**ALFALFA HOUSE**

**ASF (MEMBER FEES) 2022**

**Sub-Committee Recommendations**

**Sept. 2021**

**The Member Fees Sub-committee unanimously recommends for MC approval a standard fee increase to $30, and the introduction of a concession rate of $20, as well as a gold membership rate of $50.**

Andrew has scoped two sets of financial calculations for next year’s fee settings (please see attached). These are based on us having around either 1000 or 1500 members. Our current membership levels are believed to be around 1100.

**Our proposed new annual fees are** (with half yearly rates), are:

* Standard Annual Membership = $30 (half yearly = $15)
* Concession Membership = $20 (half yearly = $10) *Applicable on production of a Pensioner Concession Card, Health Care Card, or Student Card.*
* Gold (or ‘passionate’ supporter rate) = $50 (half yearly = $25)

**We have limited the fee increase to 50%** of our current levels, for reasons detailed further below:

* Fees will include GST, and half yearly rates will still apply.
* All members will receive the same member benefits regardless of which level of fees they pay.
* As before annual fees need to be paid up-to-date for members to qualify for the standard 10% member discount.
* A one-month period of grace to pay annual fees will again be permitted, until the end of January 2022.

**The new annual fees are required to be announced at our AGM** (planned for November), and can be applied in advance from December 2021.

**Notes**

* There was strong member support for increased fees in 2022, from the recent survey response (77%), but actual $ choices were not specified or asked.
* The sub-committee feels that an increase above 50% will be problematic for some, and recommends we be conservative at this stage. No doubt some members would be willing to pay more, but it is risky to apply even higher fees to every member.
* We have however, recommended a ‘gold’ membership fee of $50 for members who are willing to pay more, while retaining the old rate as a ‘concession’ rate.
* Half-yearly rates can be applied at the start of the year as well.
* We should also seek donations at membership renewal time.
* Our calculations show that an increase in our member base by 500 members will benefit the Co-op as much as a $40 fee for 1000 members.
* The current limit in our Rules for annual fees is $50 per annum.

**Conclusion**

We know that next year will bring new challenges for our business in the form of more direct competition in Enmore Road. There will be several different, but concurrent ways to approach this, including keeping and retaining our members, improving the Alfalfa House shopping experience, and greater community spread, of our key messages and points of difference.

We don’t want to price ourselves out of the competition with too high a fee rise. Rather, we see our future in enhancing the Alfalfa House experience.

Bruce Diekman

for the Member Fees Sub-Committee