

Profile of the Fitness Industry in Australia

Fitness Industry
Workforce 2016



Fitness Australia[®]
THE HEALTH & FITNESS INDUSTRY ASSOCIATION

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Fitness Australia is pleased to deliver The Profile of the Fitness Industry Report – Fitness Industry Workforce. This is an independent report conducted and collated by Empirica Research, to provide the fitness industry, its stakeholders and the broader community with current and relevant information on the status of the Australian fitness industry in 2015.

Key Observations

- The number of people employed as a 'Fitness instructor' (covering most of the in-person teaching roles in the fitness industry, including personal trainers) has more than doubled over the past decade, and is expected to continue to grow at a slower rate over the next five years.
- The distribution of ages of fitness instructors closely resembles that of participants in fitness activities in the dominant presence of 18-44 year olds, and the near absence of those older.
- Currently, Victoria has the highest proportion of fitness instructors out of all states and territories in Australia, followed by New South Wales, and Queensland. The proportions of all fitness instructors present in other states is low, and should be compared to estimates of participants in fitness services in these regions to assess any imbalance of supply and demand.
- The nature of employment for fitness instructors and personal trainers is exceptionally variable with respect to employment conditions, hours worked, and income earned. Overall, however, it appears that secure full-time working conditions are rare, that many would prefer to work more hours than they currently are, and that in general it is not a high-income occupation.
- There is also variation as to whether being a fitness instructor or personal trainer is approached as a career, or as a sideline job. The direction from which a personal trainer approaches the role is likely to be highly influential in the type of qualification that they choose to obtain (i.e. they are more likely to be attracted to quick, lower cost courses in order to get out into the workforce as fast as possible with a minimal financial outlay).
- The numbers of students enrolling in Certificates III and IV in Fitness and Diplomas in Fitness at public RTOs has been declining since 2012. If the predicted job openings for fitness instructors and personal trainers are to be filled, enrolment at public RTOs will need to counter this decline.
- The market for providers of fitness qualifications is extremely crowded. As all providers are offering essentially the same qualification (a Certificate IV must still be a Certificate IV), differentiation occurs primarily with respect to course costs, length, and delivery, as well as promised or implied connections to work on completion.
- Fitness students find it difficult to choose between providers. The market is so crowded that comparison sites have been created to assist; however, what would be of more value to students are objective recommendations of the value of prospective courses from a trusted source.
- For fitness businesses, staff wages and rents occupy the greatest share of their business costs; sole traders' largest expenses are rent and equipment. The core source of income for fitness and sole trading businesses is customer fees (membership fees and personal training fees) – only a very small proportion of income is being sourced through other streams.
- For fitness businesses and sole trading businesses, the primary channel of attracting business is word of mouth, and both estimate that approximately one in ten of their customers are gained through contact on social media.



Who are today's fitness professionals?

Fitness Australia, the peak body for the fitness industry, has six categories of registrant, all of whom are contributing in some way to the full cohort of fitness professionals:

Table 1.1 Fitness professionals registered with Fitness Australia

Registrant type	Description	Number registered with Fitness Australia		Qualifications
For individuals				
Exercise Professionals (EP)	Fitness instructors and personal trainers	25,521	27,425	Certificate III in Fitness Certificate IV in Fitness Diploma in Fitness
Sole Trading Businesses (STB)	Fitness instructors and personal trainers operating as sole traders with an ABN (includes Exercise Professional Registration)	1,904		
Students (S)	Those studying to complete a fitness qualification (future fitness professionals)	4,987		Other tertiary qualifications e.g. Bachelor of Exercise Science
For businesses				
Fitness Businesses (FB)	Gyms, health clubs, fitness centres, fitness franchises, indoor and outdoor personal training businesses and fitness studios	1,511		
Industry Suppliers (IS)	Suppliers of fitness products and services	41		
CEC Providers (CEC)	Providers of Fitness Australia approved continuing education programs and events	83		

Source: Fitness Australia, current as of August 2015

Note that the owner of a fitness business is highly likely to also have an individual fitness qualification and may also be registered as an exercise professional.

Other fitness bodies offer registration for fitness professionals corresponding to Fitness Australia's EP and STB categories.

Registration with a body such as Fitness Australia is encouraged, but is not essential, for obtaining insurance and employment. While the number of registrants of these organisations does not represent the entire universe of Australian fitness professionals; it is nevertheless a high proportion of the fitness instructor/personal trainer category.

With respect to employment, the Australian Bureau of Statistics uses 'Fitness Instructor' as their main categorisation. This descriptor covers aerobics instructors, aqua-fitness instructors, personal trainers, group exercise instructors, those who specialise in exercise for specific groups (such as the elderly), resistance trainers, and specialist exercise trainers. According to ABS statistics, 27,600 Australians reported being employed in the occupation of 'Fitness Instructor' in 2014 – not many more than the number of Fitness Australia registrants corresponding to this definition.

With respect to businesses, The Australian Fitness Industry Report 2012 reported the number of fitness businesses in Australia at 2,557, with 1,290 registered with Fitness Australia (50%). If these rates of registration with Fitness Australia have been maintained, then there an estimated 3,000 fitness business currently operating in Australia. It is important to remember that today a 'fitness business' is no longer just a gym – fitness business include gyms, health clubs, fitness centres, fitness franchises, indoor and outdoor personal training businesses, and fitness studios.

The remainder of this section has its primary focus on fitness instructors and future fitness instructors.

'Fitness instructors' and other fitness industry professionals

Primary fitness industry professionals

On the level at which the ABS records employment information specific to the fitness industry, they consider 'Fitness Instructors' as their main classification:

UNIT GROUP 4521 FITNESS INSTRUCTORS: direct, instruct and guide individuals and groups in the pursuit of physical fitness and wellbeing.

Indicative Skill Level: Most occupations in this unit group have a level of skill commensurate with the qualifications and experience outlined below.

In Australia: ANZSCO Skill Level 4

At least one year of relevant experience may substitute for the formal qualifications listed above. In some instances relevant experience and/or on-the-job training may be required in addition to the formal qualification.

Tasks Include:

- consulting with various Health Professionals to develop and design fitness programs
- designing individual fitness programs based on assessment of the client's age, level of fitness, goals and abilities
- delivering group exercise classes and personal tuition in a variety of fitness activities in a safe and creative manner
- demonstrating and teaching body movements and skills used in fitness routines
- setting up and monitoring fitness equipment and ensuring that equipment is safe, clean and in working condition
- teaching and advising on the use of fitness equipment
- ensuring clients are aware of and adhere to safety and injury prevention procedures
- reporting accidents and preparing accident reports
- maintaining a working knowledge of current health and safety standards and ensuring working practices and procedures conform to current legislation
- maintaining current first aid certificates



Source: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/19D36C02234E958ACA257B9500131072?opendocument>

Under this definition, 'fitness instructor' covers aerobics instructors, aqua-fitness instructors, personal trainers, group exercise instructors, those who specialise in exercise for specific groups (such as the elderly), resistance trainers, and specialist exercise trainers.

Non-instructor and peripheral fitness industry professionals

It is important to note that the classification of 'Fitness instructors' and corresponding responsibilities, does not necessarily cover the full range of occupations and activities in which people may be employed in the fitness industry. People working in and around the fitness industry without necessarily holding a qualification as a fitness instructor may include:

- Owners and managers of gyms, and gym administration staff, who may fall outside this classification.
- Those manufacturing and selling fitness equipment and services for use by fitness professionals.
- Those providing education and training for fitness professionals.
- Instructors in different popular fitness-centric disciplines, such as freestyle or Zumba, who may not hold a formal fitness qualification.
- Social media and online fitness personalities, who may promote and profit from their own fitness advice and brand while not holding a formal qualification.

Employment of fitness instructors

As noted earlier, the formal definition of 'Fitness instructors' may not tell the whole story about the workforce currently participating in the fitness industry; however, it is a useful barometer of the strength of the industry.

ABS figures indicate that the number of people classified as a fitness instructor has more than doubled since 2005, and there are currently approximately 27,600 people employed in this role, with predictions for another 10,000 to 25,000 job openings for fitness instructors over the next five years. If fitness instructors are viewed as a barometer of demand for fitness services, then demand in coming years looks strong.

Nevertheless, it is worth noting that while the size of this subset of the fitness workforce has more than doubled between 2005 and 2015, the bulk of this explosion took place between 2005 and 2010, while growth year to year more recently has been somewhat variable.

Table 1.2: Australian employment as Fitness Instructors

Indicator	Level
How many workers are employed in this occupation?	27,600
How many are female?	56%
What is their median age?	32 years
How many work full time?	32%
What are median weekly earnings for full-time workers before tax?	\$692
How many hours do they work on average (full-time, per week)	42.6 hours
How does unemployment compare with other occupations?	below average
What has been the long-term employment growth – over last 10 years?	128.9%
What has been the medium-term employment growth – over last 5 years?	8.6%
What has been the short-term employment growth – over last 2 years?	8.2%
What will be the likely future employment growth for the next 5 years?	very strong growth
What will be the level of future job openings (includes growth and turnover) over the five years to November 2019?	10,001-25,000

Source: Job Outlook (2015) ABS Labour Force Survey, Department of Employment trend data to November 2014 and Department of Employment projections to 2019

Source: Australian Government Department of Employment (2015), Australian Jobs 2015

Figure 1.1: Past and projected numbers of Fitness Instructors (2019 projected)

Employment Level



Number of fitness instructors in 2015 estimated as number of exercise professionals or sole trading businesses registered with Fitness Australia in 2015, plus an estimated 5,000 registered with other bodies.

Source: Job Outlook (2015) ABS Labour Force Survey, Department of Employment trend data to November 2014 and Department of Employment projections to 2019

Fitness instructors – profiled

Demographics

More than half of those employed as fitness instructors in 2014 were aged 20-34, with the presence in this occupation of those aged over 45 is less than in the total Australian workforce. The bulk of fitness instructors are working in Victoria (35%) and New South Wales (27.6%).

Qualifications

The most common qualification for fitness instructors to hold is a Certificate III or IV in fitness, followed by 21% with a diploma, and 14% with a Bachelor degree.

Regrettably, employment statistics present Certificate III and IV as a single category. These two qualifications equip their holders for different roles: those with a Certificate III are qualified to work as a gym, group exercise, or aqua exercise instructor, but not as a personal trainer; a Certificate IV (taken after obtaining core elements of a Certificate III) allows its holder to work as a personal trainer, aqua trainer, program coordinator, children's trainer, or older client trainer.

According to ABS estimates, just over a quarter of people employed as fitness instructors have only a Year 12 completion as their highest level of qualification – the mechanics by which these people could have obtained the necessary qualifications to become fitness instructors with only a high school education is unclear. Technically, at least a Certificate III is required to become a fitness instructor; it also seems highly likely that this cohort of fitness instructors would not be registered with Fitness Australia.

Employment

Styles of employment for fitness instructors these days tend to fall among one of three models:

1. An employee of a fitness business
2. A sole trader
3. A licensee or contractor of a fitness business (this model combines aspects of the first two models)

Under Model 1, fitness instructors are formally employed by a fitness business; however, this may then be on a full-time, part-time, casual, or contracted basis. This model may provide the security of formal employment models (consistent wage and superannuation contributions), but the security of full-time employment is still rare – ABS figures record only 32% of fitness instructors as being employed full-time.

Under Model 2, fitness instructors strike out on their own, establishing their own fitness businesses. The proliferation of small boutique personal training studios is one highly visible form of this type of model. These fitness instructors are subject to the same pressures and benefits of any small, sole trading business.

Under Model 3, fitness instructors pay a rental fee or share of their training fees earned from customers to a fitness business where they conduct their training and may access new clients.

Overall, among all Fitness Australia registrants responding to the 2015 survey, self-employment was the most commonly reported form of employment (35%), followed by casual employment (27%). Of all Fitness Australia registrants who responded to the survey (including gym owners and managers as well as fitness instructors, and personal trainers), only 16% reported full-time employment.

Note: While estimations of full-time employment differ between ABS data sources and responses to the survey of Fitness Australia registrants, and there may be variation between the ABS definition of 'fitness instructor' and those who are registered with Fitness Australia, both sources indicate that full-time employment is relatively rare within the industry.

Hours

In terms of hours worked, the general indication of the 2015 survey was of underemployment for fitness instructors (taking underemployment to mean people are not working as many hours as they would like). Forty-one per cent of those registered as exercise professionals want to work 25-40 hours a week, but only 22% were – and 34% were working less than 8 hours a week compared to only 17% for whom this was their ideal arrangement. Similarly for sole traders, 44% reported working less than 16 hours a week compared to only 16% who wanted to do so – more than three-quarters wanted to work more hours. In particular, 24% wanted full-time hours (33-40 hours/week) but only 9% had it.

Owners of fitness businesses were the only cohort experiencing more work than they wanted – 45% wanted full time hours compared to 20% who had it, with more than half working 41-64 hours a week.



Income

Thirty-three per cent of exercise professionals registered with Fitness Australia and 27% of sole trading businesses reported that their annual income from fitness work was under \$10,000. It is important to take into account in looking at this number the high rate of part-time and casual work reported by these professionals. Only owners of fitness businesses (who were much more likely to report full-time working arrangements) appear to be earning more than \$50,000 per annum in large numbers – the proportion of exercise professionals and sole traders doing so is very small.

ABS statistics support the inference that in general, fitness instruction is not a high-income occupation – the median weekly earning (for full-time fitness instructors) in 2014 was \$692 – or \$35,984 a year.

Longevity

The fitness instruction occupation has seen an explosion in growth over the long term – in 2004 only 12,100 were occupied as a fitness instructor. The occupation added 4,000 jobs the following year, another 4,000 by 2008, and another 5,000 in 2009 – a doubling in the number of fitness instructors in five years. Since 2009, change in this occupation has been more variable, and the rate of growth has been slower. Compared to the 13,000 fitness instructors added between 2004 and 2009, there are only another 2,000 added between 2009 and 2014.

Correspondingly, 55% of exercise professionals registered with Fitness Australia reported that they had entered the industry in the last 5 years (roughly matching the period 2010-2015), with another 21% reporting entry 6-10 years ago (roughly 2005-2009). Entries reported among sole trading businesses were even more recent, with three quarters entering in the last 5 years. In comparison, recent entry by fitness businesses was far less common – businesses were much more likely to have been in the industry for more than a decade (and 18% for more than two decades).

The future

While growth in the number of fitness instructors has slowed over the last five years compared to the explosion of 2004-2009, Department of Employment is optimistic with respect to continued growth in the number of fitness instructors entering the market over the next five years. They estimate that the number of working fitness instructors in Australia in 2019 will rise to 35,500, an addition of almost 8,000 jobs from 2014.

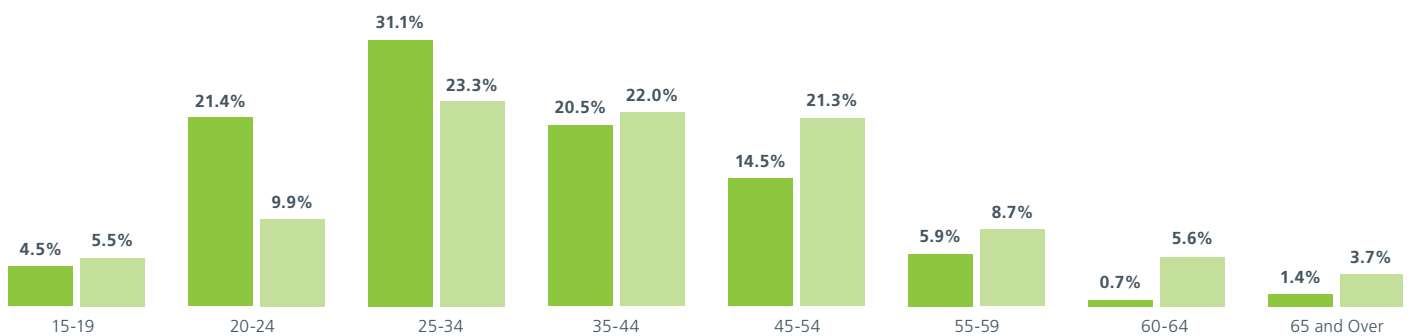
The fitness professionals surveyed in 2015 indicated strong intentions to remain in the industry over the next five years (i.e. to 2020) – 46% of exercise professionals, 54% of sole trading businesses, and 45% of fitness businesses said they 'definitely will' be in the industry in 5 years time. This drops to 29%, 35%, and 22% respectively when asked about 2025. Six per cent of exercise professionals and 5% of sole trading businesses did not see themselves as remaining in the fitness industry by 2020. While this figure did not change greatly for sole trading businesses, it climbed to 11% of exercise professionals who do not see themselves in the industry by 2025.

If we extrapolate these estimates of no longer being in the industry to the population of Fitness Australia registered exercise professionals, the implication is that approximately 1,276 exercise professionals ($25,521 \times 5\% = 1,276$) will have left the industry by 2020, and 2,807 ($25,521 \times 11\% = 2,807$) will have left by 2025. As not all fitness instructors are registered with Fitness Australia, it is likely that this attrition will in fact be higher. The supply of future fitness professionals will need to outstrip the numbers of professionals leaving the industry, and retiring, to secure the growth predicted for the industry and meet demand.

The demographics of fitness instructors

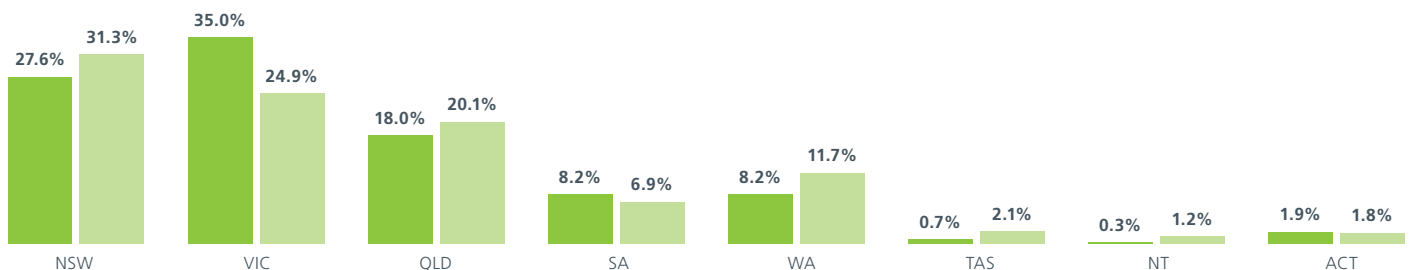
Figures 1.2 to 1.4 below show the distribution of demographic characteristics among fitness instructors compared to all occupations. Although the categories do not completely overlap, the ages of fitness instructors closely resembles the ages of fitness participants – a dominant presence of those aged 20-44, and barely any representation from older groups.

Figure 1.2: Age profile of fitness instructors



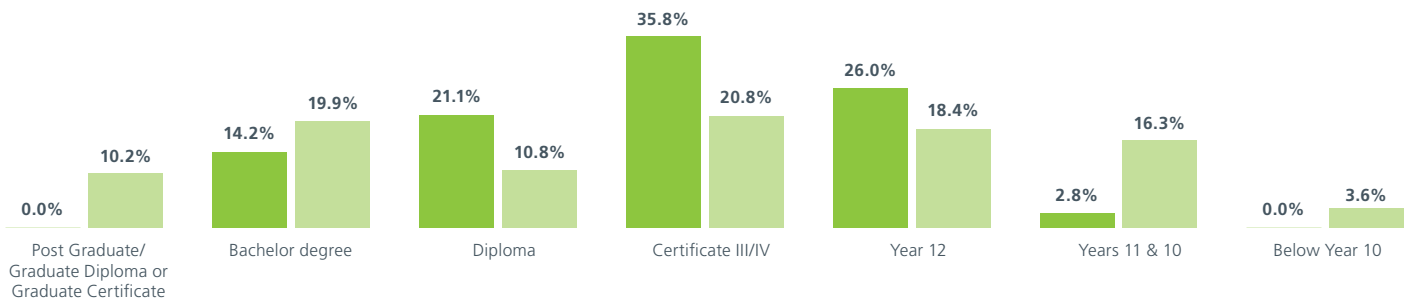
Source: Job Outlook (2015) ABS Labour Force Survey, Department of Employment trend data to November 2014

Figure 1.3: State or territory profile of fitness instructors



Source: Job Outlook (2015) ABS Labour Force Survey, Department of Employment trend data to November 2014

Figure 1.4: Qualification profile of fitness instructors



Source: Job Outlook (2015) ABS Labour Force Survey, Department of Employment trend data to November 2014

■ Fitness Instructors ■ All Occupations

The nature of employment for fitness professionals – employment type

Exercise professionals

A third of exercise professionals describe themselves as self-employed, and a similar proportion report that they are employed on a casual basis. Only 13% have full time employment. For exercise professionals, underemployment is an issue. Thirty-four per cent are working less than 8 hours a week; the proportion for whom this is an ideal amount of work is half as high (17%). Forty-one per cent would like to be working 25-40 hours per week, but only 22% are currently achieving this.

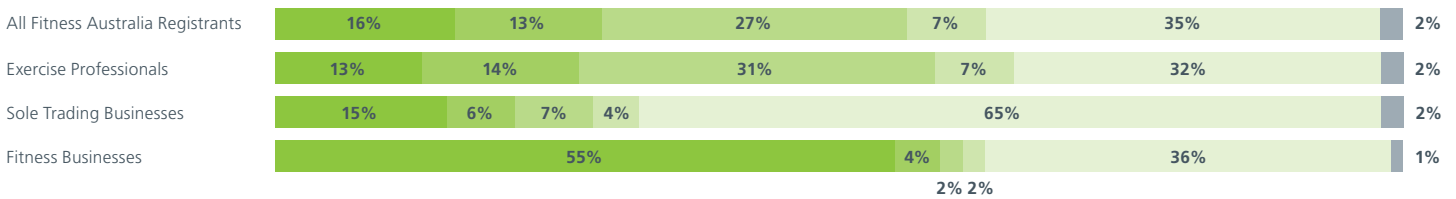
Sole traders

Two-thirds of sole traders are self-employed, with 15% employed full time. As with exercise professionals, underemployment is an issue for this group of fitness professionals. One in five are working less than 8 hours per week compared to one in twenty who wish to do so. Three-quarters would like to be working 17-40 hours a week, while only 42% are doing so.

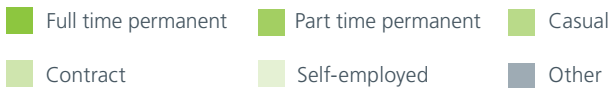
Fitness business owners

Owners of fitness businesses are either employed on a full time basis (55%) or self-employed (36%). Corresponding to this type of employment, they are working longer hours than they would like. Almost half (45%) put their ideal weekly hours at 33-40 hours per week, while only 20% are currently working this little – 23% are currently working 41-48 hours a week, 18% report working 49-56 hours a week, and another 18% report working even more.

Figure 1.5: Employment of Fitness Australia Registrants



Source: Fitness Australia survey of registrants (2015)

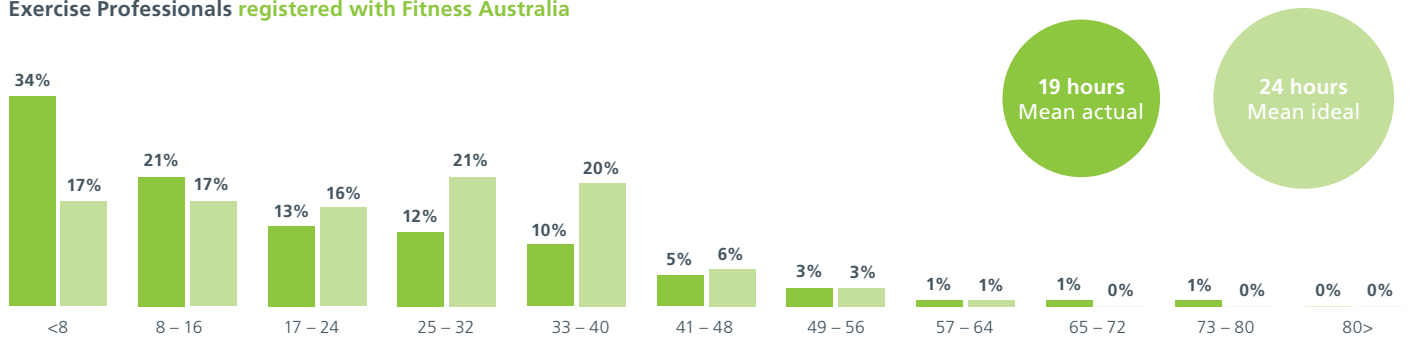


The nature of employment for fitness professionals – hours worked per week

Exercise professionals and sole trading businesses indicate that underemployment is an issue – both are working fewer hours than they would like.

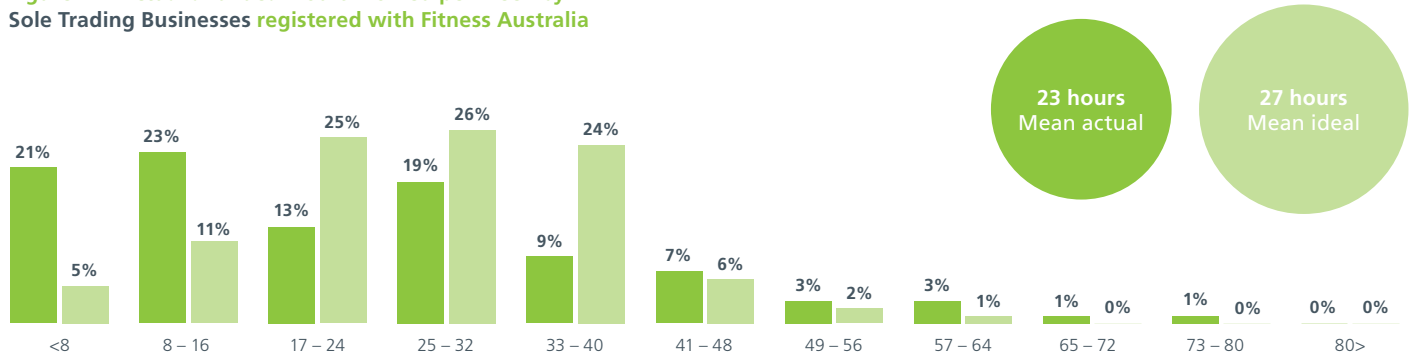
In comparison, owners of fitness businesses are working more hours than they would like.

Figure 1.6: Actual and ideal hours worked per week by Exercise Professionals registered with Fitness Australia



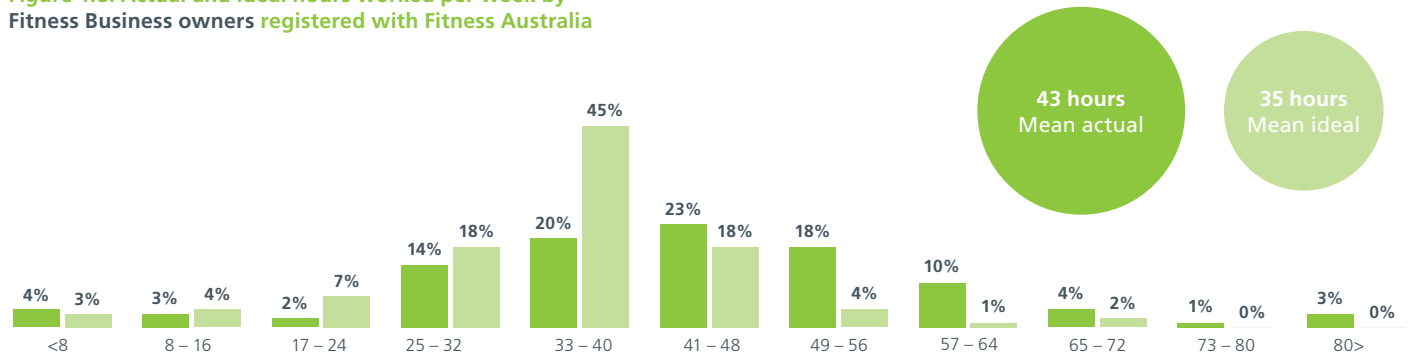
Source: Fitness Australia survey of registrants (2015)

Figure 1.7: Actual and ideal hours worked per week by Sole Trading Businesses registered with Fitness Australia



Source: Fitness Australia survey of registrants (2015)

Figure 1.8: Actual and ideal hours worked per week by Fitness Business owners registered with Fitness Australia



Source: Fitness Australia survey of registrants (2015)

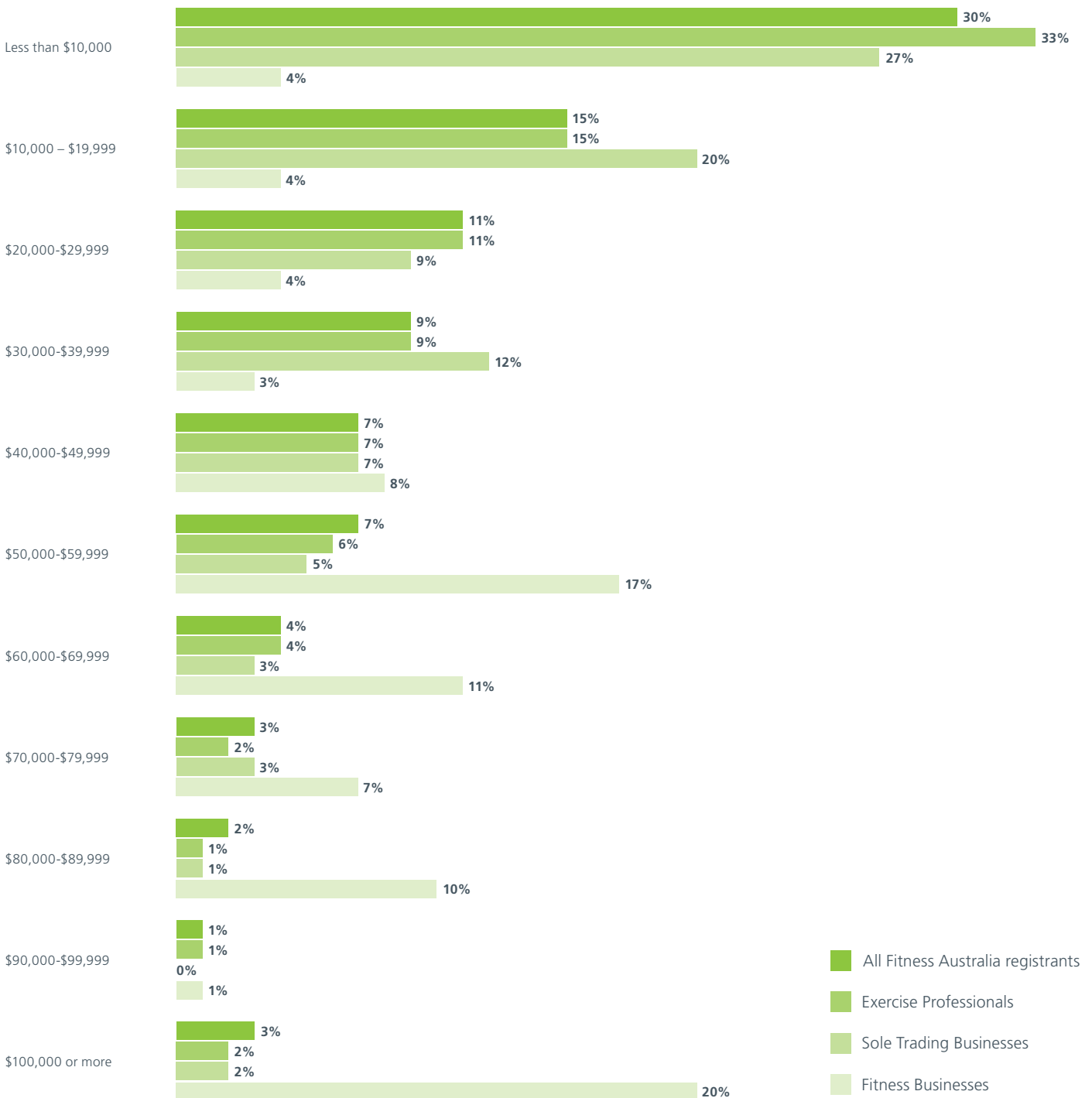
■ Actual hours worked per week ■ Desired hours worked per week

The nature of employment for fitness professionals – income

Annual income for exercise professionals and sole traders is below \$50,000 for three-quarters of these fitness professionals.

The annual income of fitness businesses is above \$100,000 for one in five, with almost half taking in \$50,000-\$99,999 per annum.

Figure 1.9: Annual income of Exercise Professionals registered with Fitness Australia

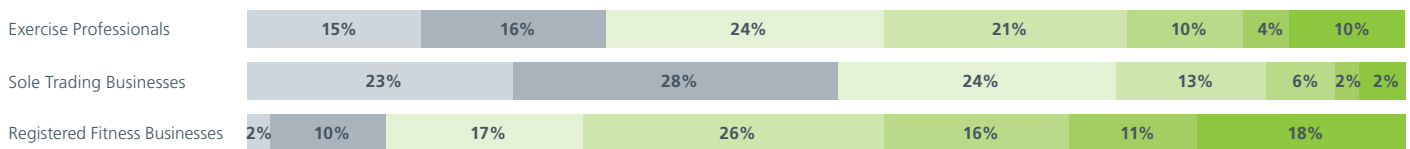


Source: Fitness Australia survey of registrants (2015)

The nature of employment for fitness professionals – time in industry

There is a general trend in the industry for low levels of work experience. Looking at STBs, 51% had been in the industry for less than 2 years. Interviewed industry leaders suggested that a contributing factor in this is relatively easy entrance to the industry (for some, only a short online course) paired with unrealistic earning expectations – leading to dropping out of the industry early on.

Figure 1.10: Length of time in industry of Fitness Australia registrants



Source: Fitness Australia survey of registrants (2015)



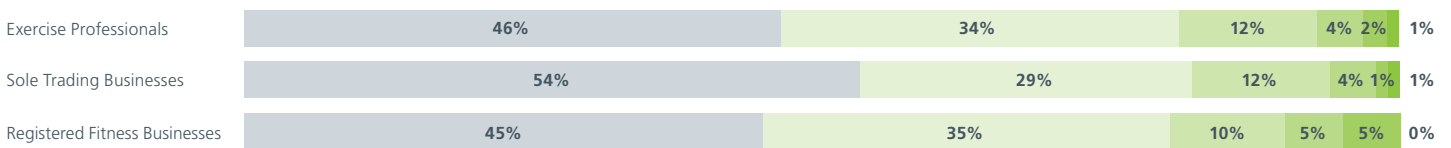
Who are today's fitness professionals?

Around half of the fitness professionals surveyed in 2015 said that they definitely would still be in the industry in 5 years time. The reasons they gave related to their passion for the industry and their work, and the perceived potential to grow their business.

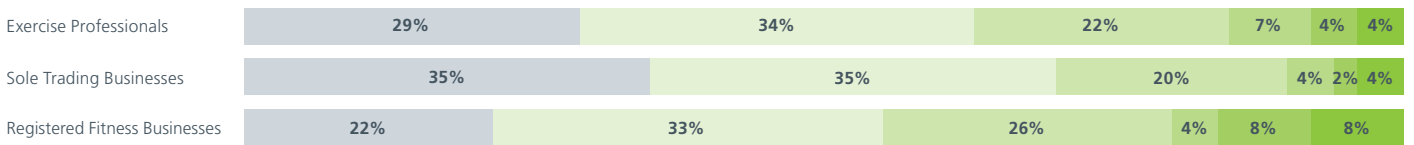
Those who said they would not be in the industry in 5 years most commonly cited financial limitations or insufficient earning capacity, as well as the challenge of maintaining a work/life balance. Also mentioned by some was their impression that as older trainers, they would lose their place in the industry.

Figure 1.11: Likelihood of Fitness Australia registrants to still be in the industry in 5/10 years time

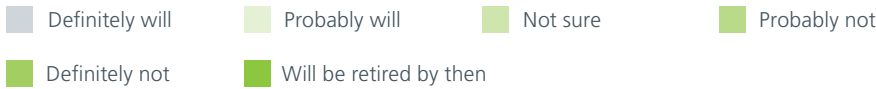
In 5 years time



In 10 years time



Source: Fitness Australia survey of registrants (2015)



"I am obsessed to help as many people become lean, fast and strong as possible without doing fads. I will not give that up even if I only have 1 client."

Fitness Australia survey respondent 2015

"The hours are not sustainable for a long term career. It makes it hard to find a family/work balance. Also only being able to get casual work is not a good option for me."

Fitness Australia survey respondent 2015

"Because I love changing people's lives, and getting their results, setting new goals, making a bloody difference in this world. Sharing my gift of being able to reach into member's heads, coaching them on food guidance, great exercise and be a positive attitude."

Fitness Australia survey respondent 2015

"I can't see a role for me as a 48 year old in the fitness industry."

Fitness Australia survey respondent 2015

"Working in the fitness industry keeps me sane. It doesn't pay well, but it gives me a great deal of satisfaction as I can see that I am helping people while reducing my own stress."

Fitness Australia survey respondent 2015

"The Australian economy is quite unstable. People may earn less and costs of living keeps going up. The general public have not much money left to spend on paying personal training. Besides of this, more personal trainer graduates join the fitness industry. I would forecast supply will be more demand. I start seeing bad quality of personal trainers join the industry. People just lost 10-15kg, then they want to become a personal trainers to help other people, however, their fitness levels are not good enough to become a PT"

Fitness Australia survey respondent 2015

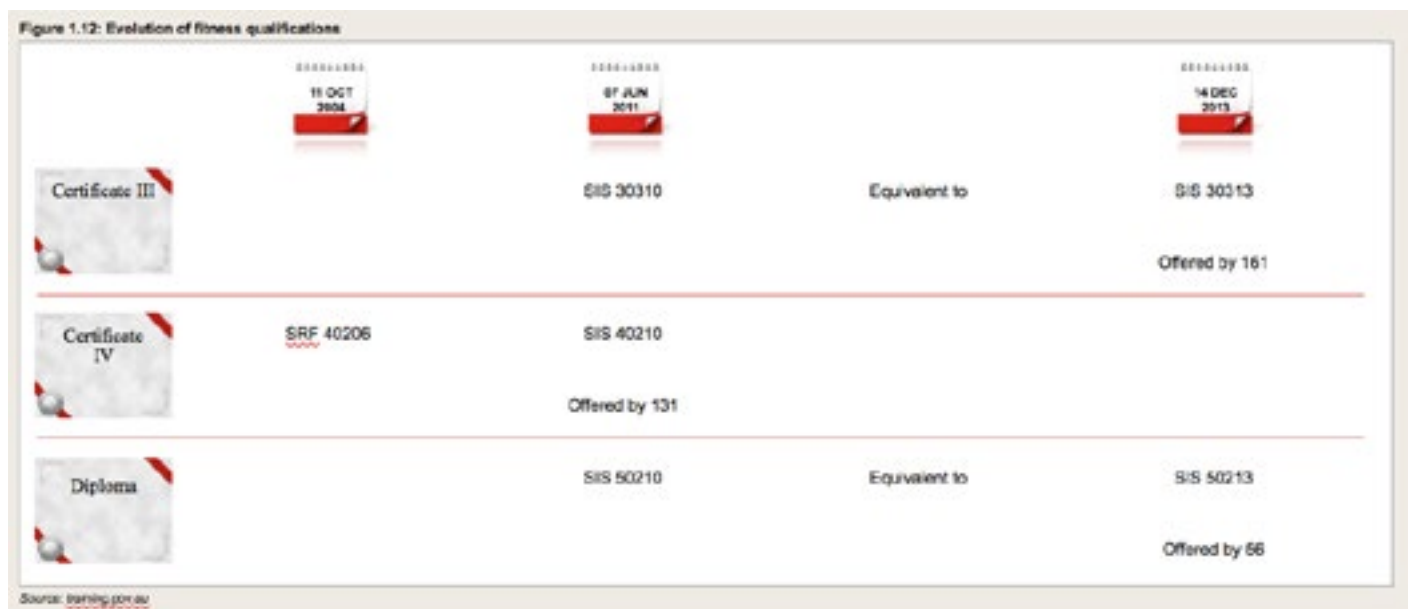


Future fitness professionals

As previously discussed, the usual qualifications required to work as a fitness instructor or personal trainer are a Certificate III in Fitness, a Certificate IV in Fitness, or a Diploma of Fitness, while some of these fitness professionals may come to this occupation via a tertiary qualification such as a Bachelor of Exercise Science, or Bachelor of Health Science.

Certificate III and IV, and Diploma, qualifications are offered through Australia's Vocational Education and Training (VET) programs, provided by Registered Training Organisations (RTOs). Currently, the Australian Government's training.gov.au website lists 161 RTOs offering a Certificate III in Fitness, 131 offering a Certificate IV, and 56 offering a Diploma. These RTOs may be secondary schools, TAFE colleges, private providers, industry associations, employers, community education providers, or universities, provided that their training complies with the Australian Quality Training Framework.

Tracking the numbers of enrolments in and completions of these courses over the years is made challenging by frequent changes to the curriculum and course codes of these three primary qualifications.





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