



Guild of Undergraduates – University of Western Australia

Guild Treasurer's Report

2015 Interim Financial Budget

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INTRODUCTION

It is my pleasure to present to the 102nd Guild Council the Guild Interim Financial Budget. This document highlights key factors and changes considered by the Strategic Resources Committee (SRC) in the upcoming financial year.

This budget has been approved by all voting members of the SRC. The committee has met on two occasions since the beginning of December to review the draft budget and make any necessary changes.

I would like to thank the members of the SRC – Lizzy O'Shea, Lucy Moyle, Jesse Martino, Alex Hamilton, Cale Black, Wayne Howells, Ken Saverimutto, Tony Goodman and Vishal Shah for their contributions and commitment to maintain a financially sustainable Guild.

This financial year, the SRC is committed to moving forward and planning a three-year rolling budget to plan for the future sustainability of the Guild, whilst also achieving a balanced budget with a target minimum breakeven on operating cash flow. This will be achieved by making each Guild department financially sustainable by increasing efficiency and continuing towards improving and identifying sources of revenue (both existing and new) without reducing frontline services to students and staff. This will provide the necessary resource capacity/capability to grow and develop the Student Guild.

This budget represents the financial budget for 2015, but will be reviewed over the coming year, including the Mid Year Budget Review. The following financial budget paper includes:

- Proposed revenue and expenditure details for 2015 for Student, Staff and Commercial areas
- Proposed Capital expenditure schedule for 2015

SECTIONS REVIEWED

1. OPERATING INCOME

(a) Student Services and Amenities Funding

The expected SSAF income is expected to decrease in 2015, from \$1,675,000 to \$1,590,000. This is predominately due to the commencement of the half cohort in 2015. The incoming year group of first year students will be smaller than previous years, hence contributing to the overall decrease in SSAF totals.

The breakdown of the SSAF revenue received by the University is as follows:

- Of the entirety of the SSAF revenue that the University will receive in 2015, \$250,000 is kept by the University as administration costs.
- Of the remaining funds, 10% is used as capital expenditure, which is usually divided equally between the University, the Guild and UWA Sports.
- Of the remaining funds, the Guild receives 33%, UWA Sports receives 33% and the University receives 33% totaling \$1,590,000 in SSAF revenue for the Guild in 2015.

(b) Associate Membership Fees

The Guild has recently introduced an Associate Membership. At a cost of \$120 per year, staff members get exclusive benefits for being part of the Guild. This is conservatively estimated to raise \$4000 in revenue for 2015.

In 2013, we raised \$3750 in Associate Membership fees, and in 2014, \$4077. The \$4000 prediction for 2015 is conservative, and will likely be higher.

(c) Property

The Guild received rental income and non-rental income from several different property leases totaling \$414,000 in 2014. The costs involved in the Property division are administrative expenses and potential new legal costs. New legislation introduced means that the Guild must be prepared to pay lease preparation costs of \$8000 which has been budgeted for. As a result, operating income of \$315,700 has been budgeted for 2015.

(d) Catering

See catering and tavern report.

(e) Second Hand Bookshop

In 2014, there was a slight improvement in net operating income from the second hand bookshop to \$4,452. This is a conservative estimate of the net operating income for 2014. However, due to improvements in 2014, and plans for 2015 to continue to improve the Second Hand Bookshop, the prediction for revenue is \$7,260.

(f) Tavern

See catering and tavern report.

2. OPERATING EXPENDITURE

(a) Presidential

I. Presidential

The Presidential Budget has decreased from the previous year to \$58,955. The major contributions to the decrease are as follows:

- Transfer of Guild Ball funds of \$15,000 to the Events Budget
- Special Projects valued at \$4,000 distributed to relevant portfolios, with \$2,000 transferring to the Welfare Budget for Mental Health Grants, and \$2,000 to the ATSSIS Budget for the Indigenous Games.

II. Guild Council

The budget for Guild Council has decreased from the previous year to \$230,796. The decrease in the Guild Council budget can be mostly attributed to the depreciation of the Guild Building's in 2014. Further information of this can be found in previous Meeting Minutes and the Managing Director's report. However, there were a few modifications in the budget:

- A provisional cost of \$10,000 for 2015 has been included to continue construction and improvement of the Guild Website.
- A provisional increase of \$500 for Cleaning Expenses, and \$2,850 for Utilities to maintain both the new and old floors of the Guild.

There is also a provision for \$82,000 to be spent on Special Projects to be undertaken by the Guild, that will be decided upon by the Council, this figure is consistent with the 2014 figure.

III. Elections and Referenda

There has been an overall increase in the elections and referenda costs to \$70,000. This revised budgetary figure is based on the election costs for 2014 which were substantially higher than anticipated. .

IV. Pelican

There is negligible variance in the Pelican budget.

V. Faculty Society Grants

There is negligible variance in the Faculty Society Grants budget.

VI. Affiliation Fees

There has been an increase in the amount budgeted for affiliation fees to \$35,000. The increase is due to:

- A provision of \$4,583 for affiliations to 'other' organisations, if the need arises during 2015.

Overall, the increase in affiliation fees reflects provisional money put into this budget that was not available in the 2014 one.

VII. Conferences

The Conferences budget is set at \$25,000 which has been increased from the previous year. This is a reflection of a greater number of people who attended conferences in 2014. Further, the NUS Conference fees have increased by \$5,000. The conference layout budget has been modified to reflect the Office Bearers attending conferences, rather than the specific conferences being attended.

There are provisions in place for the following departmental conference expenses:

- Presidential (increase of \$850)
- Guild Council (increase of \$5,000)
- Education Council (increase of \$1,600)
- ISS (negligible increase)
- PSA (negligible increase)

- Queer (increase of \$400)
- Women's (increase of \$1,100)
- Administration (decrease of \$1,700)
- Volunteering Centre (increase of \$800)

(b) Guild Departments

I. Environment

There is negligible variance in the Environment budget.

II. International Student Services

There is negligible variance in the International Student Services budget.

III. Postgraduate Students Association

There is a decrease in the PSA Budget to \$70,586. There has been an increase in Awards, Promotions and Office & Lounge Costs, but a greater decrease in provisions for PSA Staff Assist, along with significant reductions in Grants and Activities/Functions.

IV. Queer

There is negligible variance in the Queer budget.

V. Women's

There is negligible variance in the Women's budget.

VI. Aboriginal and Torres Strait.

There has been an increase in the ATSIIS Budget due to the transfer of \$2,000 from the President's budget for Indigenous Games, therefore contributing to an increased budget at \$6,000.

VII. Albany Students

There is negligible variance in the Albany Students' budget.

VIII. Welfare

There has been an increase in the Welfare budget due to the transfer of \$2,000 from the President's budget for Mental Health Grants. This brings the budget to \$5,684.

IX. Residential Colleges Department

There is negligible variance in the Residential Colleges Department budget.

X. SPOC/MASA

There is negligible variance in the SPOC/MASA budget.

XI. Relay For Life

A new budget for Relay for Life has been introduced into the 2015 Guild's budget as a line item to be grouped with the formal Guild departments. The budget is listed at \$3,000.

(c) Student Councils

I. Public Affairs Council

\$15,700 has been allocated to PAC, an increase from the previous year. This year PAC experienced a massive growth in the events they ran, hence the increase in funding to run these events for 2015. The following areas have seen an increase in funding:

- Summer Nights Festival (increase of \$1,092)
- Themed Weeks (increase of \$570)
- Fringe Festival (increase of \$3,780)
- Grants to Clubs and Societies (increase of \$1,350)

II. Club Grants

The budget for Club grants has been increased to \$65,000. This is due to increased activities and events held by clubs. Additionally, the increase in club grants is also due to a forecasted increase in the number of student clubs to be affiliated with the Guild in 2015.

III. Societies Council

The Societies Council budget has been increased to \$39,560. This is a result of:

- Increased Activities costs (increase of \$3,800)
- Increased Club Start-up Grants (increase of \$500)
- Increased Orientation Event Support grants (increase of \$2,400)

Overall, events held by societies and clubs represent a significant part of student life on campus. A higher budget will ensure an active and vibrant campus community which has significantly more inclusive, creative and exciting events for students.

IV. Education Council

There is negligible variance in the Education Council budget.

(d) Services and Activities

I. Student Assist

The budget for Student Assist has been increased to \$313,673 due to an increase in grants by \$5,000, and through a general administration increase.

II. Events

The events budget has increased to \$245,086. Sundry Income has increased due to promotional relationships with external companies to \$1,500. The provision for Venue Hire has been removed from the 2015 Budget as there is no guarantee that the Colab Festival will be held at UWA again. There have been extra provisions for:

- Tavern Entertainment (increase of \$2,500)
- Sundry Activities (increase of \$2,100)
- End of Semester Show mainly Semester 2 (increase of \$2,000)
- Payroll due to level increases (increase of \$13,523)
- Advertising (increase of \$1,030)
- Cleaning Contract (increase of \$2,440)
- License & Permits for alcohol and other misc. (increase of \$3,000)
- Minor Assets (increase of \$1,000)

III. Membership and Communication

The budget for Memberships and Communication has decreased down to \$231,644 mainly as a result of staff movement, therefore transferring Wages out of Membership and Communication, and into Design. All line items regarding Advertising and Promotion have been grouped together into the single line item title 'Guild Promotion', which has been increased to \$12,000. There have also been provisions for \$12,000 for Enrolments and \$10,000 for O-Week, in order to provide better events and services for students.

IV. Design

There has been an increase in Design costs to \$173,164. This increase is mainly attributed to the movement of staff wages from Membership and Communication into Design. There has also been a provision for Creative Design Projects of \$7,000. Design continues to heavily subsidize design jobs therefore the costs have to be expensed within the Events department.

V. Volunteer Centre

The budget for the Volunteer Centre has increased to \$117,123. There is a 20% provision for the movement of the VWA staff member into the Guild under Consultant Fees, as well as an increase in wages for staff. A provision for \$10,000 for special projects is also included, along with an increase of \$900 for Advertising & Promotions (which is mostly internal).

The provision for Relay for Life has been removed from this Budget and is now a separate line item.

(e) Corporate Services

I. Administration

The budget for Administration has significantly decreased due to staff wage movements, to \$279,983. There have been some increases for:

- Cleaning for the beginning of the year (increase of \$3600)
- Staff Amenities (increase of \$1,436)
- Utilities as most Utilities costs have moved into the Administration budget (increase of \$1,650)

II. Finance

The Finance budget has decreased to \$431,583. There is a provision for an extra staff member, along with provisions for staff wage level at \$362,354, whilst a removal of Consultancy fees for \$138,300. Utility fees have also been mostly removed into the administration budget, and a \$1,000 provision for general IT expenses has been provided.

III. Information Technology

The budget for Information Technology has increased to \$112,567. There is a provision for wage increases, along with a \$20,000 provision for licenses for IT programs. There is also a minor, \$1,000 asset for provisions.

3. NON-OPERATING INCOME

Main component is interest earned on investments in UWA Pools, which is calculated as the approximate increase in value of this asset over the next calendar year. In past years this has been volatile, since it is difficult to predict. We are optimistic about the budgeted amount.

4. CAPITAL EXPENDITURE

Capital Expenditure over \$20,000 will need to be approved by Council following a recommendation by the SRC. Supporting documents and business cases will be provided to Councillors before the decision is made. It is unsure whether any negotiations for Capital Expenditure Income with the University will occur.

Capital Expenditure is expected to cost \$1,427,970. For the proposed schedule, see Fig 3.

Therefore, the net cost of Capital Expenditure for 2015 is expected to **be \$1,427,970**.

Fig. 3.

Item	Description	2015 Capital items
	MasterPlan	
1	Guild Student Central Hub Projects (A)	\$416,970
1 (cont.)	Guild Student Central Hub Projects (B)	
1 (cont.)	Guild Student Central Hub Projects (C)	\$50,000
2	General Guild Village Improvements (Signage, presentation, housekeeping)	\$50,000
3	Subway & Boost	\$390,000
5	Hackett Hall Refurbishment	\$10,000
6	Provision for Tavern Refurbishment	\$100,000
7	Catering General Equipment/ Furniture	\$60,000
9	Solar Panel Project part funding approved by 2013 Council	\$173,000
10	My Guild	\$70,000
	Special Projects	
5	Future ATM Relocation and Provision - ANZ & Rediteller	\$10,000
8	IT & Admin	\$90,000
11	Club Storage Room (provision)	\$8,000
	Other Grants	
12	Archive Sustainability	-
13	Digital Signage	-
GROSS EXPENSE		\$1,427,970

5. FUTURE OUTLOOK

The future of the Guild past 2015 is still slightly uncertain, and its success will depend on strong financial management and planning.

The 2015 interim budget has been designed as a rolling budget to develop a long term expenditure plan for the Guild. Due to large capital expenditures in 2015 in order to complete the Student Hub Masterplan, this has meant that capital expenditure in 2016 and 2017 is minimal. This has led to a projected surplus for both 2016 and 2017.

There is potential uncertainty with Guild finances in 2015 and beyond. This is as a result of a significantly reduced student cohort in 2015. The impacts of the reduced cohort are likely to be:

- significantly less operating income from SSAF funding
- less operating income from frontline services such as Tavern and Catering
- a strain on existing Guild resources and ultimately less services available to students
- A large operating deficit in 2015, and the need to draw on Guild reserves.

As a result, it is vital to the sustainability of the Guild that we implement ways to make departments and divisions more financially sustainable and less reliant on Guild resources. External funding and formation of partnerships should be encouraged, and a more efficient allocation of resources should be identified throughout the year with a focus on identifying areas which are running at large deficits.

6. RECOMMENDATIONS

That the Guild Council approve the interim Guild Financial Budget as presented.