

I refer to the Inquiry into women in sport and recreation in Australia and wish to make the following observations:

- 1) Fitness First operates 60+ fitness centres with 3,500+ employees throughout Australia with facilities that include cardio and strength training areas, group fitness classes and child minding services
- 2) Fitness First has almost 300,000 members in Australia of which 55% are female (it is understood that 8% of the population in Australia are members of fitness centres)
- 3) Fitness First has an annual compound growth in number of members of 30% per annum over the last 5 years
- 3) Until the last 12 months this growth has been driven primarily through the establishment of new clubs at an initial capital cost of \$3m to \$4m per club. During the course of the last 12 months there has been a larger involvement in acquisitions of existing clubs.
- 4) 70% of new members have not been a member or utilised the services of a fitness centre previously or longer than 12 months
- 5) The participation rate of group fitness classes (aerobic classes) is 35% of our membership and of this more than 80% of the participants are female
- 6) Almost all of the new clubs being built (15 clubs per annum) have a women's only training area and offer child minding services (except for CBD locations and Victorian clubs - see below)
- 7) Issues that impact the opportunities for the participation levels by females to increase in fitness centres include the following:
 - a) Actual increases and threatened further increases in music licensing costs by PPCA and APRA which are required to support the music played in group fitness classes - these costs which are currently being defended by the fitness industry body, Fitness Australia, may need to be passed on in higher membership dues or as part of class participation costs
 - b) The availability of child minding services in Victoria is limited due to the inconsistent and inflexible legislation that requires the short term care facilities that operate within fitness centres, and with parents remaining at the venue whilst exercising, to maintain a level of staffing, care and observance of regulations similar to longer-term daycare facilities
 - c) Although not gender specific the fringe benefits tax legislation requires companies that salary package a gym membership to pay FBT on top of the actual cost of the membership - Fitness First has less than 1% of its memberships paid for by corporates whereas in other countries such as the UK this exceeds 30%
 - d) Health fund rebates for gym memberships were removed on private health cover with only a small number of health funds having since reinstated rebates for gym

memberships having recognised the benefits of subsidising preventative measures against inactivity

Regards

Mark

Mark Forrest

Director

Fitness First Australia