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# **OPTOMETRY AND OPTICAL DISPENSING 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 Australian Bureau of Statistics (ABS) surveys of private sector optometrists and businesses involved in the provision of optometry and optical dispensing services. These were the first ABS surveys of this industry.

The first survey was a sample of private practice optometrists. Results of that survey are presented in section 2 of this publication. The second survey was of private practice optometry and optical dispensing businesses. Results from the second survey are presented in section 1 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;

*Chiropractic and Osteopathic Services, Australia, 1997–98*  
(Cat. no. 8550.0)—issued 20 August 1999;

*Dental Services, Australia, 1997–98* (Cat. no. 8551.0)—issued 30 September 1999; and

*Physiotherapy Services, Australia, 1997–98* (Cat. no. 8552.0)—issued 31 August 1999.

### 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 on future program 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**

## **OPTOMETRY AND OPTICAL DISPENSING INDUSTRY**

### **INTRODUCTION**

This section of the publication presents results in respect of 1997–98 from a sample survey of optometry and optical dispensing businesses.

### **SUMMARY OF OPERATIONS**

The activities of businesses in the industry vary considerably. The majority (60%) of businesses in the industry provide both optometry and optical dispensing services. However, a significant proportion (25%) of businesses only provide optometry services while 15% of businesses only provide optical dispensing services.

At the end of June 1998, there were 1,557 optometry and optical dispensing businesses in the industry. These businesses provided their services from 3,036 locations, 2,196 in capital cities and 840 in non-capital city areas. The majority (58%) of these businesses were unincorporated businesses, i.e. sole proprietorships or partnerships.

During 1997–98, businesses in the optometry and optical dispensing industry generated total income of \$818 million. The sale of optical goods (\$653 million) and fee for optometry services (\$150 million) represented 80% and 18% respectively of the industry income.

Total expenses incurred by the businesses in the optometry and optical dispensing industry were \$733 million. The major components of this expenditure were the purchase of optical goods (\$253 million) and labour costs (\$223 million).

The industry recorded an operating profit before tax of \$89 million for 1997–98, which represented an operating profit margin of 10.9%.

At the end of June 1998, employment in the optometry and optical dispensing industry was 8,915 persons. The 2,702 optometrists and 2,448 optical dispensers accounted for 58% of industry employment.

Generally, the distribution of industry employment and income in optometry and optical dispensing businesses in each State and Territory corresponded with the respective State and Territory proportions of the Australian population.

The majority (53%) of businesses operated with a single optometrist or optical dispenser. These small businesses accounted for 18% of industry employment and 14% of income in the industry during 1997–98. In comparison, while there were only 140 businesses (9% of all businesses) employing 5 or more optometrists and/or optical dispensers, these businesses accounted for 51% of industry employment and 59% of industry income.

## 1.1 KEY FIGURES

	<i>Value</i>
Businesses at end June	
Sole proprietorships (no.)	739
Partnerships (no.)	167
Incorporated companies (no.)	521
Trusts (no.)	130
<i>Total (no.)</i>	<i>1 557</i>
Locations at end June	
Capital city (no.)	2 196
Other (no.)	840
<i>Total (no.)</i>	<i>3 036</i>
Employment at end June	
Optometrists (no.)	2 702
Optical dispensers (no.)	2 448
Other (no.)	3 765
<i>Total (no.)</i>	<i>8 915</i>
Income	
Sales of goods (\$m)	653.4
Fee for optometry service (\$m)	150.3
Other income (\$m)	14.7
<i>Total (\$m)</i>	<i>818.4</i>
Expenses	
Labour costs (\$m)	223.3
Purchases (\$m)	252.9
Other expenses (\$m)	256.8
<i>Total (\$m)</i>	<i>733.0</i>
Operating profit before tax (\$m)	89.1
Operating profit margin (%)	10.9

## SOURCES OF INCOME

During 1997–98, businesses in the optometry and optical dispensing industry generated total income of \$818 million.

Income from the sale of optical goods was \$653 million and represented 80% of the total industry income. These sales were generated by 1,160 businesses (75% of all businesses in the industry). The major components of the sale of optical goods was \$411 million from the sale of frames (with lenses), \$107 million from the sale of lenses only, \$58 million from the sale of contact lenses and \$42 million from the sale of frames only.

Optometry and optical dispensing businesses sold 1,949,000 frames (with lenses) during 1997–98, which represented an average sale price of \$211 per frame (with lenses). The average sale price of lenses (without frames) and frames (without lenses) was \$99 and \$123 respectively based on the sale of 1,082,000 sets of lenses and 337,000 frames during the year.

The fee for optometry services income was \$150 million and represented 18% of the total industry income. There were 1,327 businesses receiving this income, which represented 85% of all businesses in the industry. A large proportion (85%) of the fee for service income was from Medicare bulk billing payments.

Other minor income items for optometry and optical dispensing businesses included income from other optometry and optical dispensing services such as teaching and writing articles (\$4 million) and rent leasing and hiring income (\$4 million).

### 1.2 SOURCES OF INCOME

	<i>Businesses at end June</i>	<i>Value</i>	<i>Contribution to total value</i>
	<i>no.</i>	<i>\$m</i>	<i>%</i>
<b>Sales of goods and services</b>			
Fee for optometry service			
Direct patient payments	825	15.2	1.9
Department of Veterans' Affairs payments	836	3.5	0.4
Medicare bulk billing payments	1 257	128.5	15.7
Other	205	3.0	0.4
<i>Total</i>	1 327	150.3	18.4
Sales of goods			
Frames and lenses complete	1 029	410.8	50.2
Lenses only	953	106.8	13.0
Frames only	875	41.5	5.1
Contact lenses	1 050	58.1	7.1
Sunglasses	783	23.9	2.9
Other	550	12.2	1.5
<i>Total</i>	1 160	653.4	79.8
Income from other optometry/optical dispensing related services	165	3.9	0.5
Rent, leasing and hiring income	125	4.0	0.5
Other operating income	175	5.7	0.7
<i>Total</i>	1 557	817.3	99.9
<b>Interest income</b>	484	1.0	0.1
<b>Total income</b>	<b>1 557</b>	<b>818.4</b>	<b>100.0</b>

## EXPENDITURE

Total expenditure for businesses in the optometry and optical dispensing industry during 1997–98 was \$733 million. The two major components of industry expenditure were the purchase of optical goods (\$253 million) and labour costs (\$223 million).

The purchase of optical goods (\$253 million), mainly comprised the purchase of lenses (\$104 million), frames (\$95 million) and contact lenses (\$26 million). The sale to purchases ratio of all frames and lenses was 180%, compared to a ratio of 122% for contact lenses.

Labour costs for the industry were \$223 million with wages and salaries accounting for \$207 million. Wages and salaries paid to employed optometrists was \$71 million, which represented an average of \$40,900 per employed optometrist. In contrast, the wages and salaries of \$59 million received by optical dispensers represented an average of \$25,000. The wages and salaries for other staff in the industry was \$76 million. This represented an average of \$20,700 and in part, reflected the high proportion of part-time other staff.

The other major expense for the industry was rent, leasing and hiring expenses of \$91 million which represented 12% of total expenses. Other identified expense items for the industry included depreciation and amortisation (\$20 million), payments for external laboratory services (\$10 million), interest expenses (\$9 million), telecommunication expenses (\$8 million) and contract payments to optometrists and optical dispensers (\$6 million).

### 1.3 ITEMS OF EXPENDITURE

	Value	Contribution to total value
	\$m	%
<b>Labour costs</b>		
Wages and salaries		
Working directors and principals of incorporated companies		
Optometrists	26.9	3.7
Optical dispensers	5.9	0.8
Other	6.1	0.8
Total	39.0	5.3
Other employees		
Optometrists	43.9	6.0
Optical dispensers	53.5	7.3
Other	70.2	9.6
Total	167.6	22.9
Total	206.5	28.2
Employer contributions to superannuation funds	15.3	2.1
Workers' compensation costs	1.4	0.2
Total	223.3	30.5
<b>Selected expenses</b>		
Contract payments to optometrists/optical dispensers	6.3	0.9
Continuing education expenses	1.9	0.3
Subscriptions and indemnity insurance	2.6	0.4
Rent, leasing and hiring expenses		
Land, buildings and other structures	80.3	11.0
Other rent, leasing and hiring expenses	10.7	1.5
Total	91.0	12.4
Repair and maintenance expenses	3.8	0.5
Payments for external laboratory services	9.5	1.3
Travel and accommodation expenses	4.5	0.6
Telecommunications	7.8	1.1
Other operating expenses	94.3	12.9
Total	221.6	30.2
<b>Other costs</b>		
Purchases		
Lenses	104.1	14.2
Frames	95.4	13.0
Contact lenses	26.2	3.6
Sunglasses	11.1	1.5
Other	16.1	2.2
Total	252.9	34.5
Other insurance premiums	3.2	0.4
Interest expenses	8.6	1.2
Depreciation and amortisation	19.5	2.7
Other	3.8	0.5
Total	288.1	39.3
<b>Total expenses</b>	<b>733.0</b>	<b>100.0</b>



## EMPLOYMENT

At the end of June 1998, there were 8,915 persons working in the optometry and optical dispensing industry. Optometrists (2,702 persons) and optical dispensers (2,448 persons) accounted for 58% of this employment.

The industry employment represents the aggregate of the employment of each business in the industry. As such, persons (including optometrists and optical dispensers) will be counted more than once if persons working part time are employed by more than one business in the industry.

Females accounted for 61% (5,404) of persons working in the industry. However, while 82% (3,087 persons) of other staff and 54% (1,333 persons) of optical dispensers were female, only 36% (985 persons) of optometrists in the industry were female.

In total, 66% of employment in the industry worked on a full-time basis. While 78% of optometrists and 70% of optical dispensers worked on a full-time basis, only 55% of other staff worked full-time. Of the 1,699 other staff working on a part-time basis, 91% were females.

### 1.4 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>
OPTOMETRISTS									
Working proprietors and partners	575	216	791	88	90	178	662	306	969
Working directors	524	113	637	36	30	66	561	143	704
Other employees	381	307	688	113	228	341	494	535	1 029
<i>Total</i>	<i>1 480</i>	<i>637</i>	<i>2 116</i>	<i>237</i>	<i>348</i>	<i>585</i>	<i>1 717</i>	<i>985</i>	<i>2 702</i>
OPTICAL DISPENSERS									
Working proprietors and partners	40	*18	58	4	*6	*11	45	24	69
Working directors	138	42	180	*17	*19	*36	155	60	216
Other employees	802	681	1 483	113	567	680	915	1 248	2 163
<i>Total</i>	<i>981</i>	<i>740</i>	<i>1 721</i>	<i>135</i>	<i>592</i>	<i>727</i>	<i>1 115</i>	<i>1 333</i>	<i>2 448</i>
OTHER									
Working proprietors and partners	—	33	33	—	54	54	—	88	88
Working directors	26	135	160	9	94	102	34	228	263
Other employees	492	1 381	1 873	152	1 390	1 542	644	2 771	3 415
<i>Total</i>	<i>518</i>	<i>1 549</i>	<i>2 066</i>	<i>160</i>	<i>1 538</i>	<i>1 699</i>	<i>678</i>	<i>3 087</i>	<i>3 765</i>
TOTAL									
Working proprietors and partners	615	267	882	92	151	243	707	418	1 125
Working directors	688	290	978	62	142	204	750	432	1 182
Other employees	1 675	2 369	4 043	378	2 186	2 564	2 053	4 554	6 607
<b>Total</b>	<b>2 978</b>	<b>2 926</b>	<b>5 904</b>	<b>532</b>	<b>2 479</b>	<b>3 011</b>	<b>3 510</b>	<b>5 404</b>	<b>8 915</b>

## BUSINESS SIZE

Of the 1,557 optometry and optical dispensing businesses operating at the end of June 1998, 825 (53%) were single optometrist/optical dispenser businesses. These 825 small businesses had 18% of industry employment and 14% of industry income. In contrast, there were 140 businesses (9% of all businesses) employing 5 or more optometrists/optical dispensers, which accounted for 51% of industry employment and 59% of industry income.

Businesses with 1 optometrist or optical dispenser had a higher ratio of fee for optometry service income to total income (36%) than larger businesses. These businesses had 764 optometrists and 61 optical dispensers. In comparison, businesses with 2–4 optometrists/optical dispensers, had 988 optometrists and 577 optical dispensers and accrued 24% of their income from fee for optometry services.

In the 140 businesses with 5 or more optometrists/optical dispensers, there were 949 optometrists and 1,810 optical dispensers. These large businesses received 87% of their income from the sale of optical goods and only 12% from fee for optometry services.

Generally, the smaller the business, the higher the operating profit margin, with single optometrist/optical dispenser businesses recording an operating profit margin of 24.4%, compared to businesses with 2 optometrists/optical dispensers (14.9%), businesses with 3–4 optometrists/optical dispensers (9.6%), and businesses with 5 or more optometrists/optical dispensers (7.2%). A contributing factor to the higher operating profit margin of the smaller businesses was the fact that most of these businesses are operated by sole proprietors, and the drawings of these persons are not included in business expenses, and thus profit calculations.

### 1.5 KEY CHARACTERISTICS, BY BUSINESS SIZE

	<i>Number of optometrists/optical dispensers</i>				
	<i>1</i>	<i>2</i>	<i>3–4</i>	<i>5 or more</i>	<i>Total</i>
Businesses at end June (no.)	825	321	271	140	1 557
Employment at end June					
Optometrists (no.)	764	448	540	949	2 702
Optical dispensers (no.)	61	194	383	1 810	2 448
Other employment (no.)	804	580	549	1 831	3 765
<i>Total (no.)</i>	<i>1 629</i>	<i>1 223</i>	<i>1 473</i>	<i>4 590</i>	<i>8 915</i>
Fee for optometry service (\$m)	41.5	24.9	27.1	56.8	150.3
Sales of goods (\$m)	70.0	76.3	87.6	419.6	653.4
Total income (\$m)	114.4	102.8	116.5	484.7	818.4
Total expenses (\$m)	88.3	88.7	105.6	450.4	733.0
Operating profit margin (%)	24.4	14.9	9.6	7.2	10.9

## STATE AND TERRITORY COMPARISONS

At the end of June 1998, there were 702 optometry and optical dispensing businesses operating in New South Wales, which represented 45% of all optometry and optical dispensing businesses in Australia. This high proportion of businesses was, at least in part, due to industry regulations in New South Wales which precludes optometrists from working for optical dispensers. This has resulted in the establishment of separate optometry and optical dispensing businesses in New South Wales compared to businesses with both optometrists and optical dispensers employed in most other States and Territories. The New South Wales proportion of employment (35%) and income (33%) in the industry was much closer to the New South Wales proportion of the Australian population of 34%.

Generally, the distribution of industry employment and income in optometry and optical dispensing businesses in each State and Territory corresponded with the respective State and Territory proportions of the Australian population.

The average income per optometry and optical dispensing business in 1997-98 was \$525,600, which varied markedly by States and Territories. Businesses in South Australia (\$1,180,000), Tasmania (\$891,300) and Western Australia (\$839,400) were well above the national average. The high proportion of businesses in New South Wales meant that New South Wales recorded the lowest average income per business of \$378,900.

### 1.6 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>\$m</i>	<i>\$m</i>
New South Wales	702	3 086	60.4	266.0
Victoria	363	2 005	48.0	181.0
Queensland	279	1 733	43.0	154.3
South Australia	70	794	22.1	82.6
Western Australia	109	877	22.9	91.5
Tasmania	23	186	4.7	20.5
Northern Territory	12	85	2.3	8.7
Australian Capital Territory	24	148	3.2	13.7
<b>Australia</b>	<b>1 557</b>	<b>8 915</b>	<b>206.5</b>	<b>818.4</b>

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

## PERFORMANCE MEASURES

The ratios of fee for optometry services to total income and sales of goods to total income varied by size of business. The industry average fee for optometry services to total income was 18%, which varied from 36% for businesses with one optometrist/optical dispenser to 12% for businesses with 5 or more optometrists/optical dispensers. In comparison, the industry average for the sales of goods to total income was 80% which varied from 61% for businesses with one optometrist/optical dispenser to 87% for businesses with 5 or more optometrists/optical dispensers.

The proportion of labour costs to total expenses was 31%, which varied by business size. The presence of working proprietors in businesses with one optometrist/optical dispenser is reflected in their low labour cost to total expenses ratio of 26%. Labour costs to total expenses ratios were 32% for businesses with 2 optometrists/optical dispensers, 34% for businesses with 3–4 optometrists/optical dispensers and 30% for businesses with 5 or more optometrists/optical dispensers.

The average fee for optometry service per optometrist was \$55,600. This average varied slightly by business size with businesses employing 3–4 optometrists/optical dispensers having the lowest average fee for optometry service per optometrist (\$50,100) and businesses employing 5 or more optometrists/optical dispensers having the highest average fee for optometry service per optometrist (\$59,900).

### 1.7 SELECTED PERFORMANCE RATIOS

	<i>Number of optometrists/optical dispensers</i>				
	<i>1</i>	<i>2</i>	<i>3–4</i>	<i>5 or more</i>	<i>Total</i>
Total income per employment (\$'000)	70.3	84.1	79.1	105.6	91.8
Total expenses per employment (\$'000)	54.2	72.6	71.7	98.1	82.2
Labour costs per employee (\$'000)	23.2	29.0	27.7	30.1	28.7
Labour costs to total expenses (%)	25.9	31.9	34.2	30.2	30.5
Operating profit before tax per employment (\$'000)	17.1	12.5	7.6	7.6	10.0
Operating profit margin (%)	24.4	14.9	9.6	7.2	10.9
Fee for optometry service per optometrist (\$'000)	54.3	55.5	50.1	59.9	55.6
Fee for optometry service to total income (%)	36.3	24.2	23.2	11.7	18.4
Sales of goods to total income (%)	61.1	74.2	75.2	86.6	79.8

## SECTION 2

## OPTOMETRISTS

This section of the publication presents the results of a survey conducted in April–May 1998 of optometrists in private practice.

During March 1998, there were 2,410 optometrists working in private practice, of whom 37% (899) were aged between 25 and 34 years and 35% (845) between 35 and 44 years. A further 6% (133) were aged between 55 and 64 years and 5% (117) were over 64 years.

Males dominated the profession with 62% (1,501) of optometrists being male. This gender imbalance was particularly evident in the older age groupings with 81% of optometrists over 44 years of age being male. In contrast, females accounted for 61% (82) of optometrists less than 25 years of age and 50% (451) aged between 25 and 34 years.

There was one optometrist in private practice for every 7,780 persons in Australia. Northern Territory (one optometrist for 10,555 persons), Australian Capital Territory (one optometrist for 10,280 persons) and South Australia (one optometrist for 10,187 persons) had the smallest number of optometrists in private practice per head of population. New South Wales (one optometrist for 7,101 persons) and Queensland (one optometrist for 7,186 persons) had the highest number of optometrists in private practice per head of population.

The Australian Capital Territory and New South Wales had the highest proportion of female optometrists with 47% and 40% respectively.

In an average working week, optometrists had 96,417 consultations. On average each optometrist had 40 consultations per week. However, the work practices of optometrists varied significantly, with 25% of optometrists having less than 25 consultations per week, 43% having 25–49 consultations per week, 25% having 50–74 consultations per week and 8% having 75 or more consultations per week.

## 2.1 OPTOMETRISTS, BY AGE AND SEX

	Males		Females		Persons	
	no.	%	no.	%	no.	%
Less than 25 years	53	3.5	82	9.0	135	5.6
25–34 years	448	29.8	451	49.6	899	37.3
35–44 years	571	38.0	274	30.1	845	35.1
45–54 years	200	13.3	81	8.9	281	11.7
55–64 years	116	7.7	*17	1.9	133	5.5
65 or more years	113	7.5	**3	0.3	117	4.9
<b>Total</b>	<b>1 501</b>	<b>100.0</b>	<b>909</b>	<b>100.0</b>	<b>2 410</b>	<b>100.0</b>

## 2.2 OPTOMETRISTS, BY STATE AND TERRITORY AND SEX

	Males		Females		Persons		Population per practitioner
	no.	%	no.	%	no.	%	no.
New South Wales	539	35.9	354	38.9	893	37.1	7 101
Victoria	347	23.1	211	23.2	558	23.2	8 353
Queensland	300	20.0	181	19.9	481	20.0	7 186
South Australia	96	6.4	50	5.5	146	6.1	10 187
Western Australia	148	9.9	73	8.0	221	9.2	8 287
Tasmania	42	2.8	20	2.2	63	2.6	7 490
Northern Territory	12	0.8	*6	0.7	18	0.7	10 555
Australian Capital Territory	16	1.1	14	1.5	30	1.2	10 280
<b>Australia</b>	<b>1 501</b>	<b>100.0</b>	<b>909</b>	<b>100.0</b>	<b>2 410</b>	<b>100.0</b>	<b>7 780</b>

## 2.3 OPTOMETRISTS, BY AGE AND NUMBER OF CONSULTATIONS

	Consultations per week				Total number of optometrists	Total number of consultations per week
	Less than 25	25–49	50–74	75 or more		
Less than 25 years	*19	68	39	*9	135	5 733
25–34 years	149	415	259	76	899	38 436
35–44 years	232	335	213	65	845	33 792
45–54 years	63	122	66	*30	281	11 776
55–64 years	42	70	*15	**6	133	4 459
65 or more years	87	*24	**3	**3	117	2 220
<b>Total</b>	<b>592</b>	<b>1 034</b>	<b>595</b>	<b>189</b>	<b>2 410</b>	<b>96 417</b>

## EXPLANATORY NOTES

### INTRODUCTION

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

**2** The first survey was a sample of 933 private practice optometrists conducted in April–May 1998. The sample of optometrists was selected from the Medicare provider file in March 1998. The survey excluded optometrists solely engaged in the public health system.

**3** The businesses included in the second survey were identified in two ways:

- As a result of responses to the first survey in which optometrists were asked to provide details about the optometry/optical dispensing businesses for which they work.
- Optical dispensing businesses listed on the ABS Register of Businesses.

**4** In terms of the Australian and New Zealand Standard Industrial Classification (ANZSIC), businesses whose main activity is the provision of optometry/optical dispensing services, are classified to Class 8632 (Optometry and Optical Dispensing).

### OPTOMETRY/OPTICAL DISPENSING BUSINESS

**5** An optometry/optical dispensing business is the formal legal and accounting entity for which financial statements are produced. It is either a sole proprietorship, a partnership, an incorporated company or a trust.

### STATISTICAL UNIT

**6** Data presented in section 1 were collected from optometry and optical dispensing businesses. Data presented in section 2 were collected from private practice optometrists

### REFERENCE PERIOD

**7** Data contained in the tables of the first section of this publication relate to optometry/optical dispensing 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.

**8** Data contained in the tables of the second section of this publication relate to optometrists practising in Australia at end March 1998. Counts of practitioners include only those working in private practice businesses at end March 1998.

### RELIABILITY OF THE DATA

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

**10** 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.

**11** 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.

**12** 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.

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



# RELATIVE STANDARD ERRORS, KEY FIGURES

	Value
	%
Businesses at end June	
Sole proprietorships	4
Partnerships	8
Incorporated companies	5
Trusts	10
<i>Total</i>	2
Locations at end June	
Capital city	5
Other	6
<i>Total</i>	4
Employment at end June	
Optometrists	2
Optical dispensers	4
Other	3
<i>Total</i>	2
Income	
Sales of goods	3
Fee for optometry service	2
Other income	8
<i>Total</i>	3
Expenses	
Labour costs	3
Purchases	3
Other expenses	3
<i>Total</i>	3
Operating profit before tax	4
Operating profit margin	3

**14** As an example of the above, an estimate of total income for the optometry/optical dispensing services industry is \$818.4 million and the RSE is 3%, giving a SE of \$24.6 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 \$793.8 million to \$843.0 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 \$769.2 million to \$867.6 million.

**15** 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.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
—	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>Businesses at end June</b>	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.
<b>Capital city</b>	Capital cities are Sydney, Melbourne, Brisbane, Adelaide, Perth, Hobart, Canberra and Darwin and all suburbs of these cities.
<b>Consultations</b>	Refers to individual private patient consultations/contacts/episodes made by the optometrist. Optometrists were asked to supply the estimated number of private patient consultations in an average working week.
<b>Continuing education expenses</b>	Includes external training expenses for optometrists, optical dispensers and other staff, and conference registration fees.
<b>Contract payments</b>	Payments to optometrists and optical dispensers who are not employees. This item includes locum service contract payments, agency payments and other payments to optometrists and optical dispensers for which PAYE tax has not been deducted.
<b>Department of Veterans' Affairs payments</b>	This is income received by the business for the provision of optometry services and paid by the Department of Veterans' Affairs.
<b>Depreciation and amortisation</b>	The financial charges made to the accounts to reflect that 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 business for the provision of optometry 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 optometry service income</b>	This is income received by the business for the provision of optometry services. The income includes direct patient payments, Department of Veterans' Affairs payments, Medicare bulk billing 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>	Includes 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 optometry and/or optical dispensing services on a relatively regular basis.
<b>Medicare bulk billing payments</b>	For a Medicare bulk billing (direct billing) payment the patient assigns his or her right to the Medicare benefit to the practitioner. Under this arrangement the practitioner undertakes to accept the relevant Medicare benefit as full payment for the service.
<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>Optical dispenser</b>	An optical dispenser is a qualified person engaged in the fitting of prescription lenses to frames; the surface treatment of lenses; and the dispensing of contact lenses, and related optical appliances.
<b>Optometrist</b>	A qualified professional engaged in primary eye and vision care for the diagnosis, treatment and prevention of associated disorders and for the improvement of vision by the prescription of spectacles and by the use of other functional, optical and pharmaceutical means regulated by State law.
<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 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>Part-time employees</b>	Employees who work less than 35 hours per week.
<b>Purchases</b>	This item includes purchases of optometry/optical dispensing supplies, purchase of non-capitalised equipment and other purchases of goods for resale.

<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>Sale of goods</b>	This item includes income from sales of frames and lenses complete, lenses only, frames only, contact lenses and other goods.
<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. In many instances these expenses are met directly by the employed practitioner and not paid by the business and therefore will not be contained in the reported business expense.
<b>Telecommunications 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 proprietors/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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