2013 Sport, Fitness and Recreation Environmental Scan: *Discussion Paper*

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The Environmental Scan

The Environmental Scan for the sport, recreation and fitness industries is produced annually and forms a key piece of advice to government and the Australian Workforce and Productivity Agency (AWPA). The Environmental Scans also contribute to the continuous improvement of SSA's training packages and identifies workforce development priorities for the sector. Finally, industry and the Vocational Education and Training (VET) sector draw upon the Scan as a valuable resource on skilling and workforce needs.

The Environmental Scan identifies the trends that affect the sector's skill requirements, the way in which training packages are responding, and the industries' workforce development needs—including the occupations that are in demand or shortage. The Scan also details the impact of training packages on the sector, including publicly-funded enrolments and completions, and a stock take of changes to the training package in the last year.

Providing Feedback

This discussion paper outlines the research areas identified through consultation with key industry stakeholders over June and July. This paper seeks to validate these themes, as well as receive additional feedback and information from industry. To help guide your feedback, discussion questions have been provided throughout; however, feedback need not be limited to these questions.

To provide your feedback, please email your responses to Susan Belardi, Research Officer, by **Friday, 12 October** at **sbelardi@serviceskills.com.au**

Service Skills Australia

Service Skills Australia (SSA) is the Industry Skills Council (ISC) for the service industries. Skills councils are the recognised national bodies providing advice on industry training and skills development needs to government and industry.

SSA works with businesses and workers across sectors including retail and wholesale, sport, fitness, recreation, tourism, travel, hospitality, hairdressing, beauty, floristry, community pharmacy and funeral services.

SSA supports skills development for these industries by:

- providing industry intelligence and advice to AWPA, government and enterprises on workforce development and skills needs
- actively supporting the development, implementation and continuous improvement of high quality training and workforce development products and services, including training packages. SSA currently manages 10 industry training packages
- working to develop a culture within the service industries which promotes and enhances the skills development of its workforce
- providing independent skills and training advice to enterprises, including matching identified training needs with appropriate training solutions; and working with enterprises, employment service providers, training providers and government to allocate training places.

SERVICE SKILLS AUSTRALIA

Latest Industry Intelligence – Cross sector

The volunteer workforce

The sport and recreation workforce cannot be understood in its entirety without considering the volunteer workforce as it is significantly reliant upon it. It is estimated that over 80 per cent of the sport and recreation workforce is unpaid. According to the ABS, 72.1 per cent of volunteer-utilising sport and physical recreation organisations are fully staffed by volunteers.[1] In addition, governance positions in most sporting and recreational clubs and associations are usually filled by volunteers. It is estimated that management and committee work accounts for 32 per cent of this sector's volunteering roles, equating to 544,100 management or committee positions filled by volunteers. It has been suggested that the reliance on volunteers for these crucial roles has contributed to some of the financial stress experienced by some clubs. While these figures only pertain to licensed clubs, 2011 research by KPMG for Clubs Australia found that 47 per cent of surveyed licensed sporting clubs were under financial 'distress' or 'serious distress'.[2]

However, the majority of total sport volunteers (54 per cent or 925,900) were involved in coaching, refereeing or judging. Finally, a significant proportion of total sport volunteers were also involved in administrative and clerical roles (37 per cent or 637,200).[3]

According to the ABS, there were 2.27 million sport volunteers in 2010, which represents 14 per cent of the adult population.[4] This also represented 37.3 per cent of all volunteers, which was the highest share of any sector.

These figures are also likely to be underestimated given that many people do not self-identify as a volunteer. In sport, this could include senior players who assist in skill development, or parents who informally assist with junior sport. Overall, Frontier Economics has estimated that the monetary value of volunteer input to the sector in 2006 was $3.9 billion.[5]

A key issue that has been identified by the sector is the lack of support given to volunteers, which jeopardises the sustainability of the supply of volunteers and the quality of service provision. The sector reports that training is not often provided to volunteers, primarily because government funding, such as the National Workforce Development Fund is not available for volunteers. This is despite the significant social returns to volunteering and the little resources available to many sport and recreation not-for-profit organisations.

SSA's engagement with the sector indicates that the culture of managing volunteers needs to better reflect the practices and behaviours that are commonplace in the commercial working environment. It can be argued that organisations that utilise volunteers need to make greater use of contemporary human resources practices given the absence of financial reward for those that give their time. Furthermore, paid employees and unpaid volunteers have many similarities in their motivations and expectations for their positions, the provisions they require

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[1] ABS, 2011, Cat. No. 4441.0, Voluntary Work, Australia, 2010.
[2] Unpublished data provided by Clubs Australia. Sample size: 620 sports clubs.
[3] ABS, 2011, Cat. No. 4156.0, *Sports and Physical Recreation: A Statistical Overview, Australia, 2011*
[4] ABS, 2012, *Volunteers in Sport*, Cat. No. 4440.0.55.001
[5] Frontier Economics, 2009, *The Economic Contribution of Sport to Australia*, prepared for the Australian Sports Commission.

in order to fulfil those positions needs, and the quality of skills necessary in order to satisfactorily perform their duties.

It is well documented that volunteers are often under significant time pressures, which further intensify the importance of retention strategies. At 17 per cent, employed persons are four times more likely to be volunteers than individuals who were unemployed (4 per cent) and double those not in the labour force (7 per cent).[6] Approximately 46.8 per cent of volunteers in the sport and recreation sector have dependent children aged 0–17.[7] Consequently, SSA supports the greater adoption of the practices outlined in Volunteering Australia's *National Standards for Involving Volunteers in Not-for-Profit Organisations* as the basis for using volunteers.

Discussion Questions:

Do you have any comments on the provision of training for volunteers?

Do you believe the governance skills of volunteers have had an impact on the financial viability of sport and recreation organisations?

Workplace Health and Safety

On 1 January 2012 the Australian Capital Territory, New South Wales, Queensland, the Northern Territory and the Commonwealth harmonised their Work Health and Safety (WHS) laws. This means that persons conducting a business or undertaking (organisations) and workers, including volunteers, in these jurisdictions are protected by the same WHS laws. Tasmania will implement the same WHS laws on 1 January 2013.

The harmonised work health and safety (WHS) laws require that organisations that employ paid workers ensure, so far as is reasonably practicable, ensure the physical and mental health and safety of its workers, including volunteers. The new WHS laws do not apply to volunteer associations—organisations that do not have any paid staff. Consequently, this will broaden the application of WHS duties for organisations that already have had such duties, but not extend it to new organisations.

Discussion Question:

Has there been an impact on this sector as a result of the harmonisation and changes to WHS laws?

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[6] ABS, 2011, *Sport and Recreation: A Statistical Overview, Australia*, Cat. No. 4156.0
[7] ABS, 2011, *Cat. No. 4441.0, Voluntary Work, Australia, 2010*.

Children's Participation

The most recent data shows that organised sport and dancing participation among children has increased to 70 per cent in 2009 from 67 per cent in 2000.[8] This was the result of a steep increase between 2000 and 2003, followed by a steady participation rate through to 2009.

Children participation levels particularly increased over this time for the 6-8 and 12-14 year age groups, with an increase to 67 per cent and 69 per cent in 2009 from 63 per cent and 66 per cent in 2000 respectively.[9] Despite this, participation among children has been shown to peak for the 9-11 year age group (73 per cent in 2009).

There appears to be barriers to the retention of involvement in organised sport and dancing as children enter their teenage years, with fewer children in the 12-14 years cohort participating in organised sport and dancing compared to when they were 9-11.[10] Furthermore, in the 12 months to April 2009, 1 million children aged 5 to 14 did not participate in any organised sport outside of school hours. There are also many reports that the quality and quantity of sport and physical education in schools has deteriorated over recent decades. Most notably, this was highlighted in the 2009 *Crawford Report*.[11]

The Australian Government's Active Afterschool Communities (AASC) program has sought to address declining child participation rates through providing primary school children with access to free sport and physical activity programs after school through linking schools with local sporting clubs. The program also ensures equitable provision for regional locations, with approximately 52 per cent of AASC sites currently located in regional or remote communities.

Many sports have also actively targeted children in their strategies to increase their sport's participation levels. This usually encompasses modified versions of the sport, such as tennis' 'Hot Shots' and Cricket's 'In2Cricket'. Gymnastics Australia have also recently released 'LaunchPad', a movement program for children aged 0-12 which develops children's "physical literacy" as a foundation to lifelong physical activity in any sport or recreation activity.

Discussion Questions:

What do you believe to be the drivers of the retention issues in participation into teenage years?

What strategies do you believe are working to increase children's participation in sport and recreation?

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[8] ABS, 2012, *Perspectives on Sport, July 2012: Children's Participation in Organised Sports and Dancing,* Cat. No. 4156.0.55.001
[9] Ibid.
[10] Ibid.
[11] Independent Sport Panel, 2009, *The Future of Australian Sport (Crawford Report).*

Adult Participation

In 2009-10, it is estimated that 63.6 per cent of the population participated in sport, fitness and recreation activities.[12] This represented a decline on 2005–06, where 65.9 per cent of the population reported participation.[13] According to the ABS, participation in both organised and non-organised sport has decreased in recent years for those aged over 15. Participation in organised sport decreased from 27.5 per cent of the population in 2005-06 to 26 per cent in 2009-10, while participation in non-organised sport decreased from 53.7 per cent to 52.2 per cent over the same period.[14]

The ASC's survey of participation, the 'Participation in Exercise, Recreation and Sport Survey (ERASS) estimates higher participation rates on all measures. For 2010, ERASS estimates that total participation was 82.3 per cent of the population, while participation in non-organised physical activity was as high as 70.5 per cent and 40 per cent for organised activity.[15]

The ERASS survey also measures the participation rate for 'regular participation' (an average of 3 times or more a week) and finds an increase of 11 percentage points for the period between 2000 and 2010 in non-organised activity, yet only a small increase in organised activity.[16]

The ABS and the ASC define participation in organised sport or recreation as recreation activities which were fully organised by a club or association—sporting or otherwise (e.g. social club or church group). Given that organised sport and recreation participation involves paid workers and unpaid volunteers to organise these activities, these are important trends for the demands on the sport, fitness and recreation workforce.

Discussion Questions:

What do you believe to be the drivers of the increase in non-organised sport relative to organised sport?

Do you believe the data is capturing these trends accurately?

Consumption and Leisure Time Trends

Rising incomes mean that Australian households are spending an increasing amount of time and money on recreation. Between 2003-04 and 2009-2010, the average weekly household consumption on recreation increased by 41 per cent, or $47, since 2003–04, which occurred alongside a 50 per cent increase in the mean gross household income.[17] However, sport and physical activity is competing with other recreational activities, such as cultural activities, and pay TV and the internet, for its share of consumers' recreation time and money.

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[12] ABS, 2011, *Sport and Recreation: A Statistical Overview, Australia*, Cat. No. 4156.0
[13] ABS, 2010, *Cat. No. 4177.0,* Participation in Sport and Physical Recreation 2009-10.
[14] Ibid.
[15] ASC, 2011, *Participation in Exercise, Recreation and Sport: Annual Report* 2010.
[16] ASC, 2011, *Participation in Exercise, Recreation and Sport: Annual Report* 2010, p13.
[17] ABS, 2011*, Cat. No. 6530.0,* Household Expenditure Survey, Australia: Summary of Results, 2009-10.

While the average weekly household expenditure on selected sporting and physical recreation products and services increased between 2003-04 and 2009-10 from$15.71 to $18.94 (or 20.5 per cent), this does not compare with other recreation categories such as internet and pay TV charges (152 per cent and 95 per cent increases respectively).[18] Furthermore, the average daily time spent in sport and outdoor activities decreased by 6 minutes to 21 minutes between 2006 and 1997. Conversely, the average time spent daily on audio or visual media activities for leisure increased by 8 minutes per day to 2 hours and 10 minutes.[19]

Even though "lack of time" is often given as a reason for individuals not participating in sport or physical recreation, ABS data shows that persons who worked 41-48 hours per week had higher levels of participation (87.7 per cent) than individuals who worked less than this.[20] Similarly, participation rates remained unaffected by greater commuting times between home and work.

Discussion Question:

How is the increased competition for consumer leisure time and money having an impact on the skilling needs of the sector?

Participation type trends

One of the most significant trends over the past decade has been the shift to aerobics, fitness and gym physical activities, while participation in some traditional sports has decreased. The ASC's ERASS survey estimates that participation in aerobics and fitness has increased by 110 per cent between 2001 and 2010. According to Deloitte Access Economics there are a number of factors influencing this potential change, particularly the industry's value-propositions of flexibility and convenience exemplified by the proliferation of 24/7 gyms.[21]

Participation in running, outdoor football, cycling and walking also increased in the ten-year period, although walking, running and cycling showed greater fluctuation over the period.[22] This contrasted with the decreased in participation (organised or otherwise), over the same period, in tennis (down 24 per cent) swimming (down 6 per cent) and golf (down 5 per cent). When solely looking at organised physical activity, tennis (–24 per cent) and golf (–8 per cent) experienced the greatest declines. While participation has increased in organised outdoor football (55 per cent) and outdoor cricket (33 per cent) between 2001 and 2010[23], these increases have not counteracted the losses in participation in other sports (as evident in the stable participation rate in organised activity).

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[18] ABS, 2011*, Cat. No. 6530.0,* Household Expenditure Survey, Australia: Summary of Results, 2009-10.
[19] ABS, 2010, Cat. No. 4173.0, Time Use on Recreation and Leisure Activities, 2006.
[20] ABS, 2012, *Sport and Social Capital*, Cat. No. 4917.0
[21] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. 24

[22] ASC, 2011, *Participation in Exercise, Recreation and Sport: Annual Report* 2010.
[23] Ibid.

Discussion Questions:

What do you think is driving the increase in participation in fitness and aerobics?

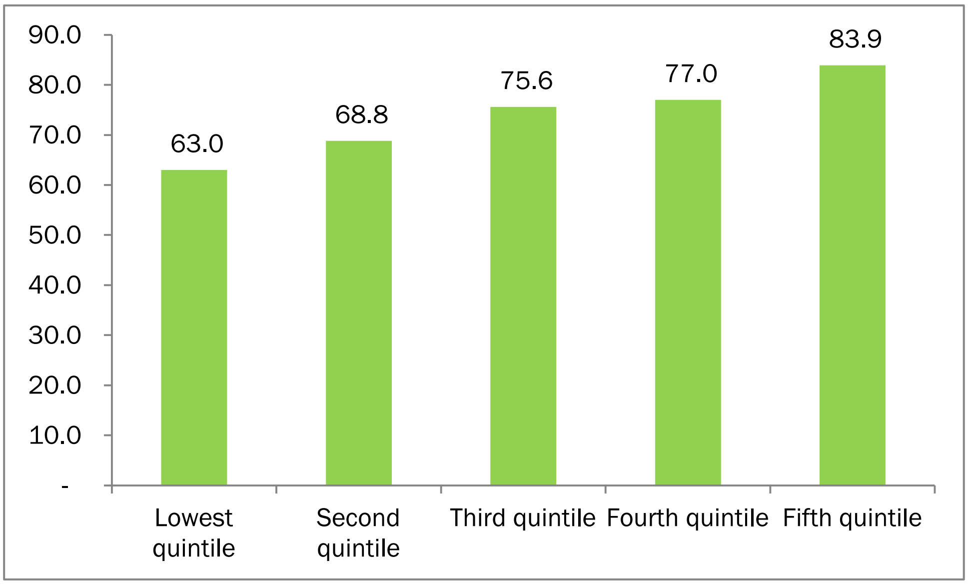
Why do you think outdoor football and cricket have bucked the trend of decreasing participation?

Physical activity and social capital

Recent research has highlighted the positive contribution of participation in sport and physical recreation to the development and maintenance of social capital.[24] Social capital is often defined as being a resource available to individuals and communities founded on networks of mutual support, reciprocity and trust. Various researchers and policymakers have emphasised that increased social capital leads to beneficial outcomes for individuals in areas such as education, employment, health and family wellbeing.[25] Since social processes cannot be measured in a qualitative survey it is impossible to fully quantify the relationship between social capital and participation in sport and physical recreation.

However, the graph below indicates the relationship between socio-economic disadvantage and sport and physical recreation participation, highlighting the disparity in the generation of social capital benefits to individuals with socio-economic disadvantage.

Figure 1: Participation Rate in Sport and Physical Recreation by Index of Socio-economic Disadvantage (%)



ABS, 2012, *Sport and Social Capital*, Cat. No. 4917.0

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[24] ABS, 2012, *Sport and Social Capital*, Cat. No. 4917.0
[25] Matthew Tonts (2005) 'Competitive Sport and Social Capital in Rural Australia' *Journal of Rural Studies*, vol. 21, p. 138.

Discussion Questions:

Do you have examples of the positive effect of sport upon social capital?

How can the positive relationship between sport and social capital be reinforced or furthered?

Facilities and access to physical activity

The availability of open space provision that is suitable for outdoor physical activity is becoming an issue in greenfield (undeveloped) sites. While it is inconsistent between states, a common theme is a lack of tools within the development process to ensure that new developments provide a pro rata contribution to community, social and recreational infrastructure, which may or may not be located on their site.

Local Government Authorities are increasingly defining community needs through benchmarking against provision rates in similar areas and industry or national standards. Therefore, if a development looks to increase the size of the community, a fair and equitable contribution to community facilities can be calculated to ensure that infrastructure keeps pace with the proposed level of population growth.

Councils currently have little recourse to make such demands on developers, with most states only requiring a certain proportion of land be allotted as open space. Furthermore, this does not guarantee that this 'open space' will be usable for sport and recreation usage (or other community uses). It does not need to be developed in any way for use, nor does it need to be appropriately located. This means that these spaces could be overly steep, heavily vegetated or have other uses, such as stormwater detention.

Given that greenfield developments are generally located further away from city centres, these areas are further away from exisiting recreational assets. These areas also tend to have younger populations with children, which also increases their need for recreation spaces.

The importance of facilities to ensure participation in sport has been recognised by the Australian Government and the ASC in its strategic plan. The ASC notes in its strategic plan "the infrastructure of community sport — made up of both volunteers and facilities — was under threat, with no coherent approach to building community sports and the physical facilities they need."[26] The Australian Government has provided some support by providing facilities funding through the Regional Development Australia Fund, as well as targeted sports facilities funding.

At the state level, it has been recognised in Western Australia that new mining regions particularly require investment for the provision of sport and recreation facilities. This is because there have been unprecedented and rapid levels of growth in these regions, but also because these regions are remote and facilities are needed to be attractive to newly relocated

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[26] ASC, 2011, *Strategic Plan: 2011-12 to 2014-15: Working together for Australian Sport,* p4.

families. As a result, a total of $22.7million has been made available through the 'Royalties for Regions' funding. This will fund seven identified regionally significant sport and recreation projects through the Regional Development Council's Action Agenda Funding Scheme. These projects include infrastructure, community participation for those with a disability, an Indigenous employment program and a regional talent development network.

Mining companies themselves have also directly funded a significant proportion of sport and recreation infrastructure in new mining villages and camps for its Fly-in-fly-out workforce, with many providing gyms, pools, indoor cricket nets, walking tracks, and tennis and squash courts.

Discussion Question:

Do you have examples of the effects on inadequate infrastructure and facilities on sport and recreation participation?

Preventative Health

The importance of trends in physical activity is also associated with the effects on health. Research shows that physical inactivity is related to an increased risk of cardiovascular disease, Type 2 diabetes and chronic kidney disease.[27] It is also associated with developing other risk factors for these diseases such as obesity, increased blood pressure and increased cholesterol levels. It is estimated that 7 per cent of the overall burden of disease and injury in Australia was attributed to physical inactivity and of 24 per cent of the burden of Australia's incidence of diabetes and cardiovascular disease.[28] Conversely, regular physical activity has a preventative effect and reduces the risk of the aforementioned diseases.

When considering the participation rates in physical activity for the purpose of preventative health, the measures given earlier in this document do not reflect the participation levels required to have an effect on health outcomes. This is because the threshold in this measure is only participation in at least one activity in the previous year. Currently, the National Physical Activity Guidelines for Australians (DHAC 1999) suggest that it is necessary to undertake a minimum of 30 minutes of at least moderate activity on most days of the week. On this measure, almost 60 per cent of Australians do not undertake sufficient levels of activity in 2007-08 and is more prevalent among those who lived outside of capital cities and those in more disadvantaged socioeconomic areas.[29] While comparative historical statistics are not available, the AIHW's research indicates that the proportion of Australians who are sedentary or undertake low levels of exercise has increased from 67 per cent in 1995 to 73 per cent in 2007-08.

Research indicates that in addition to preventing negative health outcomes and the associated health care expenditure, physical activity has the potential to increase labour productivity. In

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[27] AIHW 2008. Australia's health 2008. Australia's health no. 11. Cat. no. AUS 99. Canberra: AIHW.
[28] Begg S, Vos T, Barker B, Stevenson C, Stanley L & Lopez A 2007. The burden of disease and injury in Australia 2003. Cat. No. PHE 82. Canberra: AIHW.
[29] AIHW, 2012, *Risk Factors Contributing to Chronic Disease.*

2010, Frontier Economics estimated that as much as 1 per cent of GDP, or $12 billion, could be gained through a healthier workforce because of the above benefits.[30]

In response to such trends and the recognition of the benefits of preventative health, the government has taken on policy focus on this area. This is evident in the COAG National Partnership Agreement on Preventive Health and the formation of the National Preventative Health Taskforce (NPHT). These have led to initiatives that have particularly looked at the role of fitness, such as is the 'Lift for Life' program which is being run by Fitness Australia in conjunction with Baker IDI Heart and Diabetes Institute.

The Lift for Life program is a resistance training program designed to assist those at risk of type 2 diabetes and other chronic diseases. The program is to be provided through licensed health and fitness businesses and other community organisations, such as fitness centres, personal training studios and physiotherapy clinics. Significantly, the program will be run by Personal Trainers or Exercise Physiologists holding Certificate IV, as well as physiotherapists who undertake further training in the specific program.

Discussion Question:

What impact on the sector have you seen as a result of the increased awareness of the preventative health?

Latest Industry Intelligence – Fitness

In 2011, registered exercise professionals through Fitness Australia and Physical Activity Australia numbered 29,875.[31] It is estimated that 75 per cent of all fitness professionals are registered with these two organisations.[32] With regard to fitness businesses, there were 1,200 registered with Fitness Australia—it is estimated that this comprises 53 per cent of all Australian fitness businesses.[33]

Interviews with a variety of fitness industry stakeholders found that the fitness professionals are prone to high levels of turnover due to a variety of factors, including the lack of a structured career path and undesirable hours.[34] Indeed, permanent industry exit is responsible for the

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[30] Frontier Economics, 2010, *The Economic Contribution of Sport to Australia.*

[31] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. iii.

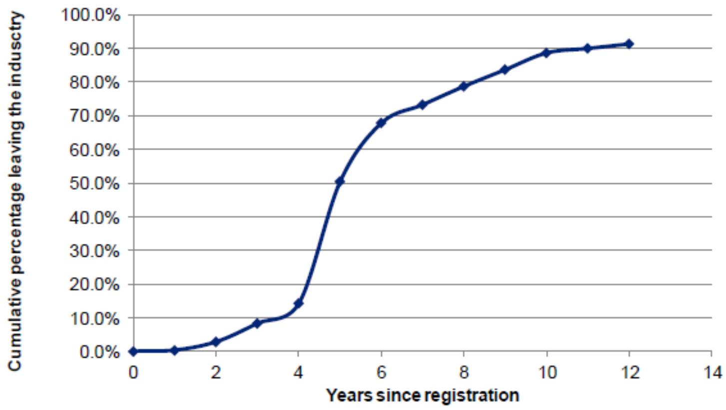
[32] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. 28.

[33] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. 9

[34] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. v

main outflows of fitness professionals from the sector.[35] Using data from Fitness Australia, DAE calculations found that the likelihood of industry exit increases with the number of years registered (see Figure 1).

Figure 2. Likelihood of industry exit since registration

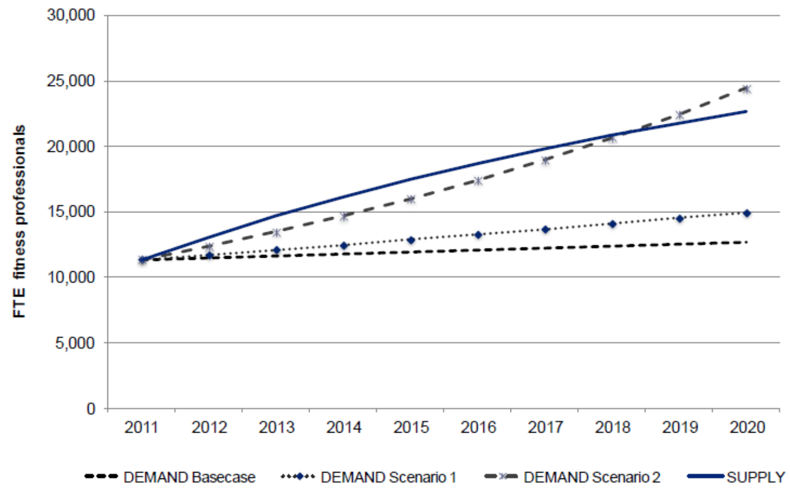


Source: Deloitte Access Economics

In 2012, Fitness Australia commissioned Deloitte Access Economics to undertake a detailed analysis of the Australian fitness professional workforce. The report included projections of future workforce demand to 2020 under three different scenarios: baseline demand, medium growth and high growth. The base scenario, population growth and changes to the population age structure are the only two variables presumed to affect the utilisation of fitness scenarios. The second scenario takes these changes into account and allows for an additional 1.6per cent increase in real per capita incomes. The third scenario assumes that demand for fitness services follows the current revenue growth of the industry. Figure 2 below shows the projection of supply and demand for FTE fitness professionals to 2020 across the three different scenarios.

[35] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. 12

Figure 3. Projection of supply and demand for FTE fitness professionals



Source: Deloitte Access Economics

A variety of industry stakeholders suggested that personal trainers and gym instructors are in relatively plentiful, if not over-, supply. At the same time, however, there is a shortage of skilled specialists such as, aqua trainers and yoga and zumba instructors.[36]

There are some within the industry reporting that graduates of fitness qualifications have appropriate technical skills but lack essential "people" skills. Some stakeholders indicated that training would be better delivered through an apprenticeship or traineeship.[37]

VET Activity

In 2012, Fitness Australia commissioned Deloitte Access Economics to assess the inflow of skilled fitness professionals into the fitness sector. The report found that approximately 12,500 students graduated from private RTOs in 2011.[38] This compares with the NCVER data which found that 2,732 fitness graduates completed a qualification in 2011.[39] Based on these numbers, the current VET reporting system only captured 17.9 per cent of fitness graduates in 2011.

[36] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. 47.

[37] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. 47.

[38] Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. 37.

[39] NCVER, National VET Provider Collection in Deloitte Access Economics, (January 2012), *Fitness Industry Workforce Report: 2010 – 2020*, commissioned by Fitness Australia, p. 37.

The growing alignment between the fitness industry and allied health

The Lift for Life Program is only one example of the fitness industry's increasing intersection with the health sector and its movement towards potentially becoming an allied heath function. Other notable examples include the development of a pre-exercise screening tool by Exercise and Sport Science Australia, Fitness Australia and Sports Medicine Australia, which includes a section to determine suitability for an exercise prescription. This development plays a key role in the potential future development of GP referrals to fitness professional for exercise prescriptions.

Fitness Australia, as a key fitness industry representative body, has also been extensively involved in two of the COAG National Partnership Agreement on Preventative Health's initiatives—the healthy workers and healthy communities.

With these developments, the demand for higher level trained fitness professionals is likely to increase and require a specific set of skills, as well as greater levels of professionalism from practitioners.

Technology

The fitness sector has seen the proliferation of 'apps' in the health and fitness category that detail fitness programs. As a result, the fitness sector is concerned that their services will increasingly be bypassed. This puts increasing pressure on fitness professionals to innovate and compete with these channels in order to remain relevant to consumers. Some examples of this include providing a gym's own app with fitness advice and class timetables, personalised encouragement messages and live streaming of classes.

Changing business models

Over the course of the last three decades perceptions about the role of gyms and the broader fitness industry have moved away from simply places to "pump-iron." Now the fitness industry has a more inclusive character, focusing on a holistic approach to healthy living with greater mass-market appeal. Accordingly, consumers have begun to demand more of fitness professionals, seeking advice not only on exercise techniques, but also things like medical conditions and dietary programs. While this presents a great opportunity for the fitness industry to expand the scope of its service offering, it also means that fitness professionals need to have the requisite skills to deliver on consumer expectations. According to Fitness Australia, most fitness professionals are not qualified to provide medical or health advice.[40]

A key trend in business models in the fitness industry is the continued growth of the '24 hour fitness' gym. This model is characterised by lower staff ratios, relying on swipe card access and CCTV supervision to monitor the premises while staff are not present in the off-peak hours, and basic gym equipment provision. The major operators in this market are Anytime Fitness, Jetts Fitness and Fit'n'Fast. A recent article in the media has reported that the number of these gyms has been "surging".[41] Anytime Fitness is reported to be opening its 200th gym in 4 years. A key implication of this business model is the increase in the provision of gym facilities in

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[40] Deloitte Access Economics, (January 2012), Fitness Industry Workforce Report: 2010 – 2020, commissioned by Fitness Australia, p. 10
[41] Mitchell, J. Australian Financial Review, 2012, *Low cost gyms pump up the market,* 20 September, p54.

regional areas due to the lower operating costs, making it economically viable to operate in locations with smaller populations. In 2011, Anytime fitness had approximately 60 per cent of its gyms located in regional centres of Australia.[42]

While some in the industry contend that this reduces the demand for fitness professionals, others see that it is broadening the take up of fitness in new areas, which may lead to increased demand for fitness services in the long run. Fitness Australia also reports that there has not been evidence that it poses a safety risk for users during the unsupervised hours of operation.

A counter-model to the 'low-cost' gyms is the heightened focus on customer service in full-service gyms. Industry noted that the introduction of Virgin into the sector was significant for its novel approach to customer service. In particular, the recruitment practices, which were transposed from its practices in the airline sector, have gained the attention of the industry. Customer service aptitude, as well as the personality and attitude of candidates, was considered the key criterion for recruitment. This practice is contrary to standard industry practice of recruiting based on qualifications and experience.

Finally, Fitness Australia has reported that there continues to be substantial growth in fitness professionals obtaining Australian Business Numbers (ABNs). This growth has been reflected in the fact that Fitness Australia has added a sole-trader platform for registration. This is attributed to the rise of personal trainers setting up micro-sized businesses that operate outdoors or as freelancers.

Discussion Questions:

Are there any other issues or emerging trends in the fitness sector?

Have we got the issues right?

Latest Industry Intelligence – Sport

Grassroots Participation

Following the Crawford Report, 'The Future of Sport in Australia', the ASC adopted many key priorities areas in its *Strategic Plan: 2011-12 to 2014-15.* One of the most significant changes was the recommendation to increase the recognition of the "grassroots participation" through funding, than the funding skew towards Olympic sports. As the Crawford Report noted, "for example, more government funds are provided for archery than cricket which has more than 100 times the number of participants according to unpublished ASC data."[43] The report also

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[42] Gardner, J. 31 August 2011, 'The Gloves Are Off', BRW, retrieved from http://www.brw.com.au/Page/Uuid/33f69a88-adaf-11e0-97df-2f7cb9a1748d
[43] Independent Sport Panel, 2009, *The Future of Australian Sport (Crawford Report)*.

noted that, traditionally, the Federal Government is expected to 'manage' elite sport, while the community participation is 'managed' by state and local governments.

These recommendations have translated to the ASC's strategic goal of "increased participation in sport". A key underpinning strategy to achieving this is working with NSOs and state and territory governments to implement strategies to grow participation. This work has begun with NSOs receiving funding following the development of its own sport-specific plan to grow participation in the sport.

Another key aspect of the strategy is to increase the participation in sport by key groups such as women, Indigenous Australians, people with a disability, and people from culturally and linguistically diverse (CALD) backgrounds. This has also been met with targeted funding assistance from the ASC.

An example of this is the Multicultural Youth Sports Partnership MYSP Program, which provides grants to organisations to create sport participation programs for young people from new and emerging communities.

Funding for grassroots participation also continues at the state level with the Queensland Government creating the 'Get in the Game' program and the Western Australian Government's 'Sports 4 All' Program, which includes vouchers of up to $200 that can be spent at sport or recreation clubs.

Building the capacity of our national sporting organisations

The ASC also identified in its strategic plan the critical importance of building the capacity and sustainability of the national sporting organisations (NSOs). This built upon the recognition that that while NSOs are key drivers of high performance programs, their role in community sport was "less well-developed but potentially huge".[44] The ASC also particularly identified the need to build capacity in relation to growing the participation of under-represented groups.

A component of this strategy is the collaborative work between the ASC and SSA to assist a select number of NSOs to build workforce development strategies that focuses on community sport capability. To date, work has progressed with 5 NSOs: Netball Australia, Australian Rugby League, Tennis Australia, Yachting Australia and Swimming Australia. These projects have differed in their approach, with some focussing on 'sport development' staff at the NSO and SSOs, while others have focussed on volunteers and coaches at the club level.

Preliminary findings indicate that the paid sport workforce is highly credentialed, with a large majority holding Bachelor degrees. However, this does not always lead to staff feeling as though they are equipped with the appropriate skills. Feedback also indicates a need for more practical, or vocational, skills that are immediately transferable to work.

While workers describe a high level of commitment to stay within the industry, there is a high level of job churn. This points to potential issues around retention. A lack of defined career pathways within the industry is consistently raised as a concern. This is compounded by the typical organisational structure, which is often flat, leaving minimal opportunity for intra-organisation career advancement. Another contributing factor is the high proportion of recent graduates undertaking community engagement work, which can be met with insufficient levels of mentoring. Finally, the long hours and weekend or evening work can also be seen to be a contributing factor.

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[44] ASC, 2011, *Strategic Plan: 2011-12 to 2014-15: Working together for Australian Sport,* p4.

In relation to sporting volunteers, initial findings suggest that personal or family involvement in the sport is the key incentive to participate as a volunteer. The primary concern of the volunteers is that they are stretched due to a lack of resources, both financial and human. With regard to training, volunteers responded overwhelmingly positively on the benefits that training does bring when it is provided to them. A preliminary finding is that there may be a future problem in succession planning as a minority of volunteers are completing disproportionate amounts of work. In terms of retention, there appears to be no significant problem, with most respondents indicating that they would continue volunteering with their current organisation for three years or longer.

Women in sport leadership

In 2010, the International Working Group on Women and Sport (IWG) in partnership with Communities NSW – Sport and Recreation and the Greater Sydney Partnership launched a website, called *The Sydney Scoreboard*, which collects and publishes data on the gender of board members, chairpersons and CEOs of NSOs both in Australia and abroad. Architect of the project, Johanna Adriaanse, Senior Lecturer in human movement and sport management at the University of Technology, Sydney, highlighted that the small number of women on boards in the traditionally male-dominated world of sporting organisations. Adriaanse's remarks are evidenced by the data, which shows that female Board Directors, Chairs and CEOs only made up 22.5 per cent, 20 per cent and 20.83 per cent, respectively, of Australian sporting organisations.[45] This long-standing issue was also raised by the Crawford Report, which noted that given the almost equal proportions of participation in sport between the genders, "it would be a realistic goal to have closer to 50 per cent representation of women in these leadership roles."

Discussion Questions:

Are there any other issues or emerging trends in the sport sector?

Have we got the issues right?

Latest Industry Intelligence – Recreation

Recreation is defined as activities that require physical exertion, but are predominantly engaged in for the purpose of enjoyment. However, it should be noted that the Australian Bureau of Statistics (ABS) does not differentiate between sport and recreation.

SSA also makes the distinction between community and outdoor recreation. Outdoor recreation involves physical activity that is undertaken in the outdoors, and as such, has unique requirements. This includes activities such as kayaking, bushwalking, skiing and mountain bike riding. As a result, this has links with what could be termed 'adventure' activities.

[45] http://www.sydneyscoreboard.com/scoreboard/country/australia/

Conversely, community recreation refers to the administrative and operational roles involved in recreation at the community level. This covers the activities in community managed recreation facilities or clubs, often run by not-for-profit organisations, such as the YMCA, or by local councils. A significant proportion of the activity in this sector occurs in aquatics and for this reason, the recently revised training package distinguishes this area.

As a community activity, recreation also receives a great deal of support from local and state government departments.

Aquatics

The aquatics industry has noted that council owned Olympic-sized swimming pools in need of repair are increasingly being converted to 25m pools. Industry believes that as this trend continues, it will have an effect on participation in water sports such as, swimming water polo and diving.

There are also widespread industry reports of a shortage of aquatics staff, particularly in regional and remote locations. The industry needs key staff like lifeguards and customer service personnel in order to keep facilities open and have sufficient staffing levels to comply with OHS requirements and RLSSA Guidelines for Safe Pool Operations. Furthermore, 315 people drowned in Australian waterways in the 12 months to 30 June 2011. This represented the third year in a row in which this figure increased.

Outdoor Recreation and Tourism

Australia is seen as an international leader in eco and nature-based tourism—a sector that is experiencing global growth. In Australia, tourism that encompasses nature-based activities has seen strong growth over the last year, with a 7.4 per cent increase in international visitors and an 11.8 per cent increase in domestic visitors.[46] Tourism Australia's market research has also found that "nature" was the number one experience motivating consumers in key international source markets to visit Australia. Over the last five years, international nature-based tourism expenditure has had a strong upward trajectory, increasing 24 per cent since 2007. However, this long term growth has not been matched in the domestic market, which has seen a decrease of 19 per cent.[47] This upward trend in nature-based tourism activities has a direct impact on the demand for the outdoor adventure workforce.

Discussion Questions:

Are there any other issues or emerging trends in the recreation sector?

Have we got the issues right?

[46] Tourism and Transport Forum, 2012, 'Nature-based Tourism Report, March Quarter 2012'
[47] Tourism and Transport Forum, 2012, 'Nature-based Tourism Report, March Quarter 2012'