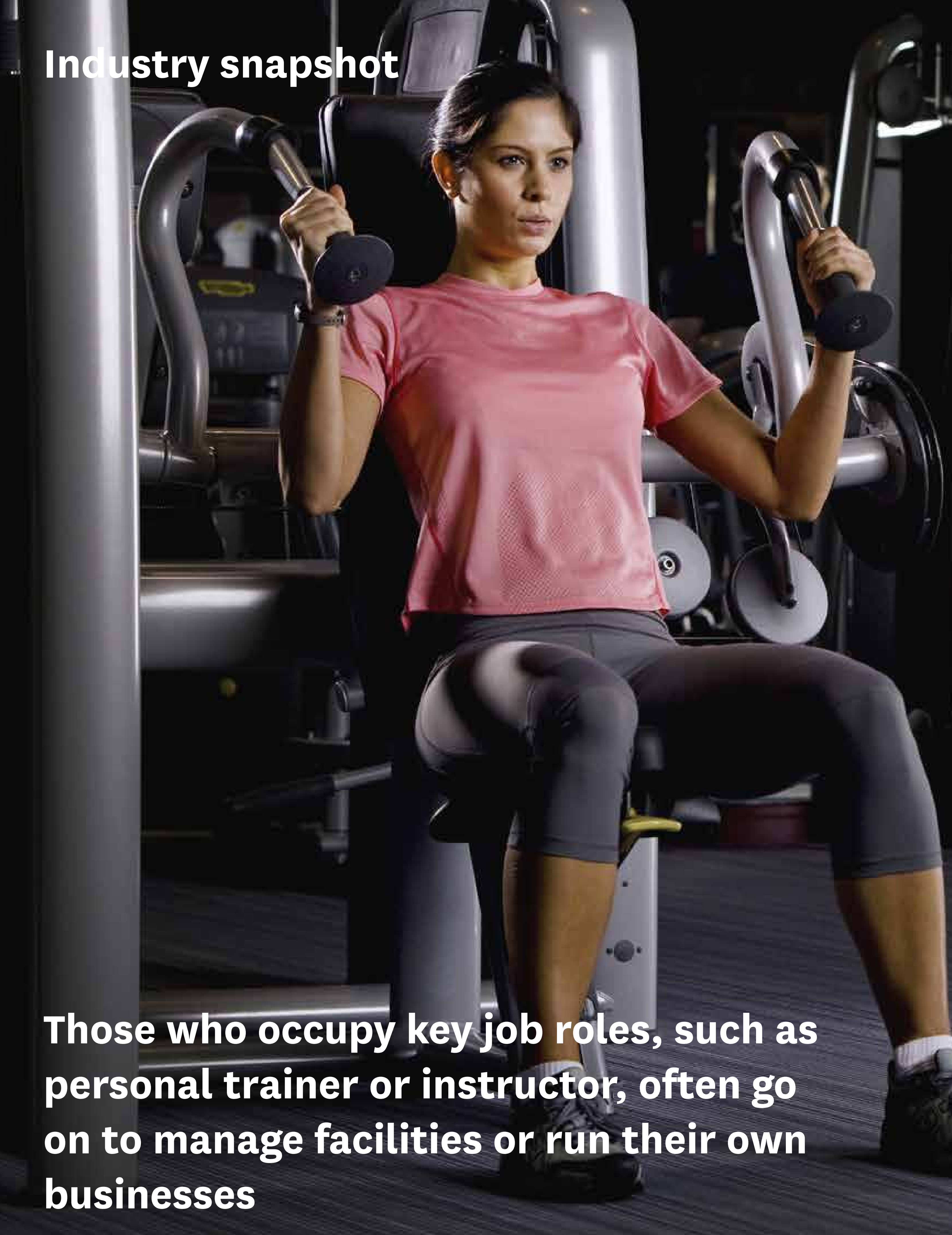
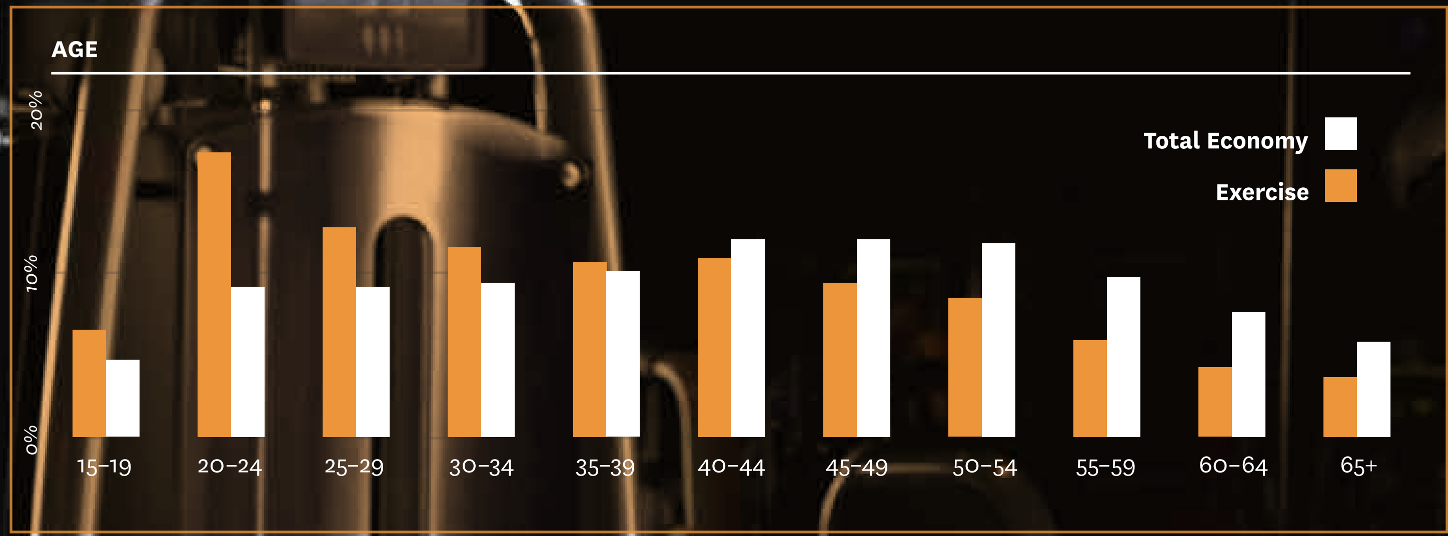
Exercise

Regular exercise brings physical, emotional and social benefits. The professionals in this industry are teaching, supporting and leading people, as they take part in activities that increase their overall wellbeing. Those who occupy key job roles, such as personal trainer or instructor, often go on to manage facilities or run their own businesses as they progress in their careers.

Industry snapshot



Those who occupy key job roles, such as personal trainer or instructor, often go on to manage facilities or run their own businesses



ECONOMIC CONTRIBUTION

$420M GDP

0.2% of New Zealand's GDP in 2016

Industry profile

The exercise industry is highly competitive, featuring everything from boutique businesses and community providers through to national gym chains and council-owned facilities. Increasing links between exercise and health are driving ongoing growth in non-profit operators.

In 2016, there were 61 more business units than in the previous year, bringing the total business units in the exercise industry to 1,570. The growth in business units in the industry over the past five years (averaging 6.9% per annum) has been greater than the growth in business units in the total economy, which averages 1.5% per annum.

The average number of employees per business unit in the exercise industry decreased from 5.3 employees in 2011 to 4.2 employees per business unit in 2016. Over the same period, the average number of employees per business unit in the total economy increased from 4.2 to 4.3.

The Exercise Association of New Zealand estimates that there are between 400 and 600 health and fitness centres in New Zealand. Around one-third are specialist studios, such as those offering Pilates, yoga and personal training, with the remainder being traditional centre models. Some 40 councils and five regional sport trusts own or manage exercise facilities.

Industry structure

LOCAL AUTHORITIES (COUNCILS)

Typically, Council leisure centres provide a range of services including a gym and exercise classes. These may be run by commercial contractors or non-profit organisations such as YMCA.

COMMERCIAL ORGANISATIONS

Gym chains with multiple branches, such as Les Mills, Jetts, City Fitness and Just Work Out. Regional and local gyms, individual personal training services, yoga studios, etc.

OTHER

Community exercise providers, including churches, marae, community groups, walking groups, weight loss organisations, etc.

In 2016, there were 61 more business units in the exercise industry than in the previous year

Workforce profile

There were 6,539 people employed in the exercise industry in 2016, or 0.3% of the total national workforce.

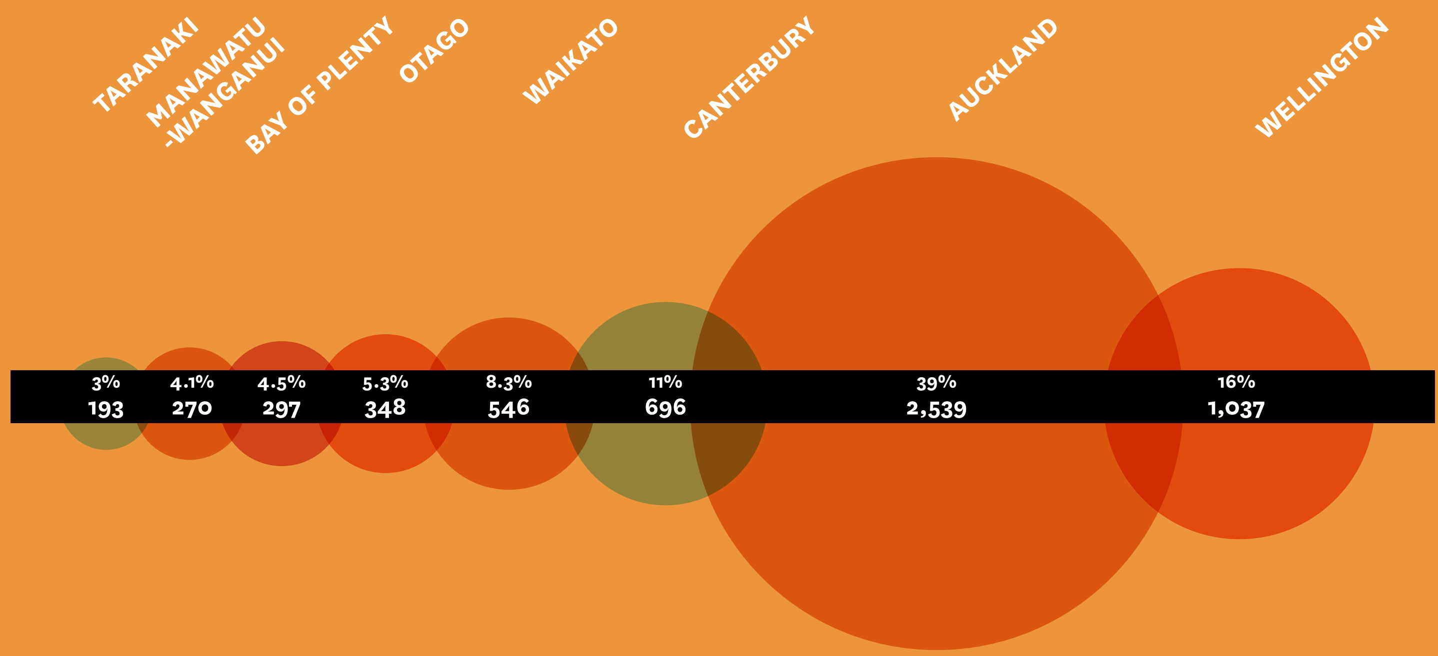
Between 2011 and 2016, employment in the exercise industry grew by an average of 1.9% per annum – this is the same employment growth as the total economy over the same period. In the two years to 2016, however, employment in the exercise industry dropped by 1.6%. This contrasts with employment growth of 2.7% in the total economy over the same period. The reason for the drop may be attributed to the market moving towards using contracted, rather than permanently employed personal trainers and group fitness instructors.

Exercise industry employment is forecast to grow at an average of 1.1% per annum between 2016 and 2021. This is slower than the predicted employment growth rate for the total economy of 2.3% per annum.

Employment growth in the exercise industry has decreased since 2014, and future growth is expected to be slower than the growth rate of the total economy

REGIONAL EMPLOYMENT

In 2016, of the 6,539 people working in the exercise industry, 39% were based in the Auckland region. In contrast, 16% were based in the Wellington region and 10% in the Canterbury region. Between 2011 and 2016, employment in the exercise industry grew by 3.4% per annum in the Auckland region. In the same period, the Otago region saw regional employment in the exercise industry grow by 4.8% per annum.



TOP FIVE JOBS BY VOLUME - 2016

FITNESS INSTRUCTOR

RECEPTIONIST (GENERAL)

FITNESS CENTRE MANAGER

OTHER SPORTS COACH OR INSTRUCTOR

CORPORATE GENERAL MANAGER

Workforce makeup

TYPE OF EMPLOYMENT

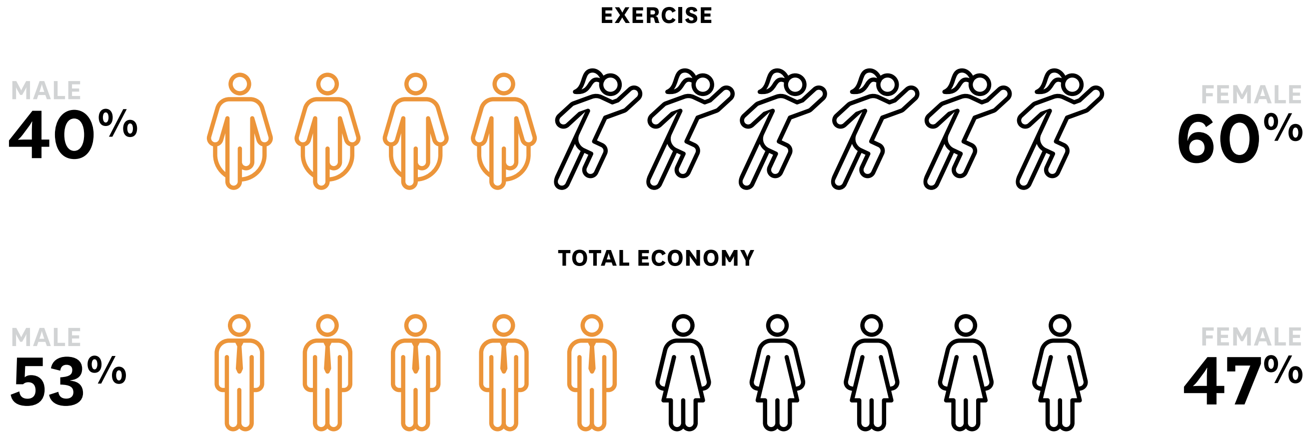
In 2016, 19% of the exercise industry was self-employed. This segment of the workforce has grown, and for the second year in a row was higher than the total economy's self-employment rate of 18%.

From an industry perspective, this may well reflect the increasing number of personal trainers and businesses working outside of traditional fitness centres, and using parks and open spaces to run their businesses.

The market has steadily moved towards using contracted, rather than permanently employed personal trainers and group fitness instructors

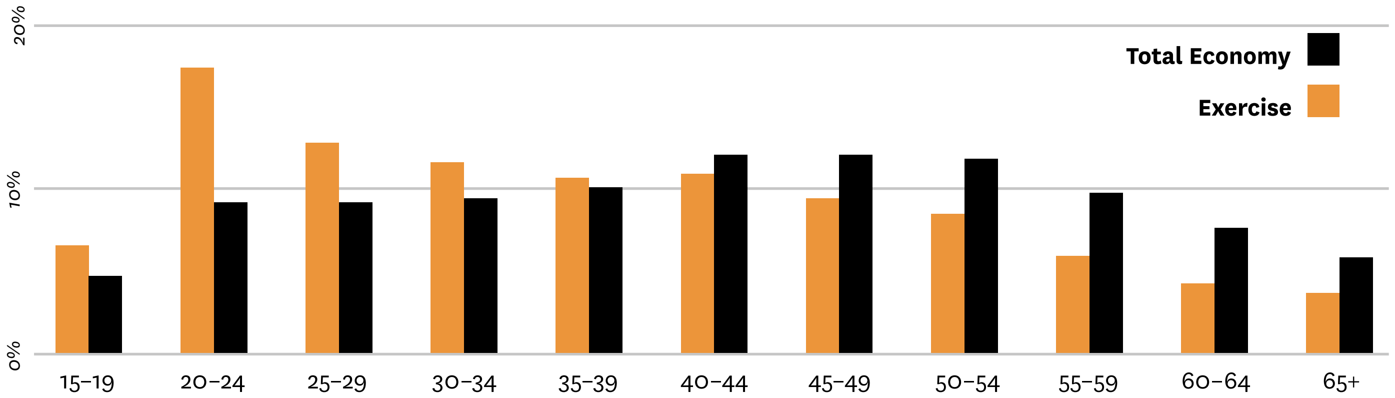
GENDER

In 2016, 60% of exercise professionals were women. While this is considerably higher in proportion to the 47% of females employed in the total economy workforce, it is a decrease from 2013 when 62% of the exercise workforce was female.



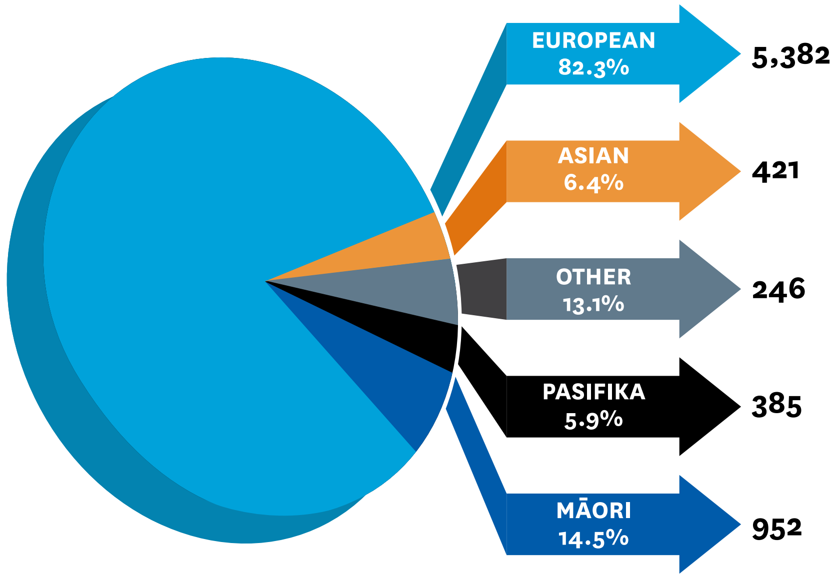
AGE

The exercise industry is a younger workforce compared with the total economy. In 2013, the average age of people in this industry was 38 years compared to 43 years in the total economy. There are nearly twice as many 20-24-year-olds working in the exercise industry than in the total workforce.



ETHNICITY

In 2013, some 82% of people working in the exercise industry identified as NZ European/ Pakeha, compared with 77% in the total workforce. People identifying as Māori accounted for 14.5% of the exercise industry's workforce, Asian people 6%, and Pasifika people 5.9%. The proportion of Māori and Pasifika people in the industry is high compared with their representation in the total economy (11.1% and 4.9% respectively).



SKILL LEVEL[23]

In 2016, there were fewer low-skilled occupations in the exercise industry (15%) than in the total economy (38%). The exercise industry also had fewer highly-skilled occupations (13%) than the total economy (33%).

EARNINGS

Average annual earnings for an exercise professional in 2016 were $34,200, which is considerably less than the national average earnings of $57,780.

Annual average earnings in the exercise industry have grown at a faster rate (3.6%) than the total economy (3.4%) over the past 10 years.

It is important to note that exercise professionals typically worked shorter hours than the average for the total workforce in 2013. Only 57% of people in the exercise industry worked 40 hours or more per week, compared with 76% of the total workforce.

Personal trainers and Pilates and yoga instructors can typically earn $40 to $65 per hour, but will often work much fewer than 40 hours a week.

[23]*Highly-skilled occupations typically require a bachelor degree or higher qualification. Medium-high-skilled occupations typically require an NZ Register Diploma, an Associate Degree or Advanced Diploma. Low-skilled occupations typically require an NZ Register Level 3 qualification or lower.*

Impact

Gym membership grew 32% between 2008 and 2013

The exercise industry contributed $420 million to New Zealand's GDP in 2016, or 0.2% of overall GDP. Over the five years to 2016, GDP in the industry grew by an average of 1.5% per annum, compared to 2.5% per annum in the economy as a whole. From 2015 to 2016, GDP in the exercise industry dropped by 4.9%, while GDP growth in the overall economy increased by 2.5%

As well as reducing risk factors for type 2 diabetes and cardiovascular disease, exercise is linked with improved mental health and a lower likelihood of degenerative brain diseases.[24]

Low physical activity accounted for just under 3% of all illness, disability and premature mortality in 2013.[25] Not only does this have implications for population health but also for the economy. A 2013 study found the total cost of physical inactivity to be $1.3 billion in that year.[26]

Gym membership grew 32% between 2008 and 2013. This trend continued, leading to 15.6% of the New Zealand population holding a gym membership in 2016.[27]

Outside fitness centres, boot camps and community exercise groups also provide an opportunity for people to exercise in a social setting. Church, marae, and community fitness programmes have grown in the last few years, and provide lower-cost options, in environments where users may feel more comfortable than they would in traditional gyms.

Economic Contribution

$420M GDP

0.2% of New Zealand's GDP in 2016

Fiona Goff
Chair of the Exercise Industry Advisory Group (IAG)

One of the main issues discussed by the Exercise IAG was the need for more qualified exercise professionals working in the industry, to meet the demand of our growing, changing population.

Our society is rapidly growing older, becoming more sedentary, and becoming increasingly obese. We need a workforce that is qualified to responsibly promote a physically active life.

The workforce needs to be more holistic, and more focused on the development of the whole person. We need exercise professionals who have a good understanding that the industry is not just about weight loss and how you look; it's about leading a physically active and healthy lifestyle.

If we all had our own qualified lifestyle coach who had this understanding, we would be a lot healthier and happier.

[24]Reducing the Risk, Alzheimer's New Zealand, www.alzheimers.org.nz [25]New Zealand Health Survey, 2015/16 [26]The costs of physical inactivity: towards a regional full-cost accounting perspective, Market Economics Limited, 2013 [27]Workout industry bulks up: Gym business worth $494 million, The Herald, 2017

Trends/Issues/Risks

POLITICAL

Client safety during unstaffed hours

Like all businesses, exercise facilities now have greater responsibilities under the law to keep staff and clients safe. In 24-hour gyms, the requirement to keep clients safe during unmanned hours is demanding new practices and procedures, and more documentation. Exercise New Zealand helps members with advice on best practices, and has developed guidelines for 24-hour gyms.

There is an increased focus on the safety of users of facilities in the exercise industry, which has driven the development of a new national quality assurance scheme, launched in late 2017.

ECONOMIC

Fierce competition

Recent years have seen explosive growth in 24-hour gyms, and the advent of cut-price fees to entice new users.[28] The large end of the market is consolidating, with a small number of large chains making up some of the biggest gyms in New Zealand[29], while new and innovative operators such as Patu Aotearoa and Māori Movement continue to enter the arena.

'Niche-ing' of the Small Medium Enterprise market

On a related note, small providers are increasingly having to deliver highly unique value propositions to stay relevant, while generalist exercise providers in the middle are being squeezed by the ultra-low fees model used by their larger rivals.

SOCIAL

Health at every size

Body positivity activists are pushing for a greater focus on exercise for health, rather than weight loss, and arguing that overweight and obese bodies can be healthy[30, 31] – challenging some of the elements of one of the government's key public health initiatives, to reduce childhood obesity.[32]

Widening scope of client expectations

Fitness professionals are increasingly being asked to provide nutritional advice, which may fall outside their scope of practice.[33] Many clients expect trainers to care for the whole person and offer guidance on diet, as well as sleep, stress, physical rehabilitation and much else.

Social media marketing

Exercise businesses are often at the forefront of social media marketing, in a bid to capture the attention of a sophisticated and social-savvy customer base.

Care of older demographic

With the ageing population comes a greater demand for nursing home staff to work alongside exercise instructors, physios and occupational therapists to support this older population's physical activity and wellbeing.

TECHNOLOGICAL

Ongoing advances in technology

As well as the continuing growth in fitness trackers, online classes and personal training services, gyms are chasing new customers using virtual and augmented reality tools.[34]

Low-tech exercise

Exercise is increasingly being prescribed via non-equipment programmes, driven by the thriving popularity of back-to-basics style exercise classes like CrossFit and F45.[35]

Rapid speed of research and trends

Exercise professionals are facing a constant stream of new products, trends and research,[36] and are striving to process this information critically and pass on the valid and useful knowledge to clients while filtering out unproven claims and fads.

[28]Workplace Survey, Skills Active, 2017 [29]Workout industry bulks up: Gym business worth $494 million, The Herald, 2017 [30]Dollar E, Berman M, Adachi-Mejia AM. Do No Harm: Moving Beyond Weight Loss to Emphasize Physical Activity at Every Size, 2017 [31]Bombak A. Obesity, Health at Every Size, and Public Health Policy. Am J Public Health. 2014;104:e60–e67. [32]Childhood Obesity Plan, Ministry of Health, www.health.govt.nz [33]Should you take nutrition advice from your personal trainer? Fairfax, September 2016 [34]"The Trip" group fitness, Les Mills, www.lesmills.co.nz [35]CrossFit – cult or community? Stuff.co.nz, 2015 [36]Press release: Top Fitness Trend for 2017 is Wearable Technology, American College of Sports Medicine, October 2016

Training environment

Over 40% of people working in the exercise industry have a level 5 diploma or higher. Some 26.5% have a bachelor's degree or higher. Both figures are higher than the average for the total economy.

The need for educated, certified and experienced exercise professionals consistently ranks in the top five trends in the Worldwide Survey of Fitness Trends.[37]

Exercise qualifications are available from numerous education providers including polytechnics, universities and private training establishments. However, the 'work-readiness' of graduates remains a concern for employers.[38]

On-job training remains an important part of the skills framework for the industry. For many employers in the industry, on-job training is delivered in-house or in collaboration with other providers, such as industry training organisations.

BARRIERS TO INDUSTRY TRAINING AND QUALIFICATION COMPLETION[39]

Barriers to training and completing qualifications are mainly linked to the make-up of the industry:

- Small-to-medium businesses
- Relatively young workforce
- High proportion of part-time and contract staff
- Relatively low earnings, but high expectations of younger staff
- Lack of in-house assessment options in small organisations.

On this basis, the main barriers to staff undertaking and completing qualifications are:

- Cost of training and assessment
- Busy schedules and multiple time commitments
- Access to and availability of suitable training, qualifications and assessors
- High staff turnover
- Limited workplace training capability and/or coordination.

CURRENT AND FUTURE SKILLS NEEDS[40]

Many gyms and exercise businesses are launched by personal trainers wishing to take their careers to the next level. In some cases, these fledgling owner-operators have the passion and drive required, but not the business skills, and they need to add these to their repertoire.

The industry has identified the following current and future skill needs:

- Management and supervision skills
- New technology and technical skills
- Marketing and sales skills
- All skills covered by existing training will remain critical.

With changing demographics and the increasing focus on the role of exercise in health, specific, cost-effective training in the following areas will also be necessary:

- Interpersonal skills to deal with a breadth of people – health professionals through to elderly clients
- Communication skills with different ethnic groups including Māori, Pasifika and Asian
- Knowledge of specific health conditions and appropriate responses to them – obesity, heart disease, type 2 diabetes, different cancers
- Business management and marketing – these skills will be especially important for personal trainers in an increasing environment of self-employment.

[37] *Worldwide Survey of Fitness Trends 2017: ACSM'S Health & Fitness Journal: November/December 2016 - Volume 20 - Issue 6 - p 8–17*
[38] *Workplace Survey, Skills Active, 2017*
[39] *Workplace Survey, Skills Active, 2017*
[40] *Workplace Survey, Skills Active, 2017*