

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 2017/2018 (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.

From 1 July 2017, the general concessional contributions cap decreased to \$25,000 (from \$35,000) for all individuals regardless of age.

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

Income Exceeding \$250,000 – extra tax on contributions

Individuals with combined taxable income of at least \$250,000, including reportable fringe benefits, net investment losses + concessional tax contributions are taxed at an additional 15% on their concessional contributions (up to concessional contributions cap).

Non-Concessional Superannuation Contributions for 2017/2018 (Non-Deductible Contributions)

Non-concessional contributions cap: \$100,000 p.a., or \$300,000 p.a. over three years. Individuals may be subject to tax on contributions exceeding these caps at 47%.

Superannuation Guarantee Charge (SGC)

- Minimum Contribution Rate 9.50% of employee's earnings
- Maximum Contribution Base \$52,760 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 2018.

FBT Rate 47.0%

Benefit Value Gross-up:

- If input taxed or GST free (Type 2) 1.8868
- If employer entitled to an input tax credit (Type 1) 2.0802

FBT year end 31 March 2018

FBT return lodgement and final payment date 21 May 2018

FBT statutory interest until 31 March 2015 5.25%

Motor vehicle statutory formula percentage for 2017/18

A flat statutory rate of 20% applies, regardless of the distance travelled, to all car fringe benefits provided by the employer from 1 April 2014 (except where there is a pre-existing commitment in place before 7.30pm AEST on 10 May 2011 to provide a car).

DIVISION 7A LOANS

Division 7A loan interest until June 2018 5.30%

MOTOR VEHICLE EXPENSES

Motor vehicle depreciation cost limit 2017/18 \$57,581

LUXURY CAR TAX

	Threshold incl GST	Rate
Cars	\$65,094	33%
Fuel efficient cars	\$75,526	33%

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This data card includes the 2018 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 and setting future goals. 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 employee costs.

BDO's normalised data showed the average Net Profit to Sales in 2017 for a dealer with volume brands was 2.4%. The average of the top 50% was 2.9% which reflects the benchmarks printed.

TOTAL DEALERSHIP

PROFITABILITY	BENCHMARK	IF TURNOVER \$100M
Sales		\$100.00m
Gross % sales	12.2%	\$12.2m
F&I % gross	18.3%	\$2.2m
Other income % gross	25.9%	\$3.1m
Less – Total expenses % gross	120.2%	(\$14.6m)
Net % sales	2.9%	\$2.9m

EXPENSES	BENCHMARK	IF TURNOVER \$100M
Advertising % gross	7.2%	\$0.9m
Employee costs % gross	65.5%	\$7.9m
Floorplan Interest % gross	4.3%	\$0.5m
Rent % gross	14.7%	\$1.8m
All other expenses % gross	28.5%	\$3.5m
Total expenses % gross	120.2%	\$14.6m

EMPLOYEE RATIOS

	BENCHMARK
Sales per Employee per month	\$78,500
Gross per Employee per month	\$9,500
Net per Employee per month	\$2,300

SALES ORIENTATION

	BENCHMARK	IF TURNOVER \$100M
Sales – New	68%	\$68m
Sales – Used Retail	13%	\$13m
Sales – Used Wholesale	4%	\$4m
Sales – Front End	85%	\$85m
Sales – Parts	8%	\$8m
Sales – Service	7%	\$7m
Sales – Back End	15%	\$15m

GROSS PROFIT ORIENTATION

	BENCHMARK	IF TURNOVER \$100M
Gross – New	37%	\$4.5m
Gross – Used	11%	\$1.3m
Gross – Front End	48%	\$5.8m
Gross – Parts	14%	\$1.7m
Gross – Service	38%	\$4.7m
Gross – Back End	52%	\$6.4m
Gross - Total	100%	\$12.2m

VEHICLE SALES

PROFITABILITY	NEW	USED
Gross profit %	6.9%	9.2%
Gross profit per unit	\$2,600	\$2,050
Gross ROI	45%	55%

EMPLOYEE RATIOS	NEW	USED
Units per sales staff per month	12	14
Gross per sales staff per month	\$31,200	\$28,700

INVENTORY	NEW	USED
Days supply	65	70
Used retail/ New retail ratio	N/A	0.4

KEY EXPENSES PER UNIT	NEW	USED
Advertising per unit	\$210	\$215
Floorplan per unit	\$270	\$95

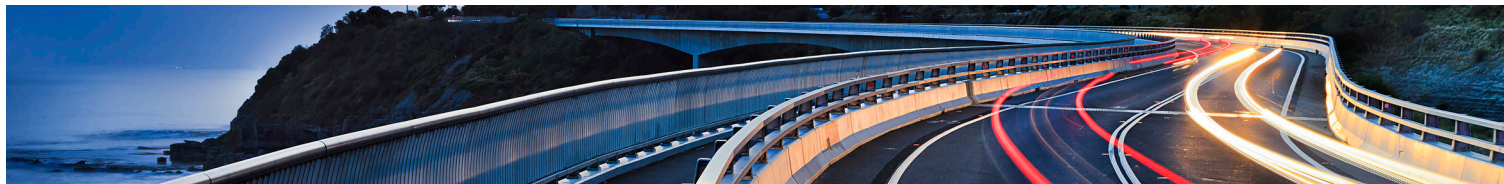
New gross includes holdback, bonuses and aftermarket

Used gross is retail only

Used gross ROI includes wholesale

FINANCE & INSURANCE

	NEW	USED
Finance penetration	36%	34%
Finance income per contract	\$2,750	\$2,150
Finance per retail unit	\$990	\$730
Insurance per retail unit	\$135	\$155
F & I income per staff per month		\$47,500
Units retailed per F & I staff per month		45



FIXED OPERATIONS

PROFITABILITY	PARTS	SERVICE
Gross profit % – total	22%	65%
Gross profit % – retail	25%	79%
Gross profit % – warranty	12%	73%
Gross profit % – internal	20%	78%
Gross profit % – trade	20%	
Gross profit % – repair order	34%	

Gross profit % – sublet		8%
Gross profit % – oil & grease		60%
Unapplied time % COS		6%
Gross profit % – total labour		74%
Gross ROI	225%	
Fixed absorption		45%

EMPLOYEE RATIOS

	PARTS	SERVICE
Monthly sales per staff	\$75,000	
Monthly gross per staff	\$16,500	
\$ sales per \$ salary	\$15	
Monthly labour sales per tech		\$15,000
Monthly labour gross per tech		\$11,600
Chargeable to non chargeable		1.75 to 1

Apprentices and foreman are weighted to arrive at an adjusted number of technicians

INVENTORY

	PARTS
Days supply	40
Parts / labour ratio	0.65

TAX PAYABLE CALCULATION

Taxable income = assessable income – allowable deductions

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

TAX RATES

Companies that fit the small business entity definition (broadly, entities with an aggregated annual turnover of less than \$25m) are subject to a company tax rate of 27.5% for 2018 financial year.

Those entities that do not meet the definition (for e.g. those with turnover more than \$25m) continue to be subject to tax rate of 30% for the 2018 financial year.

Resident Individuals – Rates 2017/2018

TAXABLE INCOME	TAX PAYABLE
\$0 – \$18,200	\$Nil
\$18,201 – \$37,000	\$Nil + 19% over \$18,200
\$37,001 – \$87,000	\$3,572+ 32.5% over \$37,000
\$87,001 – \$180,000	\$19,822 + 37% over \$87,000
Over \$180,000	\$54,232 + 45% over \$180,000

MEDICARE LEVY (FOR RESIDENT INDIVIDUALS)

- Medicare levy is 2% of taxable income plus Medicare levy surcharge (if applicable)
- There are exemptions or reductions for low income taxpayers.