



# The Australian Benchmark Report

Market intelligence specific to your industry

- 2016



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# 1

## Industry Statistics

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Sector Overview

Industry Statistics

Employment Data



## Sector Overview

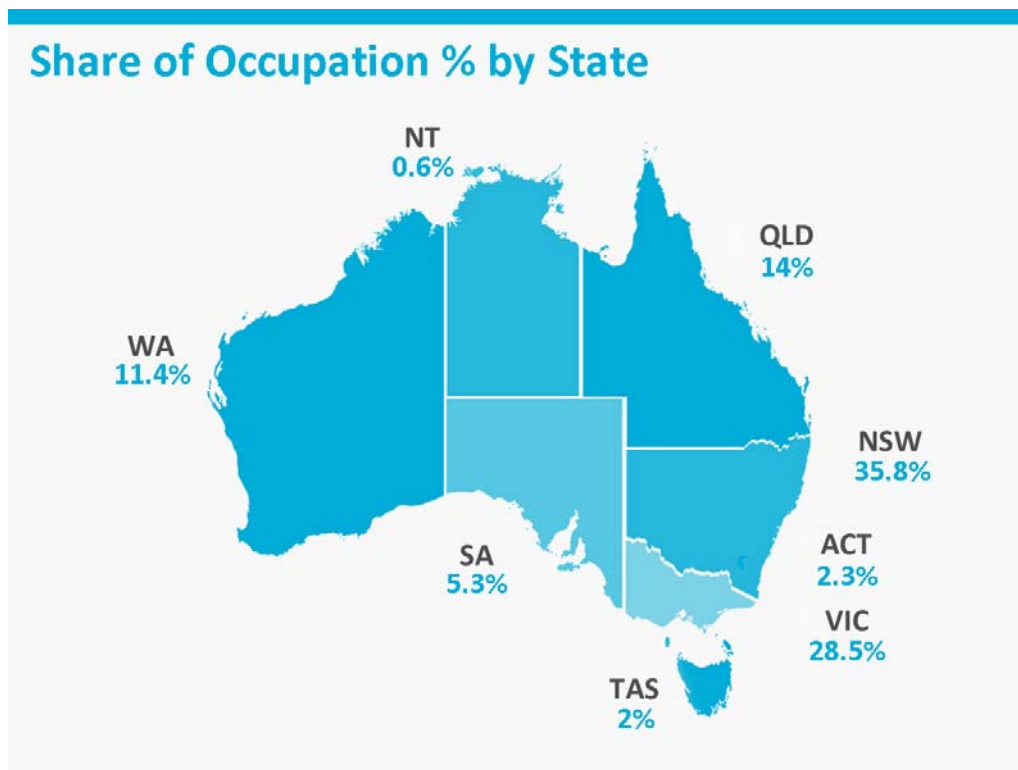
This data is provided by the Australian Bureau of Statistics (ABS) as at November 2014.

The ABS reports that employment numbers for the Retail Trade sector as at 2013 - 2014 was 1,246,300. This employment figure changed by 6.3% over the past 5 years. Forecasted growth for the sector over the next five years is 8.9% or 111,100.

The percentage of employees for the sector outside of state capital cities was 34% and 29% of all sector employees were aged 45 years or older.

## Industry Statistics

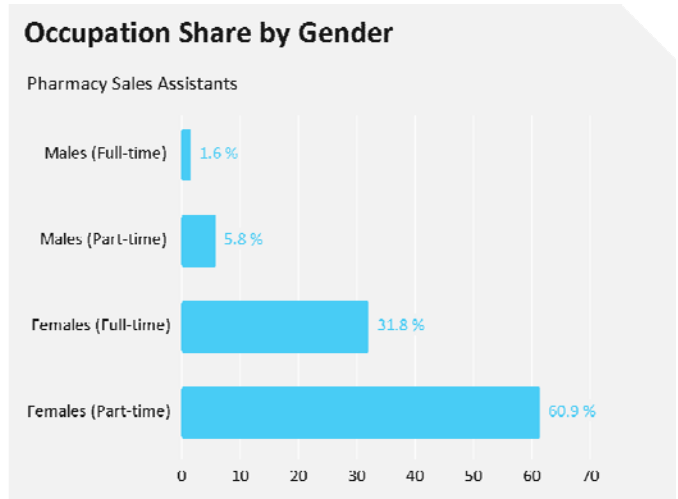
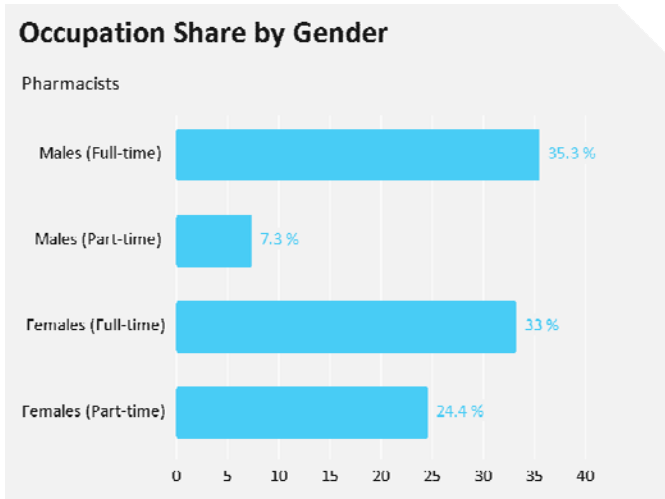
The number of  nationwide was reported at 39,200 as at November 2014. The industry has shown an average growth rate of 10.3% over the past five years. Forecasted growth for the industry is strong (between 8.5% to 13.1% per annum) over the next five years.





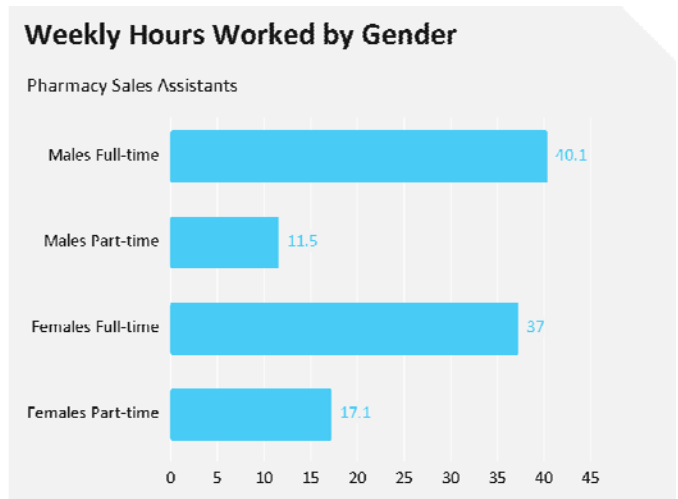
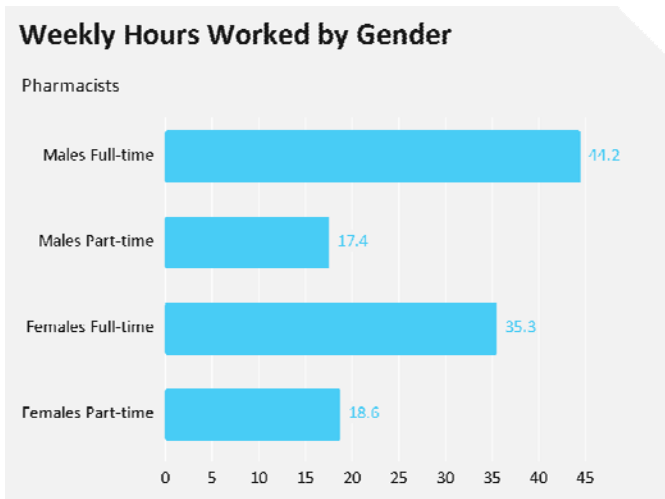
## Employment Data

- The following employment data is sourced from the Australian Bureau of Statistics (ABS), dated November 2014.



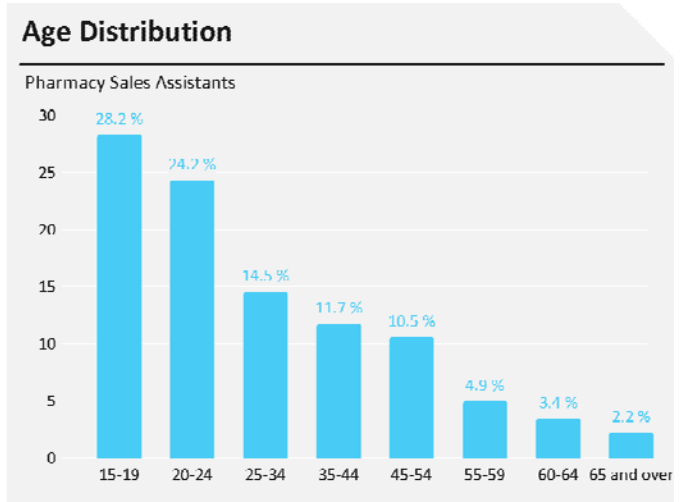
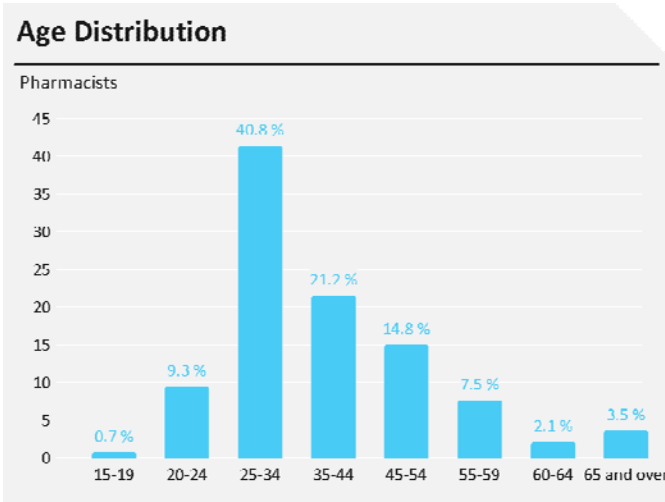
- Weekly income for [redacted] before tax - EBT) is around \$1,196 per week.

- Weekly income for [redacted] (earnings before tax - EBT) is around \$750 per week.





- The highest percentage of [redacted] employees lies within the 25-34 age bracket, while the median age is 34.
- The highest percentage of [redacted] employees lies within the 15-19 age bracket, while the median age is 24.





# 2

## Key Benchmark Comparison

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Income	_____
Less Overheads as %'s of Total Income:	_____
Net Profit (bps*) per...	_____
Total <input type="text"/> Income per...	_____
Total <input type="text"/> Gross Profit per...	_____
Non Personnel-Related Overheads	_____
Personnel	_____
Other Information	_____



Turnover: All Firms Average  
 Net Profit per Owner: Less than \$150,000  
 Net Profit per Owner: \$350,000 or more

Your Business:

### Income

Total Income	AWAITING YOUR DATA	\$3,333,040	\$2,174,358	\$5,058,411
Less Cost of Goods Sold	AWAITING YOUR DATA	60.53%	53.21%	58.99%
Equals Gross Profit	AWAITING YOUR DATA	39.47%	46.79%	41.01%

### Less Overheads as %'s of Total Income:

Advertising, Promotion & incl Franchise/Group Fees	AWAITING YOUR DATA	0.74%	0.65%	0.70%
Accounting and Legal Fees	AWAITING YOUR DATA	0.50%	0.53%	0.37%
All Insurance	AWAITING YOUR DATA	0.43%	0.55%	0.33%
Interest, Bank Charges etc	AWAITING YOUR DATA	2.62%	3.50%	1.77%
Printing, Postage, Stationery, Packaging & Wrapping	AWAITING YOUR DATA	0.48%	0.48%	0.41%
Rent of Premises	AWAITING YOUR DATA	3.44%	3.84%	2.28%
Other Occupancy Costs	AWAITING YOUR DATA	0.53%	0.64%	0.47%
Other Depreciation, Lease and HP	AWAITING YOUR DATA	0.96%	1.49%	0.76%
Repairs and Maintenance	AWAITING YOUR DATA	0.31%	0.39%	0.29%
Staff On Costs	AWAITING YOUR DATA	1.56%	1.80%	1.89%
Employees' Wages & Salaries	AWAITING YOUR DATA	11.17%	12.45%	10.09%
All Other Expenses	AWAITING YOUR DATA	4.63%	8.74%	2.78%
Total Overheads	AWAITING YOUR DATA	27.38%	35.06%	22.13%
Net Profit (bps*)	AWAITING YOUR DATA	12.09%	11.73%	18.87%

### Net Profit (bps\*) per...

Principal	AWAITING YOUR DATA	\$338,477	\$96,337	\$709,545
Principal Workhour	AWAITING YOUR DATA	\$565.88	\$420.35	\$349.35

### Total [ ] Income per....

Person	AWAITING YOUR DATA	\$611,368	\$298,570	\$933,794
\$ of Wages #	AWAITING YOUR DATA	\$8.79	\$7.71	\$9.24
Square Metre of Total Area	AWAITING YOUR DATA	\$16,890	\$13,685	\$21,260





Turnover: All Firms  
Average

Net Profit per  
Owner: Less than  
\$150,000

Net Profit per  
Owner: \$350,000  
or more

Your Business:

### Total   Gross Profit per...

Person	AWAITING YOUR DATA	\$228,403	\$130,169	\$361,644
\$ of Wages #	AWAITING YOUR DATA	\$3.40	\$3.45	\$3.94
Square Metre of Total Area	AWAITING YOUR DATA	\$6,797	\$5,229	\$9,032

### Non Personnel-Related Overheads

Person	AWAITING YOUR DATA	\$78,446	\$60,197	\$97,480
\$ of Wages #	AWAITING YOUR DATA	\$1.33	\$1.64	\$0.88
Square Metre of Total Area	AWAITING YOUR DATA	\$1,949	\$1,864	\$2,096

### Personnel

Working Principals	AWAITING YOUR DATA	1.24	2.15	1.26
Employed <span style="border: 1px dashed blue; padding: 2px;"> </span>	AWAITING YOUR DATA	1.31	1.62	2.30
Any Other Staff	AWAITING YOUR DATA	5.63	8.41	8.12
Total Personnel	AWAITING YOUR DATA	8.18	12.17	11.68
Hours Worked per Principal per Year	AWAITING YOUR DATA	1,516	1,249	1,798

### Other Information

Owners' Equity as % of Total Assets	AWAITING YOUR DATA	25.23%	21.20%	21.20%
Asset Turnover	AWAITING YOUR DATA	\$2.79	\$1.39	\$2.74
Stockturn Rate	AWAITING YOUR DATA	9.15	7.93	11.40
Gross Margin Return on Inventory	AWAITING YOUR DATA	589%	613%	777%
Growth Capacity	AWAITING YOUR DATA	7.98%	9.97%	12.70%
% Revenue drops before Losses Start	AWAITING YOUR DATA	28.60%	22.92%	42.84%
<span style="border: 1px dashed blue; padding: 2px;"> </span> as % of Total Income	AWAITING YOUR DATA	68.64%	50.54%	66.78%
Trading Hours per Week	AWAITING YOUR DATA	40	46	45
<span style="border: 1px dashed blue; padding: 2px;"> </span> mtrs)	AWAITING YOUR DATA	30	30	30
<span style="border: 1px dashed blue; padding: 2px;"> </span> a	AWAITING YOUR DATA	\$68.04	\$56.28	\$105.13
Rent per Square Metre of Total Floor Area	AWAITING YOUR DATA	21,188	10,580	23,709
Current ratio	AWAITING YOUR DATA	\$7,666	\$9,159	\$9,370
Acid test	AWAITING YOUR DATA	\$541	\$914	\$405
Days' debtors	AWAITING YOUR DATA	3.76	1.44	2.16
Liability turnover	AWAITING YOUR DATA	2.55	0.73	1.31
Interest cover: business	AWAITING YOUR DATA	7.51	9.51	7.05
	AWAITING YOUR DATA	\$35.74	\$2.90	\$6.58
	AWAITING YOUR DATA	1,775.59	54.11	534.92

- \* bps - before principals' salaries and benefits # including principals' notional wage of \$35 per hour



# 3

## KPI Feedback

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KPI Feedback

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## KPI Feedback

Go online or talk to your accountant about having your business results in this report!



### Personnel Productivity & Profit

Ratio	Your Business	Feedback	Rating
Gross Profit per Person	\$125.09	This is a tremendous result for your firm - you and your team should be encouraged to keep up the good work!	
Net profit per principal	\$127,930	High net profit per owner reflects a number of strengths in your firm. Don't rest on your laurels, though, as a business which doesn't move forward each year is in fact slipping back.	

### Margins

Ratio	Your Business	Feedback	Rating
Total Overheads	18.16%	This is an excellent result. However, don't starve the business with too tight a control on the 'investment' costs such as advertising, equipment etc.	
Net Profit (**basis)	10.25%	A net profit around the middle of the range is a good result. You can fill your margin with marketing, advertising, etc. or you can use the funds to cover your expenses.	

### Major Overheads as a % of Total Income

Ratio	Your Business	Feedback	Rating
Major Overheads as a % of Total Income	18.16%	This is an excellent result. However, don't starve the business with too tight a control on the 'investment' costs such as advertising, equipment etc.	



# 4

## ATO Benchmarks

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ATO Benchmarks

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## ATO Benchmarks

Below you will find benchmarks for the   industry as compiled by the Australian Taxation Office (ATO) against which you can compare your business performance. In addition to an alternative point of comparison, the ATO benchmarks may be useful for the following reason.

The ATO website states that:






*'Benchmarks are key financial ratios developed from information provided by businesses on activity statements and tax returns that can help you compare your business performance against similar businesses in an industry.'* (Australian Tax Office, 2015, [www.ato.gov.au/General/How-we-check-compliance/Small-business-benchmarks](http://www.ato.gov.au/General/How-we-check-compliance/Small-business-benchmarks))

*'Businesses operating outside the key benchmark may be contacted by us.'* (Australian Tax Office, 2015, [www.ato.gov.au/General/How-we-check-compliance/Small-business-benchmarks](http://www.ato.gov.au/General/How-we-check-compliance/Small-business-benchmarks))

*'During an audit, if a business does not have records to support their reported income and expenses, we may use benchmarks and other information available to assess the profits of the business.'* (Australian Tax Office, 2015, <http://www.ato.gov.au/General/How-we-check-compliance/Small-business-benchmarks>)

Below you will find key KPIs for cost of goods, turnover, labour, rent and motor vehicle expenses as percentages of total income.

Your individual results will flow through from the Data Entry page and have been calculated to match the ATO's benchmark statistics.

ATO Turnover	\$400,000 - \$1,500,000	\$1,500,000 - \$3,500,000	More than \$3,500,000
Cost of sales/turnover	 60% 65%	 61% 65%	 62% 66%
Total expenses/turnover	 87% 92%	 88% 93%	 89% 94%
Labour/turnover	 9% 13%	 9% 13%	 9% 12%
Rent/turnover	 3% 5%	 3% 5%	 3% 5%



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## Action List

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Maintain Or Increase Sales

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Improve Gross Profit

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Reduce And Control Expenses

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Improve Stockturn And Reduce Stock Investment

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Credit Control

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Achieving            Growth



## Maintain Or Increase Sales

### Increase sales

- Internet, radio and television advertising to local area audience.
- Explore the use of search engine marketing.
- Regular in-store demonstrations and displays.
- Improve merchandising skills.
- Better access, parking and visibility.
- Encourage referrals from regular customers.

### Strategy - Increase the Average Sales Size:

- Train sales staff regularly.
- Sell from the most expensive to the least, not the other way around.
- Sell higher quality or better features.
- Sell accessories (e.g. someone purchasing sunscreen may be interested in hats, sun glasses and after sun lotions).

### Strategy - Increase Repeat Trade from Customers:

- Friendly, helpful staff.
- Good merchandising.
- Pleasant, clean, uncluttered premises.
- Regular promotional events and classes.
- Establish customer interest groups such as weight loss, alternative medicines, baby clinics, etc.

## Improve Gross Profit

### Lift gross profit

- Greet every customer to lessen the likelihood of shoplifting.
- Eliminate staff pilferage of smaller items.
- Minimise stock damage.
- Always check stock in against invoice.
- Return any damaged or unacceptable stock.

### Reduce cost of goods sold

- Reduce small orders with freight costs.
- Purchase from suppliers offering quantity discounts.
- Take advantage of settlement discounts.
- Plan purchases monthly or seasonally.

### Avoid depressed total sales

- Eliminate discounting by sales staff.
- Do not reprice after a promotion or on old stock.
- Encourage higher margin line sales.
- Improve merchandising and display.

## Reduce And Control Expenses

### Improve your cost control

- Automate your stock control system.
- Stock-take regularly.
- Eliminate dead stock.
- Where possible reduce stock holdings for individual lines.



- Monitor sales and purchases against budgets.
- Don't over order or underprice special requests.

## *Improve Stockturn And Reduce Stock Investment*

### **Strategy - Improve Stock Control:**

- Set up a stock control system;
- Stocktake regularly;
- Ruthlessly eliminate dead stock;
- Can stock holdings for individual product lines be reduced?;
- Monitor monthly sales;
- Monitor monthly purchases;
- Compare with budgets and adjust for future months to avoid overstocking.

## *Credit Control*

### **Strategy - Reduce Debtor Levels:**

- Establish payment terms as part of the price negotiation.
- Review each request for credit (have customers apply with an appropriate form that captures full name, address and telephone numbers).
- Prepare and issue accounts punctually each month.
- Consistently telephone late payers.
- Put a stop on overdue accounts.

## *Achieving Practice Growth*

### **Improve staff retention**

- Pay good, market salaries and incentives.
- Provide the opportunity to work on interesting and engaging projects with owners or supervisors.
- Develop a friendly, egalitarian culture.
- Ensure that all staff receive regular training and personal development.
- Staff will no longer work well for you because they have to. They will only perform if they like you and if you like them, so it is a good idea to employ people that you are capable of liking.
- 'Do unto others' (simplistic yet sound advice).

### **Develop and implement a marketing plan**

- Monitor the sales success of all staff and learn from the best.
- Get advice from professional marketers on business promotion.
- Improve management of the enterprise.
- All businesses need a management structure.
- Centralise management in a managing director or allocate management jobs (staff management, finance, marketing, sales and operations) among owners.
- Read Gerber's 'The e myth'.
- Allocate time to do these jobs and recognise it as valuable contribution.
- Ensure all owners and managers attend management and development training.





# 6

## Ratio Definitions

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Ratio Definitions

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## Ratio Definitions

**Total Income** is all sales income   commissions, plus any other trading income.

### Cost of Goods Sold as % of total income

$$\frac{\text{Opening Stock} + \text{Purchases (inc freight in)} - \text{Closing Stock}}{\text{Total Income}} \times 100$$

Any purchase rebates or discounts or any buying group dividends have been deducted from purchases.

### Gross Profit as % of total income

$$\frac{\text{Total Income} - \text{Cost of Goods Sold}}{\text{Total Income}} \times 100$$

Aim for a higher Gross Profit margin - t reflects better overall purchasing and pricing policies.

### Overheads as %s of total income

$$\frac{\text{Individual Overhead Item}}{\text{Total Income}} \times 100$$

Lower results are generally better here. However, the real issue is to maximise the value from each expense item. Any payments to or for the principals (eg. wages, superannuation, FBT, etc) have been omitted from this list - they have been treated as part of the profit figure below.

### Net Profit as % of total income

$$\frac{\text{Gross Profit} - \text{Total Overheads}}{\text{Total Income}} \times 100$$

A higher Net Profit will normally reflect a more efficient or profitable operation. It is also influenced, however, by structural considerations such as the number of employees (whose salaries are included as part of the overhead structure) as opposed to active principals (whose salaries are included as part of Net Profit' rather than 'Salaries'). Note that principal wages have been excluded from Overheads to reflect a total Net Profit available to the principals.

### Net Profit per Principal

This ratio is calculated by dividing the Net Profit by the number of principals actively working in the business. Principals are expressed in terms of Full Time Equivalents - see *Personnel* for the definition.

### Net Profit per Principal Workhour

$$\frac{\text{Net Profit}}{\text{Hours Worked by all Principals in the Year}}$$

Higher results are better here. This figure represents your effective 'hourly earning rate' from the business, pre-tax.



### Total   Income per Person

This is the Total Income divided by the number of working principals and employees, in Full Time Equivalents. See *Personnel* for the definition of the term.

### Total   Income per \$ of Wages

$$\frac{\text{Total Income}}{\text{Employee Wages + Notional Principals' Wages}\#}$$

# the notional principal wage is calculated here and elsewhere by multiplying the hours worked by the principals in the year by a notional hourly rate of \$35.

### Total Income per square metre of total area

$$\frac{\text{Total Income}}{\text{Total sq mtrs of floor area used by the business}}$$

Higher results show that the premises are being used intensively.

### Total Gross Profit per Person, per \$ of Wages, per square metre

The calculations here are similar to the preceding productivity measures but instead of using Total Income as the top line of the calculation, Gross Profit is used instead. Higher results are better.

### Non Personnel-Related Overheads per Person, per \$ of Wages, per square metre

Again the calculations are similar to those preceding them, but the numerator (the top line of the calculation) is made up by adding together all the non-personnel overheads. Essentially this is all the overheads except wages and staff on-costs.

### Personnel

Personnel are calculated in terms of Full Time Equivalents (FTEs). This means that if an employee or principal works in the business, say 2 days per 5-day week, this person has a FTE of 0.4. Similarly, if a full time position started half way through the year, the person in it would have an FTE of 0.5.

### Hours Worked per Principal per Year

This is the total hours worked in the business by all principals within the financial year, divided by the number of working principals (in FTEs).

**Owners' Equity** is the proportion of assets which are funded by the principals.

$$\frac{\text{Total Assets - Total Liabilities}}{\text{Total Assets}} \times 100$$

When arriving at Total Assets and Total Liabilities both here and elsewhere in the figures, loans to and from principals and related companies are excluded. We treat them as drawings (reduces equity) or contributed capital (increases equity) respectively.



**Asset Turnover** is calculated by dividing Total Income by Total Assets. Aim for higher results here - it indicates that you are earning more revenue from each dollar of assets.

$$\frac{\text{Cost of Goods Sold}}{\text{Stock of Goods or Materials}}$$

### Stockturn Rate

The Stockturn Rate indicates the number of times stock is replaced in the year. Higher results are generally better. However, too high a result could lead to lost sales due to stock not being available.

### Gross Margin Return on Inventory (GMROI)

$$\frac{\text{Gross Profit}}{\text{Value of Stock at Year End}} \times 100$$

Aim for higher results - it reflects a better return on funds invested in stock.

### Growth Capacity

$$\frac{\$ \text{Net Profit (bos)} - (\text{Current assets} - \text{Current liabil})}{\text{Total Income}} \times 100$$

This is a ratio which shows whether the firm can afford to fund its growth. If the result here is a large positive number, then 'growth' should be reasonably easy to fund; if the result is negative, then growing the business will demand more working capital than the additional profit which is generated. A negative (or even a low positive result) is therefore a warning sign. To improve this ratio, either work to increase the 'profit' aspect of the equation, or work to reduce the working capital requirements of the business. Your accountant can help you with advice tailored to your own specific situation, if required.

### % Revenue drops before Losses Start (Margin of Safety)

$$\frac{\text{Net Profit}}{\text{Gross Profit}} \times 100$$

This ratio shows the extent to which sales can fall before the business starts to incur losses. A higher result consequently reflects greater capacity to withstand a sudden fall in sales.

% of Total Sales is the proportion of sales derived from .

Gross profit margin, on

In each calculation, only the revenue and the cost of goods sold for each type of sale is used. For example:

$$\frac{\text{Total}}{\text{Total}} \times 100$$

Higher figures should be your target. To calculate this figure accurately, you may need to reorganise your 'purchases' and 'stock on hand' accounts in your general ledger, to separately collect this information for each broad 'type' of sale.



### Trading Hours per Week

As reported by the businesses.

### Sales Area (in sq mtrs) per Sales Assistant

$$\frac{\text{Sales Area (in square metres)}}{\text{All Other Staff}}$$

This shows the average floor area coverage by the sales staff (this does not include the [ ] of the business.

[ ] in the year.  
Higher results are better, though there are limits on how far this can be increased.

[ ]

[ ]

A higher result indicates better productivity! [ ]

[ ] Area is calculated by dividing the sales revenue from [ ] products by the total sales and display area of the premises, excluding [ ] Higher results here indicate that you are utilising your sales and display area more efficiently.

### Rent per Square Metre of Floor Area

$$\frac{\text{Total rental expense for the year, excluding outgoings}}{\text{Total floor area of the premises, in sq mtrs}}$$



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Benchmark Appendix

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## Benchmark Appendix

Average Results for businesses grouped as indicated

	All Firms	Turnover: Less than \$1,500,000	Turnover: \$1,500,000 to \$2,499,999	Turnover: \$2,500,000 to \$3,499,999	Turnover: \$3,500,000 to \$4,499,999	Turnover: \$4,500,000 or more
Average		\$1,500,000	\$2,499,999	\$3,499,999	\$4,499,999	

### Income

Total Income	\$3,333,040	\$1,137,178	\$1,907,518	\$3,052,313	\$3,956,037	\$6,955,763
Less Cost of Goods Sold	60.53%	55.05%	61.21%	59.98%	62.94%	63.56%
Equals Gross Profit	39.47%	44.95%	38.79%	40.02%	37.06%	36.44%

### Less Overheads as %'s of Total Income:

Advertising, Promotion & incl Franchise/Group Fees	0.74%	0.79%	0.54%	0.66%	1.04%	0.83%
Accounting and Legal Fees	0.50%	0.79%	0.60%	0.45%	0.29%	0.31%
All Insurance	0.43%	0.69%	0.40%	0.35%	0.41%	0.31%
Interest, Bank Charges etc	2.62%	2.54%	4.00%	2.71%	1.48%	1.64%
Printing, Postage, Stationery, Packaging & Wrapping	0.48%	0.57%	0.40%	0.42%	0.52%	0.53%
Rent of Premises	3.44%	2.77%	2.87%	3.64%	4.37%	3.98%
Other Occupancy Costs	0.53%	0.72%	0.58%	0.47%	0.43%	0.42%
Other Depreciation, Lease and HP	0.96%	1.72%	0.83%	0.75%	0.84%	0.74%
Repairs and Maintenance	0.31%	0.46%	0.29%	0.31%	0.34%	0.19%
Staff On Costs	1.56%	1.32%	2.06%	1.53%	1.44%	1.24%
Employees' Wages & Salaries	11.17%	11.22%	10.48%	12.44%	10.97%	10.84%
All Other Expenses	4.63%	6.45%	5.48%	3.20%	4.35%	3.57%
Total Overheads	27.38%	30.05%	28.53%	26.92%	26.48%	24.60%
Net Profit (bps*)	12.09%	14.89%	10.27%	13.10%	10.58%	11.84%

### Net Profit (bps\*) per...

Principal	\$338,477	\$142,679	\$187,823	\$343,647	\$392,335	\$746,339
Principal Workhour	\$565.88	\$553.08	\$585.58	\$185.90	\$1,352.94	\$381.06

### Total Income per...

Person	\$611,368	\$220,059	\$395,900	\$475,955	\$347,747	\$1,555,791
\$ of Wages #	\$8.79	\$7.94	\$9.11	\$7.80	\$8.33	\$10.40
Square Metre of Total Area	\$16,890	\$8,228	\$12,839	\$13,944	\$20,146	\$29,960

### Total Gross Profit per...

Person	\$228,403	\$99,100	\$146,817	\$187,024	\$134,722	\$556,524
\$ of Wages #	\$3.40	\$3.28	\$3.39	\$3.35	\$3.07	\$3.75
Square Metre of Total Area	\$6,797	\$3,253	\$4,966	\$5,903	\$7,530	\$12,081

### Non Personnel-Related Overheads

Person	\$78,446	\$41,371	\$63,141	\$63,316	\$47,191	\$166,656
\$ of Wages #	\$1.33	\$1.27	\$1.50	\$1.00	\$1.17	\$1.59
Square Metre of Total Area	\$1,949	\$1,561	\$1,282	\$1,701	\$2,023	\$3,335

### Personnel

Working Principals	1.24	1.08	1.30	1.31	1.29	1.20
Employed	1.31	0.48	1.16	1.40	1.44	2.08
Any Other Staff	5.63	2.30	4.66	6.86	7.34	7.48
Total Personnel	8.18	3.85	7.13	9.57	10.08	10.76
Hours Worked per Principal per Year	1,516	1,480	1,415	1,738	1,643	1,327

### Other Information

Owners' Equity as % of Total Assets	25.23%	23.62%	5.27%	28.56%	47.05%	34.92%
Asset Turnover	\$2.79	\$1.33	\$1.83	\$4.50	\$2.71	\$3.31
Stockturn Rate	9.15	7.74	8.20	9.60	9.29	10.89
Gross Margin Return on Inventory	589%	565%	531%	662%	531%	641%
Growth Capacity	7.98%	4.65%	7.65%	11.82%	8.62%	7.09%
% Revenue drops before Losses Start	28.60%	31.79%	25.03%	28.68%	27.62%	30.76%
Overheads as % of Total Income	68.64%	70.36%	65.95%	71.01%	77.04%	62.72%
Trading Hours per Week	40	32	46	43	44	36
Trading Area (sq mtrs)	30	38	51	30	15	12
Trading Area	\$68.04	\$21.54	\$35.78	\$105.07	\$46.56	\$76.07
Trading Area	21,188	18,754	18,495	19,123	17,698	31,691
Rent per Square Metre of Total Floor Area	\$7,666	\$5,902	\$3,471	\$5,817	\$6,249	\$21,083
Rent per Square Metre of Total Floor Area	\$541	\$333	\$312	\$628	\$571	\$683
Current ratio	3.76	11.64	1.60	3.32	2.10	2.10
Acid test	2.55	6.59	0.90	3.57	1.15	1.36
Days' debtors	7.51	6.69	6.27	12.10	6.43	5.94
Liability turnover	\$35.74	\$5.83	\$4.50	\$136.97	\$9.14	\$6.27
Interest cover: business	1,775.59	1,045.77	91.43	46.65	10,954.49	943.09

- \* bps - before principals' salaries and benefits # including principals' notional wage of \$35 per hour



## Average Results for businesses grouped as indicated

	All Firms	Net Profit per Owner:	Net Profit per Owner:	Net Profit per Owner:	Net Profit per Owner:
	Average	Less than \$150,000	\$150,000 to \$249,999	\$250,000 to \$349,999	\$350,000 or more

### Income

Total Income	\$3,333,040	\$2,174,358	\$2,566,039	\$3,083,288	\$5,058,410
Less Cost of Goods Sold	60.53%	53.21%	63.92%	61.45%	58.99%
Equals Gross Profit	39.47%	46.79%	36.08%	38.55%	41.01%

### Less Overheads as %'s of Total Income:

Advertising, Promotion & incl Franchise/Group Fees	0.74%	0.65%	0.43%	0.75%	0.70%
Accounting and Legal Fees	0.50%	0.53%	0.49%	0.32%	0.37%
All Insurance	0.43%	0.55%	0.42%	0.49%	0.33%
Interest, Bank Charges etc	2.62%	3.50%	2.79%	1.89%	1.77%
Printing, Postage, Stationery, Packaging & Wrapping	0.48%	0.48%	0.33%	0.35%	0.41%
Rent of Premises	3.44%	3.84%	2.54%	2.78%	2.28%
Other Occupancy Costs	0.53%	0.64%	0.43%	0.58%	0.47%
Other Depreciation, Lease and HP	0.96%	1.49%	0.89%	0.57%	0.76%
Repairs and Maintenance	0.31%	0.39%	0.25%	0.31%	0.29%
Staff On Costs	1.56%	1.80%	1.44%	1.18%	1.89%
Employees' Wages & Salaries	11.17%	12.45%	9.60%	10.63%	10.09%
All Other Expenses	4.63%	8.74%	3.79%	3.50%	2.78%
Total Overheads	27.38%	35.06%	23.40%	23.36%	22.13%
Net Profit (bps*)	12.09%	11.73%	12.68%	15.18%	18.87%

### Net Profit (bps\*) per...

Principal	\$338,477	\$96,337	\$203,166	\$299,495	\$709,545
Principal Workhour	\$565.88	\$420.35	\$378.75	\$1,489.15	\$349.35

### Total Income per....

Person	\$611,368	\$298,570	\$645,450	\$566,095	\$933,794
\$ of Wages #	\$8.79	\$7.71	\$7.77	\$8.98	\$9.24
Square Metre of Total Area	\$16,890	\$13,685	\$14,301	\$13,717	\$21,260

### Total Gross Profit per....

Person	\$228,403	\$130,169	\$202,231	\$220,511	\$361,644
\$ of Wages #	\$3.40	\$3.45	\$2.74	\$3.35	\$3.94
Square Metre of Total Area	\$6,797	\$5,229	\$5,230	\$5,391	\$9,032

### Non Personnel-Related Overheads

Person	\$78,446	\$60,197	\$67,031	\$76,657	\$97,480
\$ of Wages #	\$1.33	\$1.64	\$0.99	\$1.15	\$0.88
Square Metre of Total Area	\$1,949	\$1,864	\$1,596	\$1,664	\$2,096

### Personnel

Working Principals	1.24	2.15	1.45	1.53	1.26
Employed	1.31	1.61	1.32	1.46	2.30
Any Other Staff	5.63	8.41	4.89	6.38	8.12
Total Personnel	8.18	12.17	7.66	9.37	11.68
Hours Worked per Principal per Year	1,516	1,249	1,785	1,419	1,798

### Other Information

Owners' Equity as % of Total Assets	25.23%	21.20%	29.14%	44.97%	21.20%
Asset Turnover	\$2.79	\$1.39	\$1.76	\$3.20	\$2.74
Stockturn Rate	9.15	7.93	9.13	9.27	11.40
Gross Margin Return on Inventory	589%	613%	510%	603%	777%
Growth Capacity	7.98%	9.97%	10.14%	9.69%	12.70%
% Revenue drops before Losses Start	28.60%	22.92%	35.12%	39.73%	42.84%
Overheads as % of Total Income	68.64%	50.54%	74.52%	71.40%	66.78%
Trading Hours per Week	40	46	54	46	45
Trading Hours per Week (sq mtrs)	30	30	34	37	30
Trading Hours per Week (sq mtrs)	\$68.04	\$56.28	\$34.87	\$40.51	\$105.13
Trading Hours per Week (sq mtrs)	21,188	10,580	20,876	24,725	23,709
Trading Hours per Week (sq mtrs)	\$7,666	\$9,159	\$3,131	\$4,078	\$9,370
Rent per Square Metre of Total Floor Area	\$541	\$914	\$342	\$299	\$405
Current ratio	3.76	1.44	2.10	12.16	2.16
Acid test	2.55	0.73	2.86	6.76	1.31
Days' debtors	7.51	9.51	13.79	5.37	7.05
Liability turnover	\$35.74	\$2.90	\$3.65	\$9.32	\$6.58
Interest cover: business	1,775.59	54.11	7,083.02	2,587.59	534.92

- \* bps - before principals' salaries and benefits # including principals' notional wage of \$35 per hour





## Average Results for businesses grouped as indicated

	All Firms Average	Location: Capital City CBD	Location: Suburban Major Regional	Other: Normal Trading Hours	Other: High Trading Hours
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### Income

Total Income	\$3,333,040	\$3,308,430	\$3,049,028	\$3,292,044	\$3,635,385
Less Cost of Goods Sold	60.53%	60.79%	63.75%	60.26%	62.50%
Equals Gross Profit	39.47%	39.21%	36.25%	39.74%	37.50%

### Less Overheads as %'s of Total Income:

Advertising, Promotion & incl Franchise/Group Fees	0.74%	0.38%	0.59%	0.74%	0.75%
Accounting and Legal Fees	0.50%	0.44%	0.55%	0.50%	0.53%
All Insurance	0.43%	0.42%	0.47%	0.44%	0.37%
Interest, Bank Charges etc	2.62%	3.12%	2.97%	2.45%	3.90%
Printing, Postage, Stationery, Packaging & Wrapping	0.48%	0.29%	0.45%	0.50%	0.29%
Rent of Premises	3.44%	6.44%	3.39%	3.36%	4.04%
Other Occupancy Costs	0.53%	0.46%	0.58%	0.53%	0.55%
Other Depreciation, Lease and HP	0.96%	1.00%	0.92%	0.99%	0.73%
Repairs and Maintenance	0.31%	0.26%	0.26%	0.30%	0.36%
Staff On Costs	1.56%	2.97%	1.22%	1.55%	1.59%
Employees' Wages & Salaries	11.17%	13.46%	10.58%	11.23%	10.74%
All Other Expenses	4.63%	2.19%	4.49%	4.49%	5.71%
Total Overheads	27.38%	31.44%	26.47%	27.08%	29.57%
Net Profit (bps*)	12.09%	7.77%	9.78%	12.65%	7.93%

### Net Profit (bps\*) per...

Principal	\$338,477	\$179,029	\$241,809	\$349,696	\$278,874
Principal Workhour	\$565.88	\$66.99	\$897.96	\$552.35	\$625.09

### Total Income per...

Person	\$611,368	\$327,419	\$327,070	\$585,679	\$755,863
\$ of Wages #	\$8.79	\$7.10	\$8.80	\$8.88	\$8.16
Square Metre of Total Area	\$16,890	\$14,163	\$18,227	\$16,820	n.a.

### Total Gross Profit per...

Person	\$228,403	\$125,475	\$116,607	\$217,625	\$289,027
\$ of Wages #	\$3.40	\$2.75	\$3.11	\$3.44	\$3.07
Square Metre of Total Area	\$6,797	\$5,621	\$6,630	\$6,758	n.a.

### Non Personnel-Related Overheads

Person	\$78,446	\$44,284	\$49,835	\$71,962	\$114,918
\$ of Wages #	\$1.33	\$1.07	\$1.32	\$1.30	\$1.51
Square Metre of Total Area	\$1,949	\$1,894	\$2,344	\$1,936	n.a.

### Personnel

Working Principals	1.24	1.29	1.27	1.17	1.78
Employed	1.31	1.34	1.79	1.22	2.02
Any Other Staff	5.63	9.54	6.53	5.25	8.44
Total Personnel	8.18	12.17	9.58	7.63	12.24
Hours Worked per Principal per Year	1,516	1,945	1,525	1,493	1,637

### Other Information

Owners' Equity as % of Total Assets	25.23%	-10.00%	30.97%	24.73%	28.42%
Asset Turnover	\$2.79	\$1.77	\$2.22	\$2.90	\$2.07
Stockturn Rate	9.15	8.54	10.41	9.29	8.24
Gross Margin Return on Inventory	589%	584%	614%	603%	505%
Growth Capacity	7.98%	13.94%	5.40%	9.01%	0.33%
% Revenue drops before Losses Start	28.60%	20.22%	26.56%	29.82%	19.63%
es as % of Total Income	68.64%	60.07%	66.01%	70.31%	56.34%
Trading Hours per Week	40	56	45	35	78
(sq mtrs)	30	30	32	29	n.a.
	\$68.04	\$72.95	\$45.70	\$69.77	n.a.
	21,188	11,184	21,873	21,682	14,761
Area	\$7,666	\$8,932	\$11,539	\$7,668	n.a.
Rent per Square Metre of Total Floor Area	\$541	\$928	\$536	\$528	n.a.
Current ratio	3.76	0.97	5.09	4.02	2.15
Acid test	2.55	0.55	3.40	2.73	1.34
Days' debtors	7.51	10.70	7.99	7.46	7.88
Liability turnover	\$35.74	\$3.18	\$4.94	\$40.71	\$3.72
Interest cover: business	1,775.59	117.46	3,165.40	384.47	10,122.29

- \* bps - before principals' salaries and benefits # including principals' notional wage of \$35 per hour



## Average Results for businesses grouped as indicated

	All Firms Average	State: NSW	State: VIC	Other: Renters	Trading Hrs: Normal Hours	Trading Hrs: High Trading Hours
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### Income

Total Income	\$3,333,040	\$4,011,949	\$3,211,888	\$3,356,314	\$3,292,044	\$3,635,385
Less Cost of Goods Sold	60.53%	54.40%	63.17%	62.55%	60.26%	62.50%
Equals Gross Profit	39.47%	45.60%	36.83%	37.45%	39.74%	37.50%

### Less Overheads as %'s of Total Income:

Advertising, Promotion & incl Franchise/Group Fees	0.74%	0.92%	0.62%	0.78%	0.74%	0.75%
Accounting and Legal Fees	0.50%	0.41%	0.49%	0.49%	0.50%	0.53%
All Insurance	0.43%	0.49%	0.44%	0.44%	0.44%	0.37%
Interest, Bank Charges etc	2.62%	1.52%	3.44%	2.76%	2.45%	3.90%
Printing, Postage, Stationery, Packaging & Wrapping	0.48%	0.48%	0.39%	0.46%	0.50%	0.29%
Rent of Premises	3.44%	2.40%	3.07%	3.95%	3.36%	4.04%
Other Occupancy Costs	0.53%	0.45%	0.65%	0.57%	0.53%	0.55%
Other Depreciation, Lease and HP	0.96%	1.31%	0.87%	1.02%	0.99%	0.73%
Repairs and Maintenance	0.31%	0.51%	0.24%	0.31%	0.30%	0.36%
Staff On Costs	1.56%	1.35%	1.72%	1.50%	1.55%	1.59%
Employees' Wages & Salaries	11.17%	12.44%	9.90%	11.38%	11.23%	10.74%
All Other Expenses	4.63%	7.77%	4.91%	3.17%	4.49%	5.71%
Total Overheads	27.38%	30.05%	26.74%	26.82%	27.08%	29.57%
Net Profit (bps*)	12.09%	15.55%	10.09%	10.63%	12.65%	7.93%

### Net Profit (bps\*) per...

Principal	\$338,477	\$469,307	\$292,463	\$303,057	\$349,696	\$278,874
Principal Workhour	\$565.88	\$250.58	\$738.86	\$600.35	\$552.35	\$625.09

### Total Income per...

Person	\$611,368	\$716,065	\$675,916	\$537,350	\$585,679	\$755,863
\$ of Wages #	\$8.79	\$7.69	\$9.89	\$8.28	\$8.88	\$8.16
Square Metre of Total Area	\$16,890	\$17,497	\$19,531	\$17,224	\$16,820	n.a.

### Total Gross Profit per...

Person	\$228,403	\$281,732	\$244,795	\$201,367	\$217,625	\$289,027
\$ of Wages #	\$3.40	\$3.39	\$3.57	\$3.02	\$3.44	\$3.07
Square Metre of Total Area	\$6,797	\$7,031	\$7,159	\$6,515	\$6,758	n.a.

### Non Personnel-Related Overheads

Person	\$78,446	\$91,891	\$86,204	\$70,211	\$71,962	\$114,918
\$ of Wages #	\$1.33	\$1.22	\$1.63	\$1.17	\$1.30	\$1.51
Square Metre of Total Area	\$1,949	\$1,694	\$2,422	\$2,043	\$1,936	n.a.

### Personnel

Working Principals	1.24	1.46	1.52	1.17	1.17	1.78
Employed	1.31	1.03	1.78	1.42	1.22	2.02
Any Other Staff	5.63	5.39	6.66	6.15	5.25	8.44
Total Personnel	8.18	7.89	9.96	8.74	7.63	12.24
Hours Worked per Principal per Year	1,516	1,388	1,520	1,571	1,493	1,637

### Other Information

Owners' Equity as % of Total Assets	25.23%	54.04%	3.17%	26.36%	24.73%	28.42%
Asset Turnover	\$2.79	\$1.88	\$2.35	\$2.91	\$2.90	\$2.07
Stockturn Rate	9.15	7.50	10.55	9.42	9.29	8.24
Gross Margin Return on Inventory	589%	594%	621%	574%	603%	505%
Growth Capacity	7.98%	10.73%	4.20%	7.37%	9.01%	0.33%
% Revenue drops before Losses Start	28.60%	32.69%	27.50%	27.90%	29.82%	19.63%
Losses as % of Total Income	68.64%	67.96%	57.59%	70.58%	70.31%	56.34%
Trading Hours per Week	40	32	51	42	35	78
Trading Hours per sq mtrs	30	22	41	29	29	n.a.
Trading Hours per sq mtrs	\$68.04	\$99.94	\$25.97	\$75.21	\$69.77	n.a.
Trading Hours per sq mtrs	21,188	26,889	19,331	20,928	21,682	14,761
Trading Hours per sq mtrs	\$7,666	\$5,514	\$12,134	\$8,199	\$7,668	n.a.
Rent per Square Metre of Total Floor Area	\$541	\$398	\$352	\$599	\$528	n.a.
Current ratio	3.76	1.68	5.07	4.05	4.02	2.15
Acid test	2.55	1.08	3.37	2.75	2.73	1.34
Days' debtors	7.51	5.58	9.55	7.52	7.46	7.88
Liability turnover	\$35.74	\$5.64	\$4.50	\$41.06	\$40.71	\$3.72
Interest cover: business	1,775.59	150.96	3,206.50	1,980.61	384.47	10,122.29

- \* bps - before principals' salaries and benefits # including principals' notional wage of \$35 per hour



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