

Sunday, 2nd September 2007

### **GYM MEMBERS GAIN STRENGTH THROUGH IMPROVED PROTECTION POLICY**

Fitness club enthusiasts can breathe a sigh of relief this weekend, with the knowledge that gone are the days of being “locked-in” to long term or multi-year gym memberships/contracts which leave them severely out of pocket, should the business fold.

The Health and Fitness Industry Code of Practice has been amended to include provisions to better protect people who sign up with a fitness provider.

Minister for Consumer Affairs, Jennifer Rankine, said, “Given the thousands of people attending fitness centres each year, it is really important they are provided with adequate safeguards when entering into membership agreements.”

The Health and Fitness Industry Code was first introduced in 1992 to prevent fitness centres from taking more than 12 months payment in advance. This limits the potential for personal financial loss should a fitness centre become bankrupt.

Over time, fitness centres have introduced periodic agreements that can continually roll over, much like a periodic rental agreement. The agreement continues until either the member or trader terminates it.

The amended Code allows for periodic agreements, but **sets a three-month cap** so that any person who misses the deadline for giving a cancellation notice to the fitness centre is only locked in for a further three months at the most.

“Before signing any agreement, it is important people work out which type of membership is best suited to them and their budget. Many people sign up with the intention of sticking to a rigorous fitness program, but changes in circumstances can sometimes prevent that from happening,” Ms Rankine said.

There have also been a number of unfortunate incidents where fitness centres have gone into administration, leaving members out of pocket for fees they’ve paid in advance. The Code sets a limit on the amount fitness centres can request up front, so that the amount any person stands to lose is minimised.

Anybody opting for a fixed term agreement can only sign up for a maximum period of 12 months, with a three-month maximum for periodic agreements.

“While the majority of fitness centres provide a reputable service, the new Code will work to improve protection with regard to membership agreements that have the potential to result in financial hardship,” Ms Rankine said.

For further information about the new Code, people can call the Office of Consumer and Business Affairs on 8204 9777.