

DATE: Tuesday August 4, 2020
RE: ASFM Finance & Risk sub-committee
20/21 Budget Review including continued relocation to Stirling Angas and Kingsway location.

Present: Christine, Geoff, Alex, Sabine & Michelle

Apologies: Joy

The budget and planning review are based on a scenario of an increase of \$20 (3x3) weekly stallholder fees and \$10 increase in Membership annual fee. Additionally, early indications from the Stallholder survey suggest strong support for a \$20 weekly site increase to be based in the Stirling Angas location.

The sub-committee has made their observations based on budget Option 6 (O6) noting that it includes a full 12 months of increased revenue and expenditure including proposed increases in Stallholder and Membership fees and site rent to the Showground. Depending on when increases begin this may result in a decrease in revenue and expenditure.

NOTE; **Red risk** is meeting the budget lines of Membership and Site Fees - risk mitigation could be to move back to Leader Street to reduce Site Fee costs negotiated with the Showground.

ACTIONS

1. The final budget should include two additional scenarios based on a 10% and 20% decrease in Site Fees and Membership revenue.
2. Revenue
 - a. A project to review options around Merchandise items to be considered for a later date.
 - b. Private funding to be encouraged in the future.
 - c. Note that Hood Sweeney has declined \$3K sponsorship, reduce revenue accordingly.
 - d. Ongoing review of Membership costs including costs of lanyards, market bags and Membership card.
 - e. Review the free bag as being part of a Membership renewal benefit.
 - f. No event income budgeted because all events should be cost neutral or at a surplus.
 - g. Any events proposed should have a business case/recommendation to the Committee for approval.
 - h. Reduce budget to zero for Portfolio loss or gain.
3. Expenditure
 - a. COVID-19 budget to be included \$3k
 - b. Three quotes should be obtained for expenditure above \$500.
 - c. Accounting and Legal Fees - outline of what is included including Hood Sweeney and independent auditor, quarterly BAS, etc.
 - d. Separate audit and legal fees in a different line from Accountancy budget line.
 - e. Advertising and Marketing to be split into Media Spend and Other Marketing costs.

- f. Bank Fees – request Bank to review fee structure noting 'datamesh' coming into the marketplace.
- g. Kids Club and Kitchen Supplies expenditure may not start until Nov/Dec both currently at \$80 per week.
- h. St Johns - review to see if there is a more affordable competitor in the market.
- i. Site Equipment Hire - review other service providers with forklift license other than Pinnacle.
- j. Staff & Committee training increased to \$3,500 to include governance training for Committee.
- k. Site Visit title to replace Travel and Entertainment expenditure title.

RECOMMENDATIONS

1. Based on budget Option 6 (O6) the ASFM can afford permanent relocation to the Stirling Angas location.
 - a. Budget O6 is also presented with scenarios of possible 10% & 20% reduction in Stallholder and Membership fees.
 - b. Increase rental costs for being based at the Stirling Angas site have been included for a full 12 months however, increased rental will not begin until January 1, 2021 providing a six month saving in the budget line.
2. Stallholder fees should be increased by \$20 a week based on 3x3 site size. (timing to be determined by full committee)
3. Membership fees should be increased by \$10 a year, effective October 2020.
4. Remove the benefit of a free Market bag upon renewal of Membership.