



## **Working out your costs/budget**

A realistic approach to your event with a sound budget is essential in offsetting financial problems and unexpected costs.

Many shows do make money; unfortunately some shows do lose money. In reality, the best case scenario for the majority of events is to create a break *even* budget.

### **Expenditure**

The best place to start is to project your expenditure for staging your event. Below is a sample budget to use. Not all of the fields will apply to your event, they are there as a guide. Be generous with your estimates as some costs are bound to blow out.

|                         |  |
|-------------------------|--|
| <b>Expenditure</b>      |  |
| <b>Wages</b>            |  |
| Administration          |  |
| Marketing / Sponsorship |  |
| Producer                |  |
| Director                |  |
| Designer                |  |
| Writers                 |  |
| Box Office (staff)      |  |
| Front of House          |  |
| Publicity               |  |
| Performers Fees         |  |
| Production Manager      |  |
| Production Staff        |  |
| Stage Manager           |  |
| Superannuation          |  |
| Workcover               |  |
| <b>Wages Total</b>      |  |
|                         |  |
| <b>Production</b>       |  |
| APRA Fees               |  |
| Cleaning                |  |
| Catering                |  |
| Freight                 |  |
| Lighting                |  |
| Venue Hire              |  |
| Props                   |  |
| Signage                 |  |
| Set                     |  |
| Sound                   |  |
| Wardrobe                |  |
| Travel / Accommodation  |  |
| <b>Production Total</b> |  |

|                                      |  |
|--------------------------------------|--|
| <b>Marketing</b>                     |  |
| Photos / Video                       |  |
| Invitations                          |  |
| Mailout                              |  |
| Graphic Design                       |  |
| Posters                              |  |
| Flyers                               |  |
| Distribution                         |  |
| Show Programs                        |  |
| Print Advertising                    |  |
| Radio Advertising                    |  |
| Additional Program Guide Advertising |  |
| <b>Total Marketing</b>               |  |
|                                      |  |
| <b>Administration</b>                |  |
| Registration Fee                     |  |
| Couriers                             |  |
| Equipment Hire                       |  |
| Fees and Licenses                    |  |
| Public Liability Insurance           |  |
| Equipment Insurance                  |  |
| Phone / Fax                          |  |
| Photocopying                         |  |
| Postage                              |  |
| Computer Expenses                    |  |
| Stationery / Office Supplies         |  |
| Vehicle Expenses (petrol etc)        |  |
| <b>Total Administration</b>          |  |
| <b>Total Expenditure</b>             |  |
|                                      |  |
| <b>Income</b>                        |  |
| Funding                              |  |
| Donations                            |  |
| Sponsorship                          |  |
| Box Office                           |  |
|                                      |  |
| <b>Total Income</b>                  |  |
| <b>Less Total Expenditure</b>        |  |
| <b>NET TOTAL (profit/loss)</b>       |  |

## Income

Basically you want your income to be greater than your total expenditure. The most complex part of this equation is projecting your Box Office income. You may need to adjust your ticket prices to ensure that your income meets your expenditure. However, remember not to over price your event as having a reasonable ticket price is perhaps your best marketing tool.

### Working out your ticket price

#### 2006 ticket prices

You can view the 2006 Festival program from [melbournefringe.com.au](http://melbournefringe.com.au) This is a great place to research ticket prices that are appropriate for your event. Prices do go up from year to year, but the increase has been marginal in recent years.

Gross average ticket prices in 2006

(inclusive of all service fees)

Full: \$16.10

Concessions: \$12.80

Tightarse Tuesday: \$11.10

Using an average of 30% capacity houses over your season is a good guide when working out what box office you need to recoup in order to gain break even with your projected income.

A requirement of being in the Festival is that tickets to your event must be made available to Melbourne Fringe's ticketing system. You will need to take into account the costs incurred for tickets sold via the system. The ticketing system is detailed below.

#### Festival Ticketing System

The ticketing system operates via a Phone Room, website, Information Centre in the CBD and Box Offices at the Festival Hub in North Melbourne.

Through its marketing campaign the Festival promotes the one booking number and website. This system allows patrons simple and straight forward access to all events.

All ticketed events over \$5 will incur a service fee of \$3 per ticket sold through the system and applicable credit card fees. Tickets under \$5 do not incur the service fee, but applicable credit card fees do apply.

There is NO GST charged on tickets, however, there is 10% GST charged on the credit card fees.

A \$2 booking fee is charged to the *patron* for each transaction made via the Phone Room and website, no matter how many tickets (across events) are purchased in the one transaction. No booking fee is incurred at the Information Centre or Festival Hub Box Office's.

If your event is presented at the Festival Hub, the above charges apply to tickets sold at the Box Offices; however there is NO booking fee.

If your event is presented at an independent venue, ticketing reports will be available on-line and any unsold tickets will be available for you to sell as Door Sales and recoup the full amount of the ticket price, or otherwise as per venue arrangement.

The following table is a basic breakdown of the ticketing costs sold via the system.

| <b>Ticket Price</b> | <b>Service Fee</b> | <b>CC fee (inc GST)</b> | <b>Total Received</b> |
|---------------------|--------------------|-------------------------|-----------------------|
| \$16                | \$3                | \$0.34                  | \$12.66               |
| \$5                 | \$0                | \$0.10                  | \$4.90                |

### **Net Total (profit/loss)**

For a break even budget this figure should be \$0, if it is a positive figure this is your projected profit. If it is a negative amount, seriously consider re-working your expenditure.