.6	4.5	*1.4	6.9	10.0	4.7
Workers' compensation costs	0.6	0.3	0.1	0.5	0.6	0.3
<i>Total</i>	93.7	48.8	8.4	41.6	102.2	48.2
<b>Selected expenses</b>						
Contract payments	7.8	4.1	*1.1	5.4	8.9	4.2
Continuing education expenses and other training services	2.9	1.5	0.3	1.5	3.3	1.6
Subscriptions and indemnity insurance	3.4	1.8	0.5	2.5	3.8	1.8
Motor vehicle running expenses	7.0	3.6	1.0	5.0	8.0	3.8
Telecommunication services	4.1	2.1	0.5	2.5	4.6	2.2
Travel and accommodation expenses	2.1	1.1	0.4	2.0	2.4	1.1
Rent, leasing and hiring expenses						
Land, buildings and other structures	20.1	10.5	2.8	13.9	22.9	10.8
Other rent, leasing and hiring expenses	5.0	2.6	0.7	3.5	5.8	2.7
<i>Total</i>	25.1	13.1	3.6	17.8	28.7	13.5
Other operating expenses	21.5	11.2	1.9	9.4	23.3	11.0
<i>Total</i>	73.9	38.5	9.2	45.5	83.1	39.2
<b>Other costs</b>						
Purchases	7.7	4.0	1.2	5.9	8.9	4.2
Other insurance premiums	2.6	1.4	0.3	1.5	2.9	1.4
Interest expenses	7.2	3.8	0.4	2.0	7.6	3.6
Depreciation and amortisation	5.2	2.7	0.3	1.5	5.5	2.6
Other	1.7	0.9	*0.4	2.0	2.0	0.9
<i>Total</i>	24.4	12.7	2.5	12.4	26.9	12.7
<b>Total expenses</b>	<b>192.0</b>	<b>100.0</b>	<b>20.2</b>	<b>100.0</b>	<b>212.2</b>	<b>100.0</b>

## EMPLOYMENT

At the end of June 1998, there were 5,870 persons working in the chiropractic and osteopathic services industry. A total of 2,509 (43%) of this employment were chiropractors (2,111) or osteopaths (398).

This employment represents the aggregate of the employment of each practice in the industry. As such, persons (including chiropractors and osteopaths) will be counted more than once if working for more than one practice in the industry. This may occur in respect of part-time practitioners and support staff.

The industry comprised a high proportion of working proprietors and partners (1,338), which represented 23% of industry employment. Almost all (93%) of these working proprietors and partners were chiropractors or osteopaths.

While 82% of chiropractors and 76% of osteopaths worked full-time, only 33% of support staff worked full-time. Females accounted for 92% of all support staff and 95% of part-time support staff. The high proportion of part-time support staff is reflected in the average wage of support staff employees being \$14,000.

### 2.5 CHARACTERISTICS OF EMPLOYMENT

	<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>
CHIROPRACTORS									
Working proprietors and partners	601	158	759	124	65	189	725	223	949
Working directors } Other employees }	770	211	981	100	81	181	870	292	1 162
<i>Total</i>	<b>1 371</b>	<b>369</b>	<b>1 741</b>	<b>225</b>	<b>146</b>	<b>370</b>	<b>1 596</b>	<b>515</b>	<b>2 111</b>
OSTEOPATHS									
Working proprietors and partners	158	49	208	*39	49	88	198	98	296
Working directors } Other employees }	85	*11	96	**3	**3	*6	89	*13	102
<i>Total</i>	<b>244</b>	<b>61</b>	<b>304</b>	<b>43</b>	<b>51</b>	<b>94</b>	<b>286</b>	<b>111</b>	<b>398</b>
OTHER									
Working proprietors and partners	**3	67	71	—	*22	*22	**3	89	93
Working directors	*37	222	259	*29	164	193	66	387	452
Other employees	*117	649	766	89	1 961	2 050	205	2 610	2 816
<i>Total</i>	<b>157</b>	<b>939</b>	<b>1 096</b>	<b>117</b>	<b>2 147</b>	<b>2 265</b>	<b>275</b>	<b>3 086</b>	<b>3 361</b>
TOTAL									
Working proprietors and partners	763	275	1 038	164	136	300	927	411	1 338
Working directors	819	392	1 212	83	208	291	903	600	1 502
Other employees	190	702	891	138	2 000	2 138	328	2 702	3 029
<b>Total</b>	<b>1 772</b>	<b>1 369</b>	<b>3 141</b>	<b>385</b>	<b>2 344</b>	<b>2 729</b>	<b>2 157</b>	<b>3 713</b>	<b>5 870</b>

## PRACTICE SIZE

Of the 2,132 chiropractic and osteopathic practices operating at the end of June 1998, 1,835 (86%) were single practitioner practices. This proportion varied between professions with 84% of chiropractic practices and 94% of osteopathic practices having one practitioner.

These 1,835 small practices had 73% of the employment and 72% of the industry income. In contrast, there were 297 practices with two or more practitioners (14% of all practices), which accounted for 27% of industry employment and 28% of income.

The operating profit margin for the industry was 20.4%. However, the industry is dominated by the large number of practices with one practitioner which recorded an operating profit margin of 22.2%, comprising an operating profit margin of 20.8% for single practitioner chiropractic businesses and 31.0% for single practitioner osteopathic businesses. A contributing factor to the higher operating profit margin of single practitioner practices was the fact that most of these practices are operated by sole proprietors and the drawings of these persons are not included in business expenses and thus profit calculations.

### 2.6 KEY CHARACTERISTICS, BY PRACTICE SIZE

	<i>Number of practitioners</i>		
	1	2 or more	Total
<b>CHIROPRACTIC SERVICES</b>			
Practices at end June (no.)	1 482	276	1 758
Employment			
Chiropractors (no.)	1 482	629	2 111
Other employment (no.)	2 163	870	3 033
Total (no.)	3 645	1 499	5 144
Fee for service (\$m)	159.4	69.5	228.9
Total income (\$m)	167.2	72.0	239.2
Total expenses (\$m)	131.6	60.4	192.0
Operating profit margin (%)	20.8	16.0	19.4
<b>OSTEOPATHIC SERVICES</b>			
Practices at end June (no.)	353	21	374
Employment			
Osteopaths (no.)	353	45	398
Other employment (no.)	259	*69	328
Total (no.)	613	*113	726
Fee for service (\$m)	22.0	3.1	25.1
Total income (\$m)	25.3	3.5	28.8
Total expenses (\$m)	17.3	*2.9	20.2
Operating profit margin (%)	31.0	18.5	29.5
<b>TOTAL</b>			
Practices at end June (no.)	1 835	297	2 132
Employment			
Practitioners (no.)	1 835	674	2 509
Other employment (no.)	2 422	938	3 361
Total (no.)	4 257	1 612	5 870
Fee for service (\$m)	181.4	72.6	254.0
Total income (\$m)	192.5	75.5	268.0
Total expenses (\$m)	148.9	63.2	212.2
Operating profit margin (%)	22.2	16.1	20.4

STATE AND TERRITORY  
DIMENSION

New South Wales accounted for 37% of the chiropractic and osteopathic practices, 34% of employment and 33% of income in the chiropractic and osteopathic services industry during 1997–98. New South Wales' proportion of the Australian population is 34%. However, New South Wales had a much higher contribution to the osteopathic profession, with 44% of the practices, 52% of the employment and 50% of the income.

Chiropractic and osteopathic practices in South Australia contributed 12% to total industry income, which was above its proportion of the Australian population of 8%. The contribution to total industry income from practices in Victoria and Western Australia (25% and 9%) were close to their respective proportions of the Australian population.

The average income per chiropractic practice was \$136,100. Practices in Western Australia (\$211,100) and the Australian Capital Territory (\$190,000 per practice) were above this average practice income. The average income per practice was similar in two of the three largest States with New South Wales being \$122,100 and Victoria being \$124,900. In comparison, Queensland was slightly higher (\$136,400) and closer to the Australian average.

The average income per practice was lower for osteopathic practices (\$77,000) than for chiropractic practices. Practices in New South Wales (\$87,900) were above the national average, while practices in Victoria (\$67,200) were well below the average income.



## 2.7 STATE AND TERRITORY COMPARISONS

<i>State and Territory</i>	<i>Practices</i> <i>no.</i>	<i>Locations</i> <i>no.</i>	<i>Employment</i> <i>at end June</i> <i>no.</i>	<i>Wages and</i> <i>salaries</i> <i>\$m</i>	<i>Total</i> <i>income</i> <i>\$m</i>	<i>Operating profit</i> <i>margin</i> <i>%</i>
<b>CHIROPRACTIC SERVICES</b>						
New South Wales	615	768	1 603	25.2	75.1	20.1
Victoria	477	646	1 391	23.4	59.6	15.7
Queensland	302	375	956	14.5	41.2	21.5
South Australia	201	n.p.	n.p.	n.p.	n.p.	25.1
Western Australia	117	169	403	9.2	24.7	16.2
Tasmania	22	26	63	n.p.	3.1	24.8
Northern Territory	3	n.p.	n.p.	n.p.	n.p.	n.p.
Australian Capital Territory	20	*24	85	n.p.	3.8	**8.5
<b>Australia</b>	<b>1 758</b>	<b>2 280</b>	<b>5 144</b>	<b>84.6</b>	<b>239.2</b>	<b>19.4</b>
<b>OSTEOPATHIC SERVICES</b>						
New South Wales	165	201	375	4.1	14.5	22.9
Victoria	116	155	195	*1.7	7.8	35.0
Queensland	40	57	76	*0.4	*3.0	37.3
South Australia	14	n.p.	n.p.	n.p.	n.p.	78.6
Western Australia	18	18	26	*0.3	0.8	*34.4
Tasmania	9	11	*21	n.p.	1.2	28.0
Northern Territory	1	n.p.	n.p.	n.p.	n.p.	n.p.
Australian Capital Territory	11	*13	*15	n.p.	*0.8	*24.4
<b>Australia</b>	<b>374</b>	<b>475</b>	<b>726</b>	<b>7.0</b>	<b>28.8</b>	<b>29.5</b>
<b>TOTAL</b>						
New South Wales	781	970	1 978	29.3	89.6	20.6
Victoria	593	801	1 586	25.0	67.4	17.9
Queensland	342	432	1 032	14.9	44.2	22.6
South Australia	215	285	651	9.4	31.9	26.1
Western Australia	135	187	429	9.5	25.4	16.8
Tasmania	31	37	84	1.4	4.3	25.8
Northern Territory	4	5	10	0.2	0.5	11.0
Australian Capital Territory	31	37	101	1.8	4.6	*11.2
<b>Australia</b>	<b>2 132</b>	<b>2 755</b>	<b>5 870</b>	<b>91.6</b>	<b>268.0</b>	<b>20.4</b>

## PERFORMANCE MEASURES

Because many chiropractic and osteopathic businesses are sole proprietorships or partnerships the most appropriate performance measure is 'return per practitioner' which is the average amount returned to practitioners in the form of either profits or wages and salaries. It is defined as the sum of operating profit and wages and salaries paid to practitioners, divided by the number of practitioners. The return per practitioner for the whole industry was \$40,000, with the return per chiropractor being \$41,900 and the return per osteopath being \$30,000. Generally, the return per practitioner in multiple practitioner practices was higher than in other practices. For chiropractic practices, the return was \$46,600 per practitioner in multiple practitioner practices as opposed to \$39,900 in single practitioner practices. For osteopathic practices, the return per practitioner was \$37,800 in multiple practitioner practices compared with \$29,000 in single practitioner practices.

The fee for service income per practitioner was \$101,200, with \$108,400 being the fee for service per chiropractor and \$63,200 being the average fee for service income per osteopath. Practices with two or more practitioners had a higher fee for service income per practitioner than other practices with these larger chiropractic practices recording \$110,400 per practitioner and the larger osteopathic practices recording \$70,200 per practitioner.

## 2.8 SELECTED PERFORMANCE RATIOS

	<i>Number of practitioners in the business</i>		
	<i>1 practitioner</i>	<i>2 or more practitioners</i>	<i>Total</i>
<b>CHIROPRACTORS</b>			
Total income per employment (\$'000)	45.9	48.0	46.5
Total expenses per employment (\$'000)	36.1	40.3	37.3
Labour costs per employee (\$'000)	21.6	25.0	22.7
Labour costs to total expenses (%)	45.2	56.7	48.8
Operating profit before tax per employment (\$'000)	9.5	7.6	9.0
Operating profit margin (%)	20.8	16.0	19.4
Fee for service per practitioner (\$'000)	107.6	110.4	108.4
Fee for service to total income (%)	95.3	96.5	95.7
Return per practitioner (\$'000)	39.9	46.6	41.9
<b>OSTEOPATHS</b>			
Total income per employment (\$'000)	41.2	31.3	39.7
Total expenses per employment (\$'000)	28.2	25.3	27.8
Labour costs per employee (\$'000)	21.7	*17.4	20.6
Labour costs to total expenses (%)	38.6	61.5	41.8
Operating profit before tax per employment (\$'000)	12.7	*5.8	11.6
Operating profit margin (%)	31.0	18.5	29.5
Fee for service per practitioner (\$'000)	62.3	70.2	63.2
Fee for service to total income (%)	87.1	88.4	87.2
Return per practitioner (\$'000)	29.0	37.8	30.0
<b>TOTAL</b>			
Total income per employment (\$'000)	45.2	46.8	45.7
Total expenses per employment (\$'000)	35.0	39.2	36.1
Labour costs per employee (\$'000)	21.6	24.5	22.5
Labour costs to total expenses (%)	44.4	56.9	48.2
Operating profit before tax per employment (\$'000)	10.0	7.5	9.3
Operating profit margin (%)	22.2	16.1	20.4
Fee for service per practitioner (\$'000)	98.8	107.8	101.2
Fee for service to total income (%)	94.2	96.1	94.8
Return per practitioner (\$'000)	37.8	46.0	40.0

## EXPLANATORY NOTES

### INTRODUCTION

**1** This publication presents results, in respect of the 1997–98 financial year, from two Australian Bureau of Statistics (ABS) surveys of private sector practitioners and businesses involved in the provision of chiropractic and osteopathic services.

**2** The first survey was a sample of 660 private practice chiropractors and osteopaths conducted in April–May 1998. The sample of chiropractors and osteopaths was selected from the Medibank Private provider file in March 1998.

**3** The businesses included in the second survey were identified from the responses to the first survey in which chiropractors and osteopaths were asked to provide details about their chiropractic and osteopathic businesses, for which they work and any administrative service companies/trusts providing support services to the chiropractic or osteopathic business.

**4** In terms of the Australian and New Zealand Standard Industrial Classification (ANZSIC), businesses whose main activity is the provision of chiropractic and osteopathic services, are classified to Class 8636 (Chiropractic and Osteopathic Services).

### CHIROPRACTIC/OSTEOPATHIC BUSINESS

**5** A chiropractic/osteopathic business is the formal legal and accounting entity for which financial statements are produced. It is either a self-employed (incorporated or unincorporated) practitioner, a partnership, an incorporated company or a trust.

### ADMINISTRATIVE SERVICE BUSINESS

**6** An administrative service business is established to provide administrative, secretarial or similar services to one or more chiropractic or osteopathic businesses. The cost of these support services is usually reimbursed to an administrative service entity by payment of management fees by chiropractic or osteopathic businesses.

### PRACTICE

**7** For the purpose of this publication a chiropractic or osteopathic practice is either:

- the chiropractic or osteopathic business where there is no separate administrative service business providing services to the chiropractic or osteopathic business; or
- the grouping of all chiropractic or osteopathic businesses with the administrative service business to which they are linked.

**8** The majority (91%) of chiropractic or osteopathic businesses had no administrative service business and hence each chiropractic or osteopathic business formed a single practice.

PRACTICE *continued*

**9** The remaining chiropractic or osteopathic businesses were linked to administrative service businesses. The relationship between chiropractic or osteopathic businesses and administrative service businesses usually took one of three forms. These were:

- one chiropractic or osteopathic business with a single administrative service business that provides services only to that business. In such cases the chiropractic or osteopathic business and the administrative service business have been combined to form a single chiropractic or osteopathic practice.
- multiple chiropractic or osteopathic business with a single administrative service business. In these cases the chiropractic or osteopathic businesses and the administrative service business have been grouped together to form a single chiropractic or osteopathic practice.
- multiple chiropractic or osteopathic business with multiple administrative service businesses. In these cases the chiropractic or osteopathic businesses and the administrative service businesses have been grouped together to form a single chiropractic or osteopathic practice.

STATISTICAL UNIT

**10** Data presented in section 1 were collected from private practice chiropractors and osteopaths. Data presented in section 2 were collected from chiropractic, osteopathic and administrative service businesses as defined above.

REFERENCE PERIOD

**11** Data contained in the tables of the first section of this publication relate to chiropractors and osteopaths practising in Australia at end March 1998. Counts of practitioners include only those working in private practice businesses at end March 1998.

**12** Data contained in the tables of the second section of this publication relate to chiropractic and osteopathic businesses which operated at any time during the year ended June 1998. Counts of businesses include only those businesses that were operating at 30 June 1998.

RELIABILITY OF THE DATA

**13** The estimates in this publication are subject to sampling and non-sampling error.

**14** The estimates in this publication are based on information obtained from a sample of practitioners and businesses in the surveyed population. Consequently, the estimates in this publication are subject to sampling variability, that is, they may differ from the figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of units was included.

**15** There are about two chances in three that a sample estimate will differ by less than one SE from the figure that would have been obtained if a census had been conducted, and approximately 19 chances in 20 that the difference will be less than two SEs.

**16** Sampling variability can be measured by the relative standard error (RSE) which is obtained by expressing the SE as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and this avoids the need to refer also to the size of the estimate.

**17** The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

RELATIVE STANDARD ERRORS, KEY FIGURES

	<i>Chiropractic services</i>	<i>Osteopathic services</i>	<i>Total</i>
	%	%	%
Practices	3	6	2
Locations at end June			
Capital city	4	7	3
Other	8	19	7
Total	3	7	2
Employment at end June			
Practitioners	2	6	2
Other	4	17	4
Total	3	9	3
Income			
Fee for service	4	9	3
Other income	10	15	8
Total income	3	9	3
Expenses			
Labour costs	4	17	4
Other expenses	4	9	4
Total expenses	4	11	3
Operating profit before tax	6	10	5
Operating profit margin	5	10	5

**18** As an example of the above, an estimate of total income for the chiropractic industry is \$239.2 million and the RSE is 3%, giving a SE of \$7.2 million. Therefore, there would be two chances in three that, if all units had been included in the survey, a figure in the range of \$232.0 million to \$246.4 million would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been within the range of \$224.8 million to \$253.6 million.

RELIABILITY OF THE DATA  
*continued*

**19** Errors other than those due to sampling may occur because of deficiencies in the register of units from which the sample was selected, non-response, and imperfections in reporting by respondents. Inaccuracies of this kind are referred to as non-sampling errors and they may occur in any collection, whether it be a census or a sample. Every effort has been made to reduce non-sampling error to a minimum by careful design and testing of questionnaires, efficient operating procedures and systems, and appropriate methodology.

SYMBOLS AND OTHER  
USAGES

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
n.a.	not available
n.e.c.	not elsewhere classified
n.p.	not available for publication, but included in totals where applicable
PAYE	pay as you earn
SE	standard error
RSE	relative standard error
*	subject to sampling variability too high for most practical purposes
**	subject to sampling variability too high for practical purposes
. .	not applicable
—	nil or rounded to zero

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

## GLOSSARY

<b>Administrative service business</b>	This is a service company or trust established to provide administrative, secretarial or similar services to one or more chiropractic or osteopathic businesses.
<b>Capital city</b>	Capital cities are Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Canberra and Darwin and all suburbs of these cities.
<b>Chiropractic business</b>	A business whose primary source of income is derived from the provision of chiropractic services.
<b>Chiropractor</b>	A chiropractor practises a method of healing which relies upon the removal of nerve interference by manual adjustment of the spinal column. Chiropractors have tertiary qualifications and are required to be registered with the appropriate State regulatory board.
<b>Consultations</b>	Refers to individual private patient consultations/contacts/episodes made by the chiropractor or osteopath. Practitioners were asked to supply the estimated number of private patient consultations in an average working week.
<b>Continuing education expenses and other training services</b>	Includes external training expenses for practitioners and support staff, and conference registration fees.
<b>Contract payments</b>	Payments to chiropractors and osteopaths who are not employees. The item includes locum service contract payments, agency payments and other payments to chiropractors and osteopaths for which PAYE tax has not been deducted.
<b>Department of Veterans Affairs payments</b>	This is income received by the chiropractic or osteopathic business for the provision of chiropractic or osteopathic services and paid by the Department of Veterans Affairs.
<b>Depreciation and amortisation</b>	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.
<b>Direct patient payments</b>	This is income received by the chiropractic or osteopathic business for the provision of chiropractic or osteopathic services and paid by patients.
<b>Employees</b>	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.
<b>Employer contributions to superannuation funds</b>	Includes all employer contributions to superannuation schemes (including the employer productivity contribution).
<b>Employment at end June</b>	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.



<b>Fee for service income</b>	This is income received by the chiropractic or osteopathic business for the provision of chiropractic or osteopathic services. The income includes direct patient payments, Department of Veterans Affairs payments and other fee for service income.
<b>Full-time employees</b>	Employees who work 35 hours per week or more.
<b>Interest expenses</b>	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.
<b>Interest income</b>	Includes interest from loans, finance leases, deposits in banks and non-bank financial institutions.
<b>Labour costs</b>	Includes wages and salaries, employer contributions to superannuation funds, and workers' compensation costs.
<b>Location</b>	A location is a physical site from which the business provides chiropractic or osteopathic services on a relatively regular basis.
<b>Motor vehicle running expenses</b>	Includes fuel, registration fees, compulsory third party insurance premiums, and repair and maintenance expenses.
<b>Operating profit before tax</b>	A measure of profit before extraordinary items are brought to account and prior to the deduction of income tax and appropriations to owners.
<b>Operating profit margin</b>	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.
<b>Osteopath</b>	An osteopath, or osteopathist, practises a system of healing or treatment consisting largely of massage and manipulation. Osteopaths have tertiary qualifications and are required to be registered with the appropriate State regulatory board.
<b>Osteopathic business</b>	A business whose primary source of income is derived from the provision of osteopathic services.
<b>Other insurance premiums</b>	This item includes optional third-party and comprehensive motor vehicle insurance premiums, fire, general, accident and public liability and income maintenance insurance premiums.
<b>Other non-operating income</b>	Includes net profit (loss) on the sale of non-current assets and other non-operating income not elsewhere specified.
<b>Other operating expenses</b>	This item includes various expense items which are general in nature and are not included elsewhere, e.g. electricity and gas charges, advertising expenses, accounting fees, etc.
<b>Other operating income</b>	Includes all income, not elsewhere specified, which arises from the normal operation of the business.

<b>Practice</b>	For businesses without an administrative service business, the practice refers to the chiropractic or osteopathic business. For businesses with an associated administrative service business, the practice refers to the combined entity of the business and its associated administrative service business.
<b>Practitioner</b>	A qualified, registered chiropractor or osteopath.
<b>Practitioner related service income</b>	Includes income from teaching, producing articles for journals and papers for conferences, and legal reports and assessments.
<b>Purchases</b>	This item includes purchases of chiropractic and osteopathic supplies, purchase of non-capitalised equipment and purchases of goods for resale.
<b>Part-time employees</b>	Employees who work less than 35 hours per week.
<b>Rent, leasing and hiring expenses</b>	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.
<b>Rent, leasing and hiring income</b>	This item includes income derived from renting, leasing or hiring of assets such as land, buildings, vehicles, or equipment to other businesses or individuals.
<b>Return per practitioner</b>	This item is the sum of operating profit and wages and salaries paid to practitioners, divided by the number of practitioners.
<b>Subscriptions and indemnity insurance</b>	Payments for subscriptions to professional associations and insurance payments made to provide a level of indemnification for professional practice. These expenses may be met directly by the employed practitioner and not paid by the business and therefore will not be contained in the reported business expense.
<b>Telecommunication expenses</b>	Includes telephone charges, facsimile charges, and Internet charges.
<b>Wages and salaries</b>	This refers to gross earnings of all employees before taxation and other deductions. Drawings by sole practitioners/partners are excluded.
<b>Workers' compensation costs</b>	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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