

Guidance on determining CMA Member Category¹ and Membership Fees

Membership Class: Member

Member Type	Core Business Descriptor	Revenue Calculation ²	Product Scope – Complementary Medicines ³
	An individual or organisation whose business is predominantly ...		
Raw Material Supplier	supplying raw or other materials to industry for use in manufacturing or sale of complementary healthcare products.	Calculated on the total ‘ordinary income’ derived in the income year in the ordinary course of carrying on a business. It includes the annual sales volume net of all discounts and GST.	Active ingredients for the manufacture of Complementary Medicine and Healthfood products.
Sponsor	responsible for applying to the Therapeutic Goods Administration to have a complementary medicine included in the Australian Register of Therapeutic Goods.	Calculated on Net invoiced sales Exclusive of GST.	Complementary Medicine and Healthfood products
Manufacturer	the manufacturing of complementary healthcare products.	Calculated on the total ‘ordinary income’ derived in the income year in the ordinary course of carrying on a business. It includes the annual sales volume net of all discounts and GST.	Complementary Medicine and Healthfood products

¹ Please note that your category of membership does not preclude your participation in other areas of the CMA (ie: a sponsor may also elect receive information about manufacturing issues and developments). The category of membership does not impact on the rights of each class of members as described in the Constitution of Complementary Medicines Australia.

² Australian Financial Year (July to June)

³ In this document, the term “Complementary Medicine” (CM) is a collective term that includes products referred to as complementary or alternative medicines (e.g. herbal medicines, homoeopathic medicines), traditional medicines (e.g. Indigenous Australian, Chinese and Ayurvedic medicines) and therapeutic dietary supplements (e.g. vitamins, minerals and amino acids). Note that Complementary Medicines is also expressed as Natural Health Products (Canada), Natural Health and Supplement Products (New Zealand) and other international variations.

Member Type	Core Business Descriptor An individual or organisation whose business is predominantly ...	Revenue Calculation²	Product Scope – Complementary Medicines³
Exporter	the sale of complementary healthcare products solely or export.	Calculated on Net invoiced sales ⁴ Exclusive of GST.	Complementary Medicine and Healthfood products
Distributor	the distribution and/or wholesaling of complementary healthcare products. ⁵	Calculated on 'Invoiced sales' for goods purchased for resale.	Complementary Medicine and Healthfood products
Combination	not able to be reasonably categorised into only one core business descriptor.	Calculated on Net invoiced sales Exclusive of GST.	Complementary Medicine and Healthfood products
Retailer	a store or entity that markets complementary healthcare products.	Calculated on the total 'ordinary income' derived in the income year in the ordinary course of carrying on a business. It includes the annual sales volume net of all discounts and GST.	Complementary Medicine and Healthfood products
Industry Consultant	providing consultancy services to the complementary healthcare industry.	Calculated on Net invoiced sales Exclusive of GST.	Consultancy services
Direct Marketer	personal distribution of complementary healthcare products.	Calculated on the total 'ordinary income' derived in the income year in the ordinary course of carrying on a business. It includes the annual sales volume net of all discounts and GST.	Complementary Medicine and Healthfood products
Association	a not-for-profit association involved in the complementary medicines industry.	Member numbers on joining and at renewal of annual membership.	N/A
International Organisation	A business, with no base in Australia, in the complementary medicines industry.	Set Fee	Complementary Medicine and Healthfood products

⁴ Products developed and sold to independent or associated international business entities are included in the definition of turnover.

⁵ A distributor markets, merchandises and sells products directly to retailers rather than directly to consumers.

Membership Class: Associate Member

Associate Member Type	Core Business Descriptor	Revenue Calculation	Product Scope
Association	A not-for-profit association not involved in the complementary medicines industry	Member numbers on joining and at renewal of annual membership	N/A
Consumer	An individual who may be a consumer of complementary health products or services	N/A	
Student	A student enrolled in a formal health care practitioner qualification		
Practitioner	An individual who is a health care practitioner of any type		
Service Provider	A person or organisation who or which works from time to time with or provides services to the complementary healthcare industry		
Corporate Partners	Organisations with which the CMA has a current, paid sponsorship arrangement in place		
MOU Partners	Organisations with which the CMA has a Memorandum of Understanding in place.		

Definitions Relied upon in this Document

Complementary Medicines Australia Constitution⁶

2.1 Categories of Membership

There are three categories of Members, namely:

- (a) Ordinary Members;
- (b) Associate Members; and
- (c) Life Members.

The Board shall have absolute discretion for the classification of Members into categories of membership.

2.2 Ordinary Members

- (a) Any person, body, company, entity or organisation that satisfies the Company that contributes to the value chain, or complies with National, State or Territory requirements, or the requirements of any organisation recognised by the Board, for the supply of complementary medicines and health foods, including regulatory consultants may apply, in accordance with Article 2.5, to become an Ordinary Member of the Company.
- (b) An Ordinary Member is entitled to attend, participate and vote in Company general meetings.

2.3 Associate Members

- (a) Any company, person or organisation who supplies services or other support to a company or person eligible for Ordinary Membership and satisfies the Company that:
 - (i) its employment or business is significantly connected with the Sector; and
 - (ii) it does not fall within article 2.2; and
 - (iii) is not an employee of a Membermay apply, in accordance with Article 2.5, to become an Associate Member of the Company.
- (b) An Associate Member is entitled to attend and participate in Company proceedings.
- (c) An Associate Member is not entitled to vote in Company general meetings.

2.4 Life Members

- (a) Upon recommendation of the Directors, the Company may, in general meeting, elect as a Life Member, any individual who in its opinion, has rendered outstanding service to the Company or its objects. That person must consent to his or her election as a Life Member within 28 days of being so elected, otherwise the election is of no force.
- (b) A Life Member is entitled to attend, participate and vote in Company general meetings.
- (c) A Life Member is not liable to pay any Fee to the Company but may be liable to make a contribution in accordance with Article 1.3(b).

3.2 Payment of Fees

- (a) The Company may require the payment of Fees by Ordinary Members and Associate Members in the amounts and at the times as the Directors resolve. Unless the Company determines otherwise, all annual subscriptions shall be due and payable on 1 July each Year
- (b) The Company may determine the annual subscriptions payable by Ordinary and Associate Members and such subscriptions may differ as between Members.
- (c) The Company may revoke or postpone fees or extend the time for payment of fees.
- (d) In addition to annual subscriptions the Company may once each financial year impose a levy upon Ordinary Members. Such a levy must not exceed (20) twenty per cent of that Member's annual subscription for that Year Any levy imposed by the Company shall be due and payable on the date specified in the notice of the Company's resolution to impose the levy.

⁶ Downloaded from

<http://cmaustralia.org.au/Resources/Documents/CMA%20Constitution%20January%202014.pdf>

- (e) A Fee is not invalid if a Member does not receive notice of the Fee or the Company accidentally does not give notice of the Fee to a Member.
- (f) An Ordinary Member is not entitled to vote unless it has paid its annual subscription, and any levy that has been imposed, for the financial year in question.

Compiled AASB Standard AASB 118 - Revenue⁷

Income: is defined in the *Framework for the Preparation and Presentation of Financial Statements* as increases in economic benefits during the reporting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants. Income encompasses both revenue and gains. Revenue is income that arises in the course of ordinary activities of an entity and is referred to by a variety of different names including sales, fees, interest, dividends and royalties. The objective of this Standard is to prescribe the accounting treatment of revenue arising from certain types of transactions and events.

Revenue: includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected on behalf of third parties such as GST, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they are excluded from revenue. Similarly, in an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in equity for the entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission.

The use of this Standard is limited to revenue arising from the following transactions and events:

- (a) the sale of goods; and
- (b) the rendering of services;

Goods: includes goods produced by the entity for the purpose of sale and goods purchased for resale, such as merchandise purchased by a retailer or land and other property held for resale.

Services: the rendering of services typically involves the performance by the entity of a contractually agreed task over an agreed period of time. The services may be rendered within a single period or over more than one period.

Plain English Definitions

General Rule

Your organisation's annual turnover for an income year is the total 'ordinary income' that your organisation derives in the income year (July 1 to June 30 of any year) in the ordinary course of carrying on a business.⁸ It includes the annual sales volume net of all discounts and sales taxes.

Exclusion of GST

In working out your organisation's annual turnover for an income year, do not include any amount that is non-assessable non-exempt income under section 17-5 (GST is not included in calculations of annual turnover).

Amounts derived from dealings with Associate Companies⁹

⁷ Downloaded from http://www.aasb.gov.au/admin/file/content105/c9/AASB118_07-04_COMPoct10_01-11.pdf, on Tuesday, 5 February 2013

⁸ *Income Tax Assessment Act 1997*, s328.120

⁹ A company is an associated company of another company if: either company controls at least 10% of the votes in the other company (directly or through one or more interposed companies, partnerships or trust estates).

In working out your organisation's annual turnover for an income year, the amount of ordinary income your organisation derives from any dealing with an associate of your organisation is the amount of ordinary income your organisation would derive from the dealing if it were at arm's length.

Business carried on for part of income year only

If your organisation did not carry on a business for the whole of an income year, your organisation's annual turnover for the income year would be calculated using a reasonable estimate of what your organisation's annual turnover for the income year would be if your organisation had carried on a business for the whole of the income year.