

SUPERANNUATION

Preservation Age

The superannuation preservation age is 55 years for those born before 1 July 1960 increasing by one year per year up to 60 years for those born after 1 July 1964.

Concessional Superannuation Contributions for 2013/2014 (Deductible Contributions)

All employer contributions to complying superannuation funds are fully deductible. Concessional contributions are taxed at 15% if paid to a complying superannuation fund.

For 2013/2014 the concessional contribution cap are as follows:

- \$35,000 cap for individuals aged 59 and over on 30 June 2013
- \$25,000 cap for all other individuals.

Excess concessional contributions above caps are taxed to the individual at their marginal tax rate less a tax offset of 15%.

Income Exceeding \$300,000 – extra tax on contributions

Individuals with combined taxable income, reportable fringe benefits, net investment losses + concessional tax contributions of at least \$300,000, are taxed at 15% on their taxable concessional contributions (up to concessional contributions cap).

Non-Concessional Superannuation Contributions for 2013/2014 (Non-Deductible Contributions)

Non-concessional contributions cap: \$150,000 p.a., or \$450,000 p.a. over three years. Individuals subject to tax on contributions exceeding these caps at 46.5%.

Superannuation Guarantee Charge (SGC)

- Minimum Contribution Rate 9.25% of employee's earnings
- Maximum Contribution Base \$48,040 earnings per quarter
- Contribution payment date 28th day after the end of each quarter.

FRINGE BENEFITS TAX

Quarterly payment dates for FBT instalments based on notional or estimated tax liability are same as quarterly BAS dates as shown above. Where the previous year's FBT liability is below \$3,000 a single payment is due on 21 May 2014.

FBT Rate 46.5%

Benefit Value Gross-up:

- If input taxed or GST free (Type 2) 1.8692
- If employer entitled to an input tax credit (Type 1) 2.0647

FBT year end 31 March 2014

FBT return lodgement and final payment date 21 May 2014

FBT statutory interest until 31 March 2014 6.45%

Motor vehicle statutory formula percentage for 2013/14

Annualised kilometres	Acquired pre 10 May 2011	Acquired post 10 May 2011	Acquired post 1 April 2012	Acquired post 1 April 2013
Less than 15,000	26%	20%	20%	20%
15,000 – 24,999	20%	20%	20%	20%
25,000 – 40,000	11%	14%	17%	20%
More than 40,000	7%	10%	13%	20%

DIVISION 7A LOANS

Division 7A loan interest until June 2014 6.20%

MOTOR VEHICLE EXPENSES

Motor vehicle depreciation cost limit 2013/14 \$57,466

LUXURY CAR TAX

	Threshold incl GST	Rate
Cars	\$60,316	33%
Fuel efficient cars	\$75,375	33%

CONTACTS

MARK WARD

National Leader, Automotive
Tel: +61 7 3237 5744
mark.ward@bdo.com.au

TIM PULLMAN

Partner, Adelaide
Tel: +61 8 7324 6107
tim.pullman@bdo.com.au

MAL SCIACCA

Partner, Darwin
Tel: +61 8 8981 7066
Mal.Sciacca@bdo.com.au

SIMON SCALZO

Partner, Melbourne
Tel: +61 3 9603 1806
simon.scalzo@bdo.com.au

PAUL BULL

Partner, Sydney
Tel: +61 3 9240 9978
paul.bull@bdo.com.au

CHRIS BURTON

Partner, Perth
Tel: +61 8 6382 4672
chris.burton@bdo.com.au

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact the BDO member firms in Australia to discuss these matters in the context of your particular circumstances. BDO Australia Ltd and each BDO member firm in Australia, their partners and/or directors, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO refers to one or more of the independent member firms of BDO International Ltd, a UK company limited by guarantee. Each BDO member firm in Australia is a separate legal entity and has no liability for another entity's acts and omissions. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

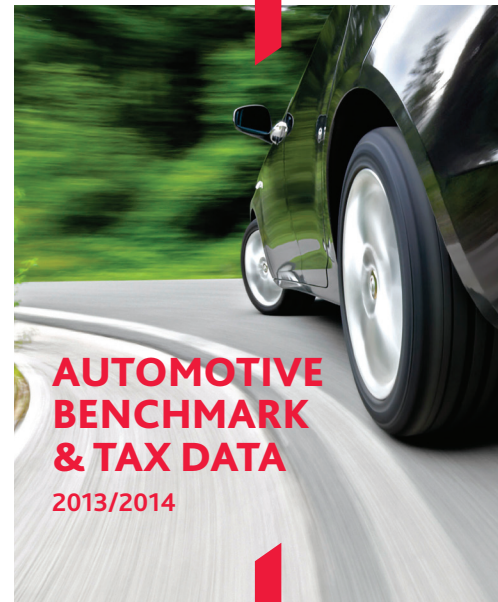
BDO is the brand name for the BDO network and for each of the BDO member firms.

© 2013 BDO Australia Ltd. All rights reserved.

Distinctively different – it's how we see you

AUDIT • TAX • ADVISORY

www.bdo.com.au



BDO



This data card includes the 2013/2014 BDO Automotive Non-Luxury Dealership Benchmark and relevant Tax Facts.

Benchmarks are an important tool to monitor, compare and identify opportunities to improve dealership profitability. While important, it is equally as important to understand the factors that influence the dealerships performance (e.g. franchises, geographic location, etc.) and establish your own internal benchmarks.

Our benchmarks are based on actual industry data which has been adjusted (normalised) for extraordinary income and also to reflect commercial expenses for items such as rent, floorplan interest and salaries.

BDO's normalised data showed the average Net Profit to Sales for a non luxury dealer in 2013 was 2.20%. The average of the top quartile was 3.00%. We have published both average and high benchmark data on the 2.20% and 3.00% Net Profit to Sales data.

TOTAL DEALERSHIP

PROFITABILITY	AVERAGE		HIGH	
	BENCHMARK	IF T/O \$100M	BENCHMARK	IF T/O \$100M
Sales		\$100.00m		\$100.00m
Gross % sales	13%	\$13.00m	14%	\$14.00m
F&I % gross	18%	\$2.34m	19%	\$2.70m
Other income % gross	11%	\$1.43m	11%	\$1.60m
Less – Total expenses % gross	112%	(\$14.57m)	109%	(\$15.30m)
Net % sales	2.20%	\$2.20m	3.00%	\$3.00m
EXPENSES	BENCHMARK	IF T/O \$100M	BENCHMARK	IF T/O \$100M
Advertising % gross	6%	\$0.80m	6%	\$0.85m
Employee costs % gross	59%	\$7.70m	59%	\$8.20m
Floorplan Interest % gross	7%	\$0.85m	6%	\$0.85m
Rent % gross	12%	\$1.60m	11%	\$1.60m
All other expenses % gross	28%	\$3.62m	27%	\$3.80m
Total expenses % gross	112%	\$14.57m	109%	\$15.30m
EMPLOYEE RATIOS	BENCHMARK		BENCHMARK	
Sales per Employee per month	\$80,000		\$93,000	
Gross per Employee per month	\$10,500		\$13,000	
Net per Employee per month	\$1,750		\$2,800	
Employees per \$1m of sales	1.0	100	0.9	90
SALES ORIENTATION	BENCHMARK	IF T/O \$100M	BENCHMARK	IF T/O \$100M
Sales – New	63%	\$63m	63%	\$63m
Sales – Used Retail	15%	\$15m	15%	\$15m
Sales – Used Wholesale	7%	\$7m	7%	\$7m
Sales – Front End	85%	\$85m	85%	\$85m
Sales – Parts	9%	\$9m	9%	\$9m
Sales – Service	6%	\$6m	6%	\$6m
Sales – Back End	15%	\$15m	15%	\$15m
GROSS PROFIT ORIENTATION	BENCHMARK	IF T/O \$100M	BENCHMARK	IF T/O \$100M
Gross – New	41%	\$5.33m	41%	\$5.67m
Gross – Used Retail	12%	\$1.50m	12%	\$1.65m
Gross – Used Wholesale	0.2%	\$20,000	0.1%	\$20,000
Gross – Front End	53%	\$6.85m	52%	\$7.34m
Gross – Parts	16%	\$2.07m	17%	\$2.34m
Gross – Service	31%	\$4.08m	31%	\$4.32m
Gross – Back End	47%	\$6.15m	48%	\$6.66m

VEHICLE SALES

PROFITABILITY	AVERAGE		HIGH	
	NEW	USED	NEW	USED
Gross profit %	8%	10.0%	9.0%	11.0%
Gross profit per unit	\$2,400	\$2,300	\$2,700	\$2,500
Gross ROI	55%	70%	60%	80%
EMPLOYEE RATIOS	NEW	USED	NEW	USED
Units per sales staff per month	13	12	15	14
Gross per sales staff per month	\$31,200	\$27,600	\$40,500	\$36,400
INVENTORY	NEW	USED	NEW	USED
Days supply	55	60	50	55
Used retail/ New retail ratio		0.5		0.5
KEY EXPENSES PER UNIT	NEW	USED	NEW	USED
Advertising per unit	\$225	\$300	\$190	\$240
Floorplan per unit	\$325	\$175	\$300	\$150

New gross includes holdback, bonuses and aftermarket

Used gross is retail only

Used gross ROI includes wholesale

FINANCE & INSURANCE

	AVERAGE		HIGH	
	NEW	USED	NEW	USED
Finance penetration	34%	36%	36%	38%
Finance income per contract	\$2,500	\$2,600	\$2,600	\$2,800
Finance per retail unit	\$800	\$910	\$900	\$1,000
Insurance per retail unit	\$140	\$200	\$190	\$240
F & I income per staff per month		\$55,000		\$60,000
Units retailed per F & I staff per month		45		50



FIXED OPERATIONS

PROFITABILITY	AVERAGE		HIGH	
	PARTS	SERVICE	PARTS	SERVICE
Gross profit % – total	23%	68%	26%	72%
Gross profit % – retail	26%	76%	29%	80%
Gross profit % – warranty	11%	62%	12%	64%
Gross profit % – internal	17%	71%	20%	75%
Gross profit % – trade	20%		23%	
Gross profit % – repair order	36%		37%	
Gross profit % – sublet		11%		13%
Gross profit % – oil & grease		55%		60%
Unapplied time % COS		7%		5%
Gross profit % – total labour		74%		78%
Gross ROI	235%		270%	
Fixed absorption		50%		55%
EMPLOYEE RATIOS	PARTS	SERVICE	PARTS	SERVICE
Monthly sales per staff	\$60,000		\$68,000	
Monthly gross per staff	\$13,800		\$17,700	
\$ sales per \$ salary	\$16		\$17	
Monthly labour sales per tech		\$14,500		\$15,000
Monthly labour gross per tech		\$10,700		\$11,700
Chargeable to non chargeable		2 to 1		2 to 1
Technician to service advisor		5 to 1		5 to 1
<i>Apprentices and foreman are weighted to arrive at an adjusted number of technicians</i>				
INVENTORY	PARTS		PARTS	
Days supply	45		45	
Parts / labour ratio	0.6		0.6	

TAX PAYABLE CALCULATION

Taxable income = assessable income – allowable deductions

Tax payable = (Taxable income x tax rate) – tax offsets + Medicare levy

TAX RATES

Company tax rate for 2013 – 2014 year 30% of taxable income

Resident Individuals – Rates 2013 – 2014

TAXABLE INCOME	TAX PAYABLE
\$0 – \$18,200	\$Nil
\$18,201 – \$37,000	\$Nil + 19% over \$18,200
\$37,001 – \$80,000	\$3,572+ 32.5% over \$37,000
\$80,001 – \$180,000	\$17,547 + 37% over \$80,000
Over \$180,000	\$54,547 + 45% over \$180,000

MEDICARE LEVY (FOR RESIDENT INDIVIDUALS)

- Medicare levy is 1.5% of taxable income plus Medicare levy surcharge (if applicable)
- There are exemptions or reductions for low income taxpayers.

MEDICARE LEVY SURCHARGE (MLS)

Additional Medicare Levy for higher income taxpayers without private health insurance:

FAMILY GROUP	ATI RANGES PLUS \$1,500 PER EXTRA CHILD IN FAMILY	ATI RANGES PLUS \$1,500 PER EXTRA CHILD IN FAMILY	ATI RANGES PLUS \$1,500 PER EXTRA CHILD IN FAMILY
Single	\$88,001 – \$102,000	\$102,001 – \$136,000	> \$136,001
Couple/Family with one child	\$176,001 – \$204,000	\$204,001 – \$272,000	> \$272,001
MLS Rate	1.0%	1.25%	1.5%