



# Industry Report

Market intelligence specific to your industry

## Electrical Contractors - 2016

Provided by





## Industry Statistics

Sector Overview	4
Industry Statistics	4
Employment Data	5

## Key Benchmark Comparison

Income	8
Less Overheads as %'s of Total Income:	8
Net Profit (bos*) per....	8
Total Income per....	8
Gross Profit (Income less Materials and Payments to Sub Contractors) per....	9
Non Personnel-Related Overheads per....	9
Personnel (fte personnel numbers)	9
Other Information	9

## KPI Feedback

KPI Feedback	11
--------------	----

## ATO Benchmarks

ATO Benchmarks	13
----------------	----

## Action List

Increase Revenue	15
Control Overheads and Increase Net Profit	15
Control Liquidity	16

## Ratio Definitions

Ratio Definitions	18
-------------------	----

## Electrical Contractors - 2016

Benchmark Appendix	22
--------------------	----

# 1

## Industry Statistics

---

Sector Overview

---

Industry Statistics

---

Employment Data

---

## Sector Overview

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

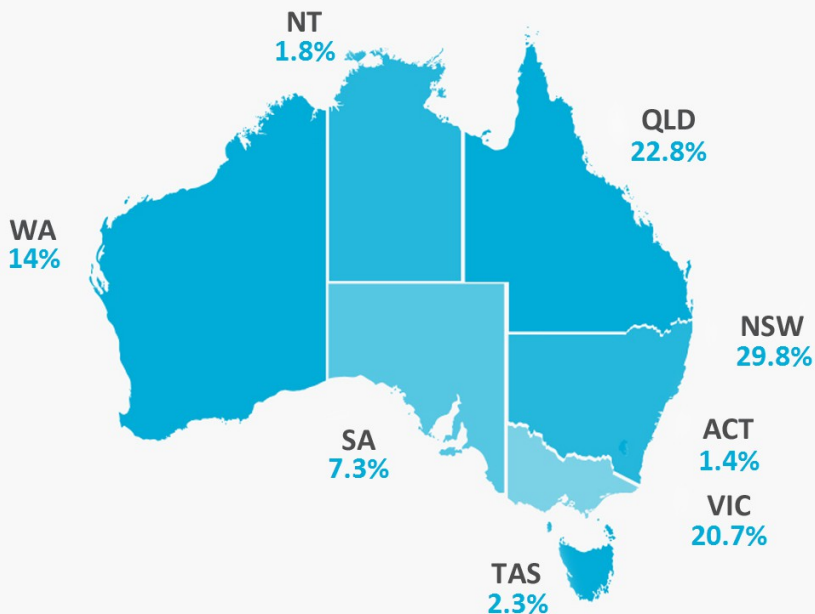
The ABS reports that employment numbers for the Construction sector as at 2013 - 2014 was 1,057,900. This employment figure changed by 7.8% over the past 5 years. Forecasted growth for the sector over the next five years is 13% or 137,900.

The percentage of employees for the sector outside of state capital cities was 34% and 36% of all sector employees were aged 45 years or older.

## Industry Statistics

The number of Electricians nationwide was reported at 141,700 as at November 2014. The industry has shown an average growth rate of 14.5% over the past five years. Forecasted growth for the industry is very strong (greater than or equal to >13.1% per annum) over the next five years.

### Share of Occupation % by State

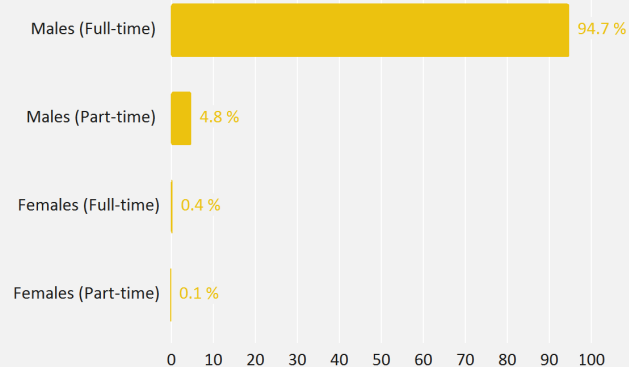


## Employment Data

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

### Occupation Share by Gender

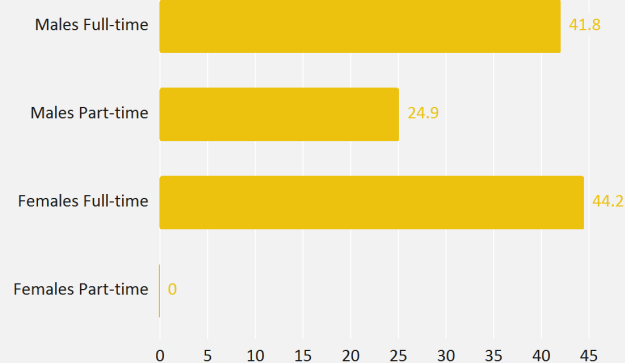
Electricians



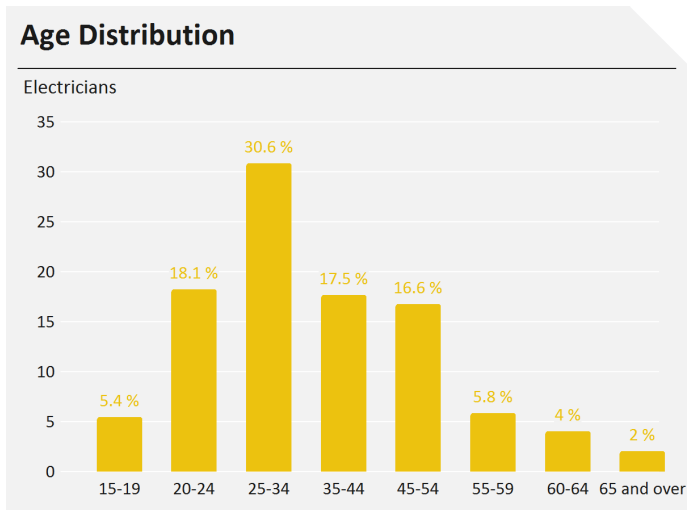
- Weekly income for Electricians (earnings before tax - EBT) is around \$1,415 per week.

### Weekly Hours Worked by Gender

Electricians



- The highest percentage of Electricians employees lies within the 25-34 age bracket, while the median age is 33.



# 2

## Key Benchmark Comparison

Income
Less Overheads as %'s of Total Income:
Net Profit (bos*) per....
Total Income per....
Gross Profit (Income less Materials and Payments to Sub Contractors) per....
Non Personnel-Related Overheads per....
Personnel (fte personnel numbers)
Other Information



Turnover: All Firms Net Profit per  
Average Owner: Less than \$80,000 Net Profit per  
Owner: \$160,000 or more

#### Your Business:

### Income

Total Income	AWAITING YOUR DATA	\$1,848,093	\$817,694	\$3,149,466
Less Materials Used	AWAITING YOUR DATA	34.41%	36.11%	33.53%
Less Sub Contractors	AWAITING YOUR DATA	3.62%	1.92%	4.88%
Equals Gross Profit	AWAITING YOUR DATA	61.97%	61.97%	61.59%

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

Advertising & Promotion	AWAITING YOUR DATA	0.64%	0.99%	0.40%
Accounting & Legal Fees	AWAITING YOUR DATA	0.73%	1.00%	0.42%
All Insurance	AWAITING YOUR DATA	1.03%	1.25%	0.89%
Interest, Bank Charges etc	AWAITING YOUR DATA	0.60%	0.70%	0.43%
All Occupancy Costs	AWAITING YOUR DATA	1.14%	1.16%	1.11%
Other Depreciation, Lease and HP	AWAITING YOUR DATA	1.57%	1.95%	0.82%
Repairs & Maintenance	AWAITING YOUR DATA	0.76%	1.07%	0.56%
Staff On Costs	AWAITING YOUR DATA	2.17%	2.43%	2.51%
Telephone & Fax	AWAITING YOUR DATA	0.81%	1.16%	0.57%
Employees' Wages & Salaries	AWAITING YOUR DATA	17.67%	17.39%	16.56%
Internal Sub Contractors	AWAITING YOUR DATA	3.67%	4.92%	3.15%
Vehicle Operating Costs	AWAITING YOUR DATA	4.80%	5.95%	3.84%
All Other Expenses	AWAITING YOUR DATA	2.96%	3.82%	2.41%
Total Overheads	AWAITING YOUR DATA	38.55%	43.78%	33.67%
Net Profit (bos*)	AWAITING YOUR DATA	23.42%	18.19%	27.92%

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

Working Owner	AWAITING YOUR DATA	\$209,020	\$39,806	\$429,984
Owner Workhour	AWAITING YOUR DATA	\$106.04	\$23.01	\$198.25

### Total Income per....

Person	AWAITING YOUR DATA	\$199,703	\$130,601	\$242,206
\$ of Wages # & Contractor Payments	AWAITING YOUR DATA	\$5.16	\$9.69	\$3.07



Turnover: All Firms Average  
Net Profit per Owner: Less than \$80,000  
Net Profit per Owner: \$160,000 or more

Your Business:

### Gross Profit (Income less Materials and Payments to Sub Contractors) per....

Person	AWAITING YOUR DATA	\$118,656	\$78,447	\$144,495
\$ of Wages # & Contractor Payments	AWAITING YOUR DATA	\$3.48	\$7.08	\$1.86

### Non Personnel-Related Overheads per....

Person	AWAITING YOUR DATA	\$26,423	\$22,699	\$25,378
\$ of Wages # & Contractor Payments	AWAITING YOUR DATA	\$0.85	\$1.85	\$0.35

### Personnel (fte personnel numbers)

Working Owners	AWAITING YOUR DATA	1.35	1.63	1.45
Qualified Trades Staff	AWAITING YOUR DATA	4.82	2.42	8.55
Any Other Staff	AWAITING YOUR DATA	2.45	2.89	3.85
Total Personnel	AWAITING YOUR DATA	8.60	6.95	13.82
Hours Worked per Owner per Year	AWAITING YOUR DATA	2,069	1,989	2,072

### Other Information

Owners' Equity as % of Total Assets	AWAITING YOUR DATA	30.65%	6.51%	42.71%
Asset Turnover	AWAITING YOUR DATA	\$5.80	\$4.36	\$3.54
Assets per Person	AWAITING YOUR DATA	\$58,329	\$31,546	\$76,862
Days' Stock on Hand	AWAITING YOUR DATA	35	58	10
Days' Debtors	AWAITING YOUR DATA	47	52	43
% Revenue drops before Losses Start	AWAITING YOUR DATA	34.16%	16.40%	45.10%
Growth capacity	AWAITING YOUR DATA	15.62%	-3.62%	24.80%
Current ratio	AWAITING YOUR DATA	2.23	1.30	3.34
Acid test	AWAITING YOUR DATA	2.13	1.23	3.28
Stock and WIP turnover	AWAITING YOUR DATA	37.05	31.80	78.56
Liability turnover	AWAITING YOUR DATA	\$12.52	\$5.97	\$8.44
Interest cover: business	AWAITING YOUR DATA	235.09	41.05	431.24

\*bos - before owners' salaries and benefits

# including owners' notional salary of \$50 per hour

# 3

## KPI Feedback

---

### KPI Feedback



---

## 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 (*bos)	10.25%	A net profit around the middle of the range is not a bad result. You can lift your margin without raising prices - review stock control, see whether bulk discounts are worthwhile, etc.	

### 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.	
Net Profit (*bos)	10.25%	A net profit around the middle of the range is not a bad result. You can lift your margin without raising prices - review stock control, see whether bulk discounts are worthwhile, etc.	

# 4

## ATO Benchmarks

---

ATO Benchmarks

---

## ATO Benchmarks

Below you will find benchmarks for the electrical services 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	\$50,000 - \$200,000	\$200,000 - \$500,000	More than \$500,000
Total expenses/turnover			
Cost of sales/turnover			
Labour/turnover			
Motor vehicle expenses/turnover			

# 5

## Action List

---

Increase Revenue

---

Control Overheads and Increase Net Profit

---

Control Liquidity

---

## *Increase Revenue*

### **Strategy - Review Hourly Charge Rates:**

- Find out what other firms charge, if possible, so that your charges don't get too high;
- Implement policy of quarterly reviews;
- Improve standard of service - quick response times; leave customers' premises in clean and tidy condition, etc.

### **Strategy - Improve Your 'Merchandising' Skills, To Minimise the Cost Of Materials:**

- Trace the materials you use on each job and charge the customer a suitable fee to cover the cost including ordering, handling and so on;
- Minimise the loss of stock through theft, obsolescence, etc;
- Minimise damage to stock items while they are in storage awaiting use;
- Only pay for the goods you actually receive - check quantities ordered vs quantities delivered; check the prices paid for items; return damaged or incorrect items for a credit;
- Negotiate a preferred rate from a small number of suppliers (consolidate your purchases through a few suppliers, to get discounts for volume, rather than buying 'anywhere').

### **Strategy - Improve Staff Productivity:**

- Set weekly targets or expectations of chargeable time;
- Communicate those targets with staff;
- Review actual performance weekly;
- Improve throughput of jobs.

### **Strategy - Minimise Write-downs or Non-charged Productive Time:**

- Accurately record starting and finishing times in a log book;
- Identify 'acceptable' reasons why some time might not be charged;
- Improve throughput of jobs;
- Advise customers about your method of charging.

### **Strategy - Increase Average Revenue Per Customer:**

- Prepare a customer register / database (to record work done, and other details about the customer);
- Upgrade marketing to inform clients of your range of services; consider the desirability of a 'check-up' service to identify potential problems before they become 'crises';
- If applicable for some services, institute periodic reminders about the need for regular maintenance;
- Use a mix of marketing aids to keep your name in front of your existing customers.

### **Strategy - Attract New Customers:**

- Improve firm reputation;
- Develop networks with relevant referrers of business (eg. other trades, real estate agents, etc);
- Utilise your current customers as a source of referrals.

## *Control Overheads and Increase Net Profit*

### **Strategy - Improve Efficiency:**

- Review each individual expense item;
- Call quotes or tenders to ensure cost prices are as low as possible, consistent with required quality / standards;
- Maximise effectiveness of growth-based expenses (eg. marketing and training);
- Continually investigate and implement more efficient or less costly ways of operating the firm;
- Ask 'what would happen if we didn't buy / spend this?' to focus attention on incidental expenditures;
- Adopt the 'green theme': reduce, re-use, and recycle consumable items.

## *Control Liquidity*

### **Strategy - Minimise Work-In-Progress:**

- Ensure the importance of time recording is fully appreciated by staff;
- Bill jobs immediately on completion;
- Constantly review job schedule list;
- Improve throughput of small jobs;
- Educate customers about your billing methods.

### **Strategy - Minimise Debtors:**

- Set clear policy for debtors follow-up;
- Produce monthly aged debtors list;
- Chase late payers (over 30 days) immediately by phone;
- Delegate follow-up to one individual - and make sure they have time to do it!;
- Routinely identify bad debts and write-offs (not just at year-end);
- Institute legal action where the debt is big enough to justify it.

# 6

## Ratio Definitions

---

### Ratio Definitions

---

## Ratio Definitions

**Total Income** is all contract earnings, sales, rebates, discounts, commission received, plus any other trading income, expressed as 100%.

### Materials Used as % of total income

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

**Sub Contractors** is all payments made to *independent* contractors ('independent sub-contractors' are specialist businesses, separate from the contractor; if a firm has employees who are being paid on a contract basis, this cost is included in the 'wages' component).

### Gross Profit as % of total income

$$\frac{\text{Total Income} - (\text{Materials Used} + \text{Independent Sub Contractors})}{\text{Total Income}} \times 100$$

Aim for a higher Gross Profit margin - it 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 owners (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 will also be 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 owners (whose salaries are included as part of 'Net Profit' rather than 'Salaries'). Note that owner wages have been excluded from Overheads to reflect a total Net Profit available to the owners.

### Net Profit per Working Owner

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

### Net Profit per Owner Workhour

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

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 owners and employees, in Full Time Equivalents. See *Personnel* for the definition of the term. Total Income per Person will be higher in those businesses with a large use of sub-contractors. In any event, higher results are better.

### Total Income per \$ of Wages and Contractor Payments

$$\frac{\text{Total Income}}{\text{Employee Wages} + \text{Contractor Payments} + \text{Notional Owner Wages}\#}$$

# the notional owner wages is calculated here and elsewhere by multiplying the hours worked by the owners in the year by a notional hourly rate of \$50.

### Gross Profit per Person, per \$ of Wages and Contractor Payments

The calculations here are basically the same as for the preceding productivity measures but rather than using Total Income as the top line of the calculation, Gross Profit is used instead. Higher results are better for these ratios.

### Non Personnel-Related Overheads per Person, per \$ of Wages and Contractor Payments

Again the calculations are similar to those preceding it, 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. Lower results reflect a lower cost structure.

### Personnel

Personnel are calculated in terms of Full Time Equivalents (FTEs). This means that if an employee or owner 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. Contract employees (ie working long-term in the business, but as 'contractors' instead of 'employees') are also included in the firm's personnel.

### Hours Worked per Owner per Year

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

**Owners' Equity as % of Total Assets** is the proportion of assets which are funded by the owners.

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

When arriving at Total Assets and Total Liabilities both here and elsewhere in the figures, loans to and from owners 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.

**Assets per Person** are calculated by dividing Total Assets by the total of employees and working owners (expressed in FTEs). This figure reflects your investment in the business. Lower results are generally better, but too low a result indicates that you may be under capitalised.

**Days' Stock on Hand** is calculated by dividing the value of stock and materials on hand, by Cost of Materials and multiplying by 365 days. Lower results are generally better.

**Days' Debtors** represents the average number of days your debtors take to pay their account. Cash flow problems may arise if this figure is too high.

$$\frac{\text{Trade Debtors}}{\text{Total Income}} \times 365$$

#### % Revenue drops before Losses Start

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

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

#### Growth Capacity

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

This is a ratio that 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.

# 7

# Electrical Contractors - 2016

---

Benchmark Appendix

---

## Benchmark Appendix

Average Results for businesses grouped as indicated

	All Firms Average	Turnover: Less than \$600,000	Turnover: \$600,000 to \$1,099,999	Turnover: \$1,100,000 to \$2,199,999	Turnover: \$2,200,000 or more
--	-------------------	-------------------------------	------------------------------------	--------------------------------------	-------------------------------

### Income

Total Income	\$1,848,093	\$306,567	\$776,265	\$1,519,239	\$4,597,393
Less Materials Used	34.41%	30.28%	30.35%	37.15%	39.63%
Less Sub Contractors	3.62%	1.89%	4.14%	3.05%	5.64%
Equals Gross Profit	61.97%	67.83%	65.50%	59.81%	54.74%

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

Advertising & Promotion	0.64%	0.86%	0.45%	0.59%	0.57%
Accounting & Legal Fees	0.73%	1.29%	0.55%	0.57%	0.38%
All Insurance	1.03%	1.23%	0.85%	1.15%	0.84%
Interest, Bank Charges etc	0.60%	0.65%	0.55%	0.88%	0.34%
All Occupancy Costs	1.14%	0.42%	1.58%	1.92%	0.98%
Other Depreciation, Lease and HP	1.57%	2.13%	2.20%	1.15%	0.85%
Repairs & Maintenance	0.76%	1.15%	0.52%	0.49%	0.73%
Staff On Costs	2.17%	0.50%	2.31%	2.85%	3.36%
Telephone & Fax	0.81%	1.20%	0.80%	0.73%	0.47%
Employees' Wages & Salaries	17.67%	7.44%	20.60%	24.45%	21.22%
Internal Sub Contractors	3.67%	4.53%	2.69%	0.78%	5.82%
Vehicle Operating Costs	4.80%	6.53%	5.09%	4.66%	2.81%
All Other Expenses	2.96%	3.39%	3.39%	2.87%	2.24%
Total Overheads	38.55%	31.32%	41.57%	43.07%	40.61%
Net Profit (bos*)	23.42%	36.51%	23.93%	16.74%	14.13%

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

Working Owner	\$209,020	\$84,924	\$141,472	\$167,025	\$435,862
Owner Workhour	\$106.04	\$44.25	\$81.48	\$85.08	\$212.09

### Total Income per...

Person	\$199,703	\$165,918	\$197,481	\$204,136	\$235,259
\$ of Wages # & Contractor Payments	\$5.16	\$10.88	\$2.64	\$2.92	\$2.90

### Gross Profit (Income less Materials and Payments to Sub Contractors) per...

Person	\$118,656	\$107,930	\$126,435	\$115,909	\$127,752
\$ of Wages # & Contractor Payments	\$3.48	\$7.95	\$1.71	\$1.72	\$1.57

### Non Personnel-Related Overheads per...

Person	\$26,423	\$27,643	\$29,685	\$26,693	\$22,713
\$ of Wages # & Contractor Payments	\$0.85	\$2.04	\$0.42	\$0.42	\$0.30

### Personnel (fte personnel numbers)

Working Owners	1.35	1.11	1.27	1.54	1.50
Qualified Trades Staff	4.82	0.66	2.05	3.90	12.17
Any Other Staff	2.45	0.31	0.96	3.50	5.01
Total Personnel	8.60	2.08	4.28	8.90	18.68
Hours Worked per Owner per Year	2,069	1,959	1,985	2,302	2,056

### Other Information

Owners' Equity as % of Total Assets	30.65%	2.22%	35.69%	36.78%	46.18%
Asset Turnover	\$5.80	\$11.64	\$4.55	\$3.81	\$3.17
Assets per Person	\$58,329	\$32,928	\$66,248	\$47,408	\$82,705
Days' Stock on Hand	35	28	78	21	20
Days' Debtors	47	27	59	52	49
% Revenue drops before Losses Start	34.16%	44.24%	38.59%	32.29%	24.47%
Growth capacity	15.62%	36.29%	16.12%	-11.27%	8.05%
Current ratio	2.23	1.36	1.91	2.13	3.24
Acid test	2.13	1.25	1.70	2.13	3.16
Stock and WIP turnover	37.05	9.63	9.23	44.14	71.99
Liability turnover	\$12.52	\$9.42	\$6.04	\$26.49	\$8.33
Interest cover: business	235.09	309.17	81.83	164.87	340.15

\*bos - before owners' salaries and benefits

# including owners' notional salary of \$50 per hour

## Average Results for businesses grouped as indicated

	All Firms	Net Profit per Owner:	Net Profit per Owner:	Net Profit per Owner:
	Average	Less than \$80,000	\$80,000 to \$159,999	\$160,000 or more

### Income

Total Income	\$1,848,093	\$817,694	\$1,198,476	\$3,149,465
Less Materials Used	34.41%	36.11%	35.13%	33.53%
Less Sub Contractors	3.62%	1.92%	4.22%	4.88%
Equals Gross Profit	61.97%	61.97%	60.65%	61.59%

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

Advertising & Promotion	0.64%	0.99%	0.63%	0.40%
Accounting & Legal Fees	0.73%	1.00%	0.72%	0.42%
All Insurance	1.03%	1.25%	0.98%	0.89%
Interest, Bank Charges etc	0.60%	0.70%	0.62%	0.43%
All Occupancy Costs	1.14%	1.16%	1.10%	1.11%
Other Depreciation, Lease and HP	1.57%	1.95%	1.81%	0.82%
Repairs & Maintenance	0.76%	1.07%	0.81%	0.56%
Staff On Costs	2.17%	2.43%	1.55%	2.51%
Telephone & Fax	0.81%	1.16%	0.72%	0.57%
Employees' Wages & Salaries	17.67%	17.39%	18.25%	16.56%
Internal Sub Contractors	3.67%	4.92%	3.28%	3.15%
Vehicle Operating Costs	4.80%	5.95%	5.18%	3.84%
All Other Expenses	2.96%	3.82%	2.86%	2.41%
Total Overheads	38.55%	43.78%	38.50%	33.67%
Net Profit (bos*)	23.42%	18.19%	22.15%	27.92%

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

Working Owner	\$209,020	\$39,806	\$114,118	\$429,984
Owner Workhour	\$106.04	\$23.01	\$53.95	\$198.25

### Total Income per...

Person	\$199,703	\$130,601	\$219,606	\$242,206
\$ of Wages # & Contractor Payments	\$5.16	\$9.69	\$3.43	\$3.07

### Gross Profit (Income less Materials and Payments to Sub Contractors) per...

Person	\$118,656	\$78,447	\$127,958	\$144,495
\$ of Wages # & Contractor Payments	\$3.48	\$7.08	\$2.07	\$1.86

### Non Personnel-Related Overheads per...

Person	\$26,423	\$22,699	\$31,538	\$25,378
\$ of Wages # & Contractor Payments	\$0.85	\$1.85	\$0.55	\$0.35

### Personnel (fte personnel numbers)

Working Owners	1.35	1.63	1.54	1.45
Qualified Trades Staff	4.82	2.42	3.87	8.55
Any Other Staff	2.45	2.89	1.35	3.85
Total Personnel	8.60	6.95	6.76	13.82
Hours Worked per Owner per Year	2,069	1,989	2,133	2,072

### Other Information

Owners' Equity as % of Total Assets	30.65%	6.51%	21.39%	42.71%
Asset Turnover	\$5.80	\$4.36	\$7.55	\$3.54
Assets per Person	\$58,329	\$31,546	\$40,415	\$76,862
Days' Stock on Hand	35	58	40	10
Days' Debtors	47	52	47	43
% Revenue drops before Losses Start	34.16%	16.40%	31.84%	45.10%
Growth capacity	15.62%	-3.62%	11.91%	24.80%
Current ratio	2.23	1.30	1.76	3.34
Acid test	2.13	1.23	1.62	3.28
Stock and WIP turnover	37.05	31.80	12.03	78.56
Liability turnover	\$12.52	\$5.97	\$26.44	\$8.44
Interest cover: business	235.09	41.05	103.25	431.24

\*bos - before owners' salaries and benefits

# including owners' notional salary of \$50 per hour

## Average Results for businesses grouped as indicated

	Location: Capital City CBD	Location: Non-Metro Population less than 20,000	Location: Non-Metro Population 20,000 or more	Other: Little or No Subbies	Other: Substantial use of Subbies
--	----------------------------------	--	--	-----------------------------------	--

### Income

Total Income	\$1,143,632	\$1,646,746	\$2,443,322	\$1,195,975	\$2,152,608
Less Materials Used	32.09%	41.05%	34.11%	33.69%	35.57%
Less Sub Contractors	6.34%	1.57%	2.98%	0.44%	8.34%
Equals Gross Profit	61.57%	57.37%	62.91%	65.87%	56.09%

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

Advertising & Promotion	0.88%	0.90%	0.61%	0.68%	0.62%
Accounting & Legal Fees	1.00%	0.72%	0.77%	0.86%	0.56%
All Insurance	1.10%	0.98%	1.06%	1.13%	0.89%
Interest, Bank Charges etc	0.87%	0.69%	0.79%	0.70%	0.46%
All Occupancy Costs	1.67%	1.21%	1.07%	1.06%	1.33%
Other Depreciation, Lease and HP	1.31%	1.65%	2.22%	1.61%	1.64%
Repairs & Maintenance	0.54%	1.64%	0.56%	0.80%	0.67%
Staff On Costs	2.05%	2.29%	1.96%	1.80%	2.58%
Telephone & Fax	0.89%	0.96%	0.76%	0.96%	0.61%
Employees' Wages & Salaries	11.02%	16.42%	20.02%	17.60%	17.84%
Internal Sub Contractors	6.21%	1.59%	3.09%	4.32%	2.04%
Vehicle Operating Costs	4.26%	4.25%	5.11%	5.37%	4.12%
All Other Expenses	2.69%	2.55%	3.46%	3.27%	2.55%
Total Overheads	34.48%	35.85%	41.48%	40.18%	35.90%
Net Profit (bos*)	27.09%	21.52%	21.44%	25.70%	20.19%

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

Working Owner	\$134,632	\$146,742	\$191,024	\$163,015	\$211,155
Owner Workhour	\$77.19	\$88.74	\$100.35	\$73.10	\$120.58

### Total Income per....

Person	\$217,170	\$257,711	\$179,104	\$166,362	\$244,843
\$ of Wages # & Contractor Payments	\$18.36	\$3.07	\$3.28	\$6.72	\$2.87

### Gross Profit (Income less Materials and Payments to Sub Contractors) per....

Person	\$132,958	\$139,119	\$111,598	\$105,406	\$136,660
\$ of Wages # & Contractor Payments	\$13.71	\$1.68	\$2.03	\$4.77	\$1.58

### Non Personnel-Related Overheads per....

Person	\$30,172	\$32,900	\$27,703	\$24,178	\$30,634
\$ of Wages # & Contractor Payments	\$3.51	\$0.41	\$0.52	\$1.18	\$0.38

### Personnel (fte personnel numbers)

Working Owners	1.13	1.52	1.38	1.19	1.54
Qualified Trades Staff	2.43	3.61	7.98	2.96	5.40
Any Other Staff	0.50	2.20	2.26	1.73	3.17
Total Personnel	4.05	7.33	11.62	5.87	10.09
Hours Worked per Owner per Year	1,867	1,957	2,103	2,050	2,075

### Other Information

Owners' Equity as % of Total Assets	23.40%	26.75%	22.28%	30.58%	30.65%
Asset Turnover	\$4.54	\$5.72	\$5.34	\$7.70	\$3.77
Assets per Person	\$65,095	\$42,719	\$52,545	\$43,375	\$72,272
Days' Stock on Hand	11	66	29	29	43
Days' Debtors	42	64	36	39	59
% Revenue drops before Losses Start	43.98%	30.89%	28.73%	33.53%	34.07%
Growth capacity	37.74%	1.02%	19.84%	14.76%	16.54%
Current ratio	1.52	1.85	1.55	2.03	2.54
Acid test	1.50	1.62	1.54	1.91	2.47
Stock and WIP turnover	15.01	17.27	52.75	42.86	24.31
Liability turnover	\$6.70	\$7.00	\$25.39	\$17.30	\$6.05
Interest cover: business	154.64	70.93	49.73	244.34	157.77

\*bos - before owners' salaries and benefits

# including owners' notional salary of \$50 per hour



**Website:** [benchmarking.com.au](http://benchmarking.com.au) **Login:** [benchmarking.com.au/login](http://benchmarking.com.au/login) **Phone:** (02) 9262 5564 **Email:** [enquiries@benchmarking.com.au](mailto:enquiries@benchmarking.com.au)

The service provided by Benchmarking.com.au is a service based on statistical analysis of corporate balance sheets and profit and loss information.

Benchmarking.com.au makes every effort to provide a high quality service but does not invite reliance upon, nor accept responsibility for, the information provided to subscribers to this website.

Benchmarking.com.au and its officers, employees and contractors do not give any guarantees, undertakings or warranties concerning the accuracy, completeness or up-to-date nature of the information provided and therefore subscribers of this website should confirm information from another source if considered necessary.

Full terms and conditions are available at <http://www.benchmarking.com.au/terms-and-conditions/>