

Industry peak bodies

Doing good through making a profit

The not-for-profit industry is more diverse than many people realise and is making an increasing impact on Australian communities.

While many people think of not-for-profit (NFP) organisations as charities, the Australian Institute of Health and Welfare reports only about 30 per cent are, in fact, charities.

The remaining 167,000 organisations are self-assessed income tax exempt or taxable not-for-profit entities, such as member-based and industry associations, in which the surplus made through memberships, services and sales each year is invested back into operations.

Charities are run for public benefit, whereas non-charitable NFPs operate in the interests of members or private interest groups.

The United Nations classifies NFPs into 12 categories – culture and recreation, education, health, social services, environment, development and housing, law advocacy and politics, international, religion, business and professional associations and unions, philanthropic and voluntarism promotion, and unclassified.

It means there are limitless areas in which start-ups and other organisations can operate at a profit and funnel those surpluses into doing good in their communities.

It is something that the Swimming Pool & Spa Association (SPASA) has been able to achieve since several long-standing state associations merged in 2017 to create the national entity.

Chief executive Lindsay McGrath says that, in the past six years, the association has made significant advances in its mission to promote and grow the swimming pool, spa and outdoor lifestyle industry through its tax status as a not-for-profit.

"The whole point of NFPs is to do good but you can't do good unless you're making profit," he says. "Directors and businesses, and CEOs especially, in this space can change the whole course of an industry through the association."

"We can do so much with so little because of how we operate [that] we often say we are a 70-year-old start-up."

"It's partly a mindset. Profit is not a dirty word; you can do more good as you just invest more."

McGrath says SPASA's workforce has grown from having a single, full-time employee (himself) to now employing 25 people, including marketing and regional managers who operate in the field.

Membership numbers have increased from 645 in 2017 to more than 1700 in 2023, while annual revenue has grown from about \$358,000 in 2017 to \$8 million in the last financial year and is forecast to reach \$11 million in 2023-24, the chief executive says.

"We invested in education, promotions and advocacy – all the usual things that associations do," McGrath says.

"The things that our members want more every year are more services, more support, etc, and so we really focus on creating new assets and new products and services that would add value."

"Our first ever year we invested about \$250,000 in education, which was more funds than the industry had received, and every year SPASA grew that by more than \$200,000, and last year it was \$1.5 million," he adds.



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Lindsay McGrath

Swimming Pool & Spa Association (SPASA) chief executive Lindsay McGrath (above) says being a not-for-profit has allowed it to make a big difference.

"We're trying to put really good business practices in place while acquiring and investing in assets like the trade magazine, *SPLASH!*"

McGrath says SPASA has launched a new product or service on average every 90 days, ranging from trade qualifications and certifications such as its Certificate IV in Swimming Pool and Spa Building through its registered training organisation The Institute of Research and Learning (IRLearning). It also is

growing its Climate Care Certified (CCC) program to set new standards for efficiency in swimming pool and spa products, services and installations.

"We introduced Climate Care Certified to show the consumer that the industry is responsible in water and energy savings," McGrath says.

"The big-ticket item that the association delivers on behalf of industry, without getting caught up in commercial competition, is to highlight the best practices."

"A lot of industry bodies are one profession ... but in an hour I can talk to a concrete builder or fibreglass builder, a multimillion manufacturer to a certifier, pool service technician, a leisure facility operator or a lifeguard, the end user and a government authority, all in a matter of moments. It can look to be overwhelming yet it can be celebrated when you realise you can make such a big difference when you advocate on behalf of others with a surplus-for-purpose mindset."

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