



Private Health Insurers Position Statement



1. About Fitness Australia

Fitness Australia is the National Health and Fitness Industry Association working towards our vision of a fitter, healthier Australia. Fitness Australia is a not-for-profit, member based association representing over 2,500 Registered Fitness Businesses and over 29,000 Registered Exercise Professionals Australia wide. These registered businesses and exercise professionals provide exercise services to over 3 million Australians seeking to enjoy a fitter, healthier lifestyle.

Over the last decade, the fitness industry has grown significantly and this growth is expected to continue well into the next decade. Approximately 3.3 million Australians were estimated to use the services of registered exercise professionals or registered fitness businesses in 2012.¹

As the peak health and fitness industry association, Fitness Australia recognises the growing importance of the fitness industry to the Australian economy and that of maintaining the health and wellbeing of the community. Fitness Australia envisions a healthier community where more Australians are physically active and healthy owing to the utilisation of the broad range of services provided by the contemporary fitness industry.

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2. Purpose of Recommendations

These recommendations seek to inform Private Health Insurers about current fitness industry standards and provide an insight into fitness industry operations that will assist in the development or recognition of existing policies. Fitness Australia seeks to support, promote and encourage the delivery of fitness services to all population sectors, thus delivering a positive impact on population health through the reduction of preventable illness leading to reduced healthcare costs. Furthermore Fitness Australia is ideally placed to inform Private Health Insurance providers as to existing industry norms, standards, and current strategies that seek to encourage the population to access and benefit from existing fitness industry services.

3. The rationale for recognition of fitness industry services

The fitness industry is a dynamic and evolving industry. Fitness activities are defined by the Australian Bureau of Statistics (ABS) as participation in 'aerobics/fitness/gym activities,' 'Pilates,' 'weight training' and 'yoga' categories. Fitness industry participation continues to rise, with 18.3% of the Australian population participating in organised fitness activities in 2009–10, a 2.1% rise since 2005–06.² Overall consumer expenditure on fitness centre services has increased by 49% since 2009.³

Aerobics, fitness or gym activities are now the second most popular physical recreational activity for Australians, with only walking being more popular. More participants utilise fitness industry services than swimming and cycling (the next biggest) combined. Furthermore as fitness industry participation continues to increase, other sport participation is declining; only 20% of sport and recreation categories recorded an increase in participation between 2004–05 and 2009–10.⁴

These increases have been driven by changing demographic factors. Since 2005–06 the average wealth of an Australian household has increased 14%.⁵ Urbanisation and increasing time pressures are likely to continue to reinforce gym participation. Importantly the decline in incidental activity levels further reinforces the value of encouraging greater community utilisation of fitness industry services as we seek to improve population health.

4. Fitness Australia Registered Fitness Businesses

Fitness Australia registered businesses include a range of service providers delivering fitness services to the general public. Our registered businesses include service offerings from full service facilities, including Fitness First, Goodlife Health Clubs, Fernwood Fitness; franchise models such as Anytime Fitness, Snap Fitness and Vision Personal Training, as well as independent indoor and outdoor providers. Registered businesses abide by the required state and territory codes of practice and employ registered and qualified staff across all technical roles. Fitness Australia provides advice and support to Registered Fitness Businesses extending across work health and safety legislation, service standards and legislative compliance.

5. Recommendations for the recognition of Fitness Industry Services by Private Health Insurers

Fitness Australia shares the broad goals of private health Insurers to enhance population health and that of their clients. As of March 31st, 2013, 46.9% of the Australian population had a form of Private Health insurance coverage. Over the preceding 12 months, Private Health Insurers paid benefits of approximately \$1,035.40 per person in hospital treatment benefits per person, increased from \$992.12 from the previous 12 months.⁶

Government health spending in Australia grew 74% over the past decade, far faster than GDP, which grew by 46% above CPI.⁷ Furthermore Australian governments are spending almost A\$42 billion more this year in real terms on health than they did a decade ago, compared to A\$28 billion more on welfare and A\$22 billion more on education. Health expenses are now 19% of Australian government budgets (state and federal), compared to 17% in 2002 and 2003.⁸

The health benefits of regular exercise and the broader health benefits associated with utilisation of fitness industry services are readily apparent. According to recent data the estimated savings in direct health care costs from Australia's fitness centres is between \$71.9 million and \$107.9 million.⁹ Further research has considered the economic benefits associated with a modest 3% increase in fitness centre utilisation. This achievable forecast has the potential to deliver additional health care savings in the order of \$204.8 million annually.¹⁰

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These results suggest that greater emphasis on preventative health care and the delivery of fitness industry services to a broader cross section of society could yield considerable economic and social benefits and promote long lasting change in public health indicators.

Fitness Australia strongly encourages Private Health Insurers to recognise the value of increased fitness service utilisation. Expanding the offering of health insurance rebates on the range of registered fitness services available would not only send a positive message to clients as to the health benefits of regular exercise but also positively impact on the health status of your clients and the broader population.

6. Supporting health insurance providers

Fitness Australia is well placed to deliver support to health insurance providers, relating to industry standards and registration requirements as well as professional practice benchmarks for safety and client care. As the National Health and Fitness Industry Association Fitness Australia's key objectives are to enhance standards of fitness industry service delivery, while ensuring compliance with Fitness Industry Codes of Practice and the delivery of services by qualified and registered staff.

7. Policy Recommendations

- Private Health Insurers recognise Fitness Australia registered fitness businesses and provide health insurance rebates to clients utilising health and fitness services provided by registered fitness businesses.
- Fitness Australia supports Private Health Insurers to communicate with registered Fitness Businesses, enabling them to accurately communicate about health fund policies and procedures.
- Fitness Australia provides regular updates to Private Health Insurers on industry standards, demographic profiles on industry participants and growth patterns thus ensuring a continuing familiarity with the evolving industry.

7. References

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5. Australian Bureau of Statistics 2013, *Household Wealth and Wealth Distribution Australia 2011-2012*.
6. 2013, [Private Health Insurance Quarterly Statistics](#), Private Health Insurance Administration Council
7. Daley, John 2013, *Budget Pressures on Australian Governments*, Grattan Institute
8. Daley, John 2013, *Budget Pressures on Australian Governments*, Grattan Institute
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