

He rangi whawhati kō, he tau hāwere



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He rangi whawhati kō, he tau hāwere
Toi Ora (Exercise) Workforce Development
Plan 2024

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IRRIGATION SYSTEM





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Te Whakatō ki te Hauhake Executive Summary

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Te Whakatō ki te Hauhake

Executive summary

The exercise industry is an aspirational place to work for many, but it struggles with poor staff retention in key roles, which stifles workforce development. This is particularly true of contracted personal trainers (PT), many of whom fail to build viable businesses under the prevailing PT rent model. This creates significant churn in the industry, which, as a result, relies on a high volume of poorly prepared graduates each year to maintain the workforce.

Relative to workforce size, annual enrolments on exercise courses are high. Industry, however, perceives vocational education to be not entirely fit for purpose, with gaps particularly in coaching skills, business skills and interpersonal skills identified in graduates. Courses are deemed to be too theory based, with not enough emphasis on teaching and assessing the practical skills required to be successful in the industry.

The industry has experienced significant growth over the last decade, with many new businesses with varying training styles entering the market – a trend that is predicted to continue. Most of the growth has come in the form of group training businesses;

however, there is no fit-for-purpose training pathway for group training coaches, as formal education is biased towards the role of personal training.

While 20% of the adult population of Aotearoa New Zealand are members of a commercial exercise facility, there are perceptual barriers to overcome to widen the appeal from a consumer perspective. Growing the consumer base of the industry would need to be supported by workforce growth.

A groundswell of community-based exercise initiatives that focus on wellbeing, connection and other social issues are proving effective in reaching untapped markets. Current training is not well suited to their requirements, so development of this workforce is not well supported by the qualification system.

Workforce issues within the industry are systemic. Industry leaders have suggested the need for a forum to work together to address the challenges outlined in this workforce development plan (WDP), but currently no such forum exists.

Engagements with the industry identified four key themes that respond to several challenges and opportunities:

- Qualifications, training and pathways are not well aligned with industry requirements.
- Commercial gym models are a barrier to a thriving and sustainable workforce.
- The exercise industry needs to broaden its appeal to diverse populations.
- The exercise industry has no forum to address its challenges collectively.

Toi Mai is proposing a set of recommendations and actions to develop the workforce in this industry.



Te Whakatipu Māra Kai

Growing healthy food gardens

WĀHAKA KAI MĀRA KAI TE

This WDP is full of metaphorical language, drawing inspiration from māra kai (traditional food gardens). Māra kai provide sustenance and oranga (life) for the iwi (tribe). As such, there is a nice correlation between māra kai and the exercise industry within Toi Ora, which also provides oranga for the community.

He tangata whakatauwe kōpara

A person of the planting season – this whakataukī refers to an industrious person, one who would be needed for a big project like planting the māra kai (food garden) in the spring.

Te Whakatipu Māra Kai

Growing healthy food gardens (Our metaphor explained)

Like the exercise industry, māra kai require a number of critical factors to work together in order to thrive.

We begin with our soil, which represents the training pathways within the exercise industry. Māra kai need rich, nutrient soil, free of weeds and decaying foliage, to feed their crops. If the soil is not healthy, our māra kai will not produce healthy crops.

It's also important that māra kai are positioned carefully and strategically, generally on North-facing slopes to take advantage of sunlight, but also in an area where the garden won't be overexposed to strong winds, frosts, flooding or any other type of weather condition that might harm the crops. Likewise, it's important that the exercise industry ensures that it is doing everything it can to mitigate risk factors and position itself to provide a nurturing environment to give its people the best opportunity to grow and thrive within the industry.

In some circumstances, it's necessary to further protect our māra kai by erecting physical barriers to prevent known threats, such as hungry pūkeko looking for their next feast. What are the pūkeko circling the exercise industry and threatening the success and wellbeing of its people? What can be stood up to keep those known threats out?

Another critical part of growing healthy māra kai is being equipped with the right tools, to poke and prod the soil, creating drainage systems that prevent waterlogging while ensuring the thirsty crops receive the hydration they need to grow. What tools does the exercise industry need to utilise to create opportunities for its people to succeed?

Timing is another significant factor in preparing māra kai. If harvest occurs too early, crops are not fully developed. If crops are left in the ground too long, they can become rotten. Are the training pathways within the exercise industry allowing its crops to mature to be optimal? Are they producing an underdeveloped crop? Or are training pathways too long and consequently producing rotten crops that are not fit for purpose?

Finally, māra kai are excellent sources of trade and enterprise. This is particularly relevant to the exercise industry given the reliance on those who enter the workforce to be well equipped with the skills and understanding required to run their own successful business.

He māra tōnui

Vision – a thriving Toi Ora (exercise) industry by 2035

VISION OF THE AREA

He māra tōnui

Vision – a thriving Toi Ora (exercise) industry by 2035

It's 2035 and the Toi Ora (exercise) industry is thriving.

The māra kai is full of rich, nutrient soil, and its crops strike the perfect balance of sunshine, rain and wind.

People continue to enter the industry because it is a fulfilling career. Pathways enable trainers to thrive and excel in their preferred training style, whether one-to-one, small groups or large groups, with businesses and community initiatives of all sizes being sustainable.

Communities have opportunities to train in ways and within environments that suit them, with trainers who can cater to their diverse needs.

Equipped with the right tools, people move through the industry with ease and can upskill or change specialisation while continuing to work. The exercise industry has stood up protective barriers, preventing known pūkeko and other threats from devouring its crop, with graduates who can hit the ground running, confident in working with a range of communities and operating a sustainable business at their own pace.

Our māra is optimised to produce a mature and fully developed crop, ready to trade and provide a sustainable economic living. Trainers' income accurately reflects the work they put in and the skill level they possess.

Photo by Makea Pokere taken at Fitness Plus Manukau, Tāmaki Makaurau



Te Māra Nui Background

INDIA

INTEGRATED MARRA

Te Māra Nui Background

In 2020, the government began the reform of vocational education, otherwise known as RoVE. This reform aimed to create “a system which is collaborative, flexible, innovative and sustainable for all regions of New Zealand”. Six workforce development councils, Ngā Ohu Ahumahi, were established in 2021 to bridge the gap between industry and training by engaging with industry to understand training requirements and workforce challenges. Toi Mai is one of six councils. Our work focuses on the creative, tech, recreation and cultural sectors.

Te One Haumako Scope

Toi Ora encompasses recreational and cultural organisations and the workforce that supports them. It includes activities, technologies and places that foster wellbeing, physically, mentally and socially. Industries that fall under the Toi Ora umbrella include:



sport



community
recreation



aquatics



outdoor
recreation



exercise



galleries



libraries



museums

This workforce development plan focuses on the exercise industry. Toi Mai interviewed 17 industry leaders and engaged with 80-plus people from the exercise industry. The engagements and understandings developed during this process inform the recommendations to initiate the changes needed to ensure a thriving workforce and productive exercise industry.

The exercise industry includes large private commercial (chains), large public commercial (councils), franchise, one-off private commercial, and community groups and initiatives.



Photo by Shane Boulton SMB Creative taken at Revl Porirua

Huri te ao, huri te one, huri ngā tikanga

The exercise industry has experienced a significant transformation over the past decade

Each year the exercise industry relies on a significant pipeline of graduates to join the workforce to meet recruitment demands driven by poor retention of exercise workers. The training pipeline is serviced with dated, theory-heavy qualifications that focus on traditional gym ‘personal trainer’ (PT) roles and legacy ‘pay-to-earn’ contractor models, also known as the PT rent model.¹ Other coaching roles, such as group training, are not serviced by fit-for-purpose training pathways.

Learners are predominantly trained and assessed with theory-heavy qualifications that do not align with industry roles. Industry leaders perceive current training to be poorly aligned with the skills required to be successful as an exercise

professional, and there are limited pathways for those wanting to specialise.

For sustainable workforce development, both providers and industry need to adjust their operating practices.

Traditional gyms, once dominant, have seen a shift in industry composition towards the spread of group training businesses. This movement opened doors for lower-cost-of-entry business owners but also reshaped consumer perceptions of exercise. This recent expansion is contributing to significant growth within the sector and alternative employment options for exercise professionals, but it is not serviced with a dedicated training pathway.

¹ This legacy rent model requires the personal trainer to pay a fixed weekly rent to the facility that they are contracted to in exchange for access to the facilities and the member base.



Since 2012 the number of exercise businesses has grown 98% to 1,122 in 2022,² with the exercise industry workforce totalling 5,200.³

Number of Exercise Businesses



In 2018, around 1,500 of the workforce were ‘fitness instructors’.⁴ These changes indicate huge potential to elevate and grow the industry further; however, there is currently no forum for the industry to convene and work collectively to tackle issues, given that they are systemic.

Currently, approximately 20% of the adult population of Aotearoa New Zealand are members of an exercise facility.⁵ Given this, there has been a notable surge in community exercise initiatives over recent years. These initiatives, usually run by community leaders for members of their community (that generally don’t engage with the commercial exercise industry) face issues. Affordability and relevance of education often means these instructors tend not to engage in formal training. Given that the community runs these initiatives for the community, wider barriers such as funding make them more vulnerable to run sustainably.

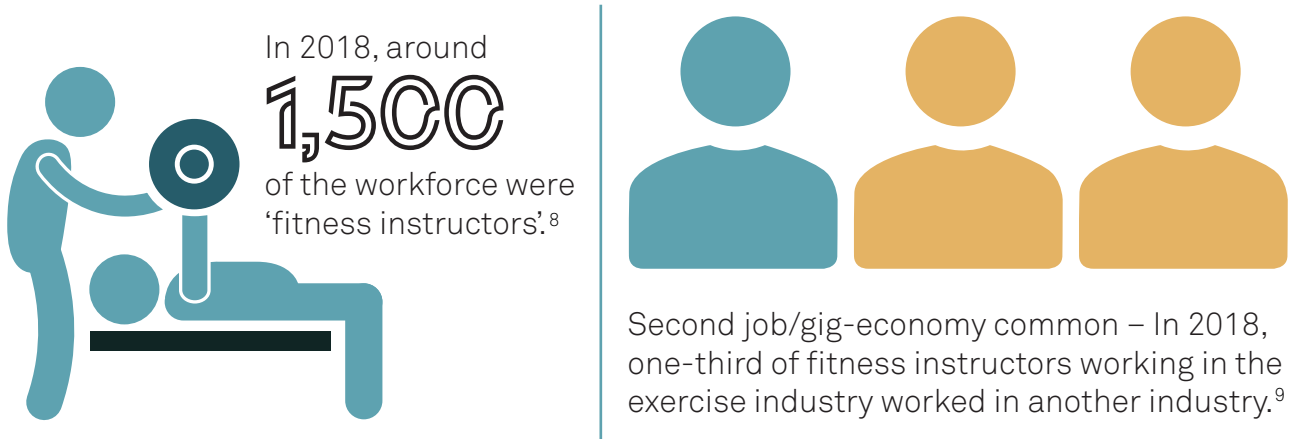
² Ibisworld
³ Statistics New Zealand
⁴ Statistics New Zealand
⁵ Exercise New Zealand



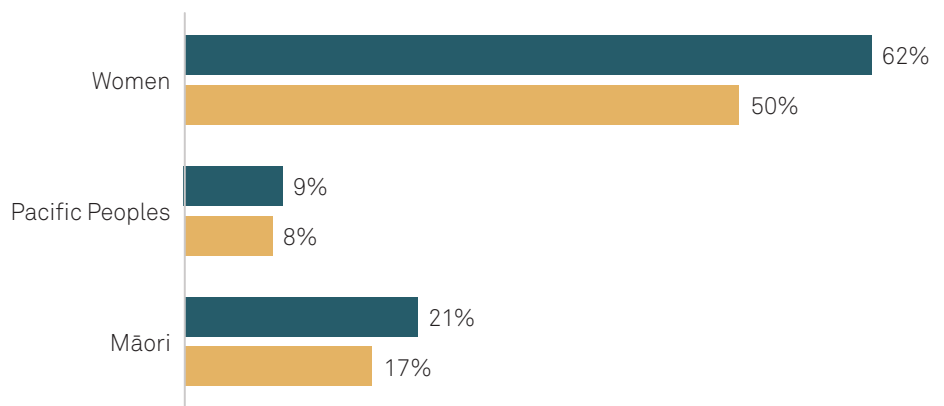
Photo by Shane Boulton SMB Creative taken at Revl Porirua

He kai timotimo

Snapshot of Toi Ora industry data



Demographically, approximately 20.4% Māori, 9% Pacific peoples and 62% women in workforce. All three categories are above population parity.¹⁰



⁶ Stats New Zealand
⁷ IBISWorld
⁸ Stats New Zealand
⁹ Stats New Zealand
¹⁰ Stats New Zealand

— Exercise Industry Workforce
— Population



Young workforce – **Two-thirds (66%)** of the workforce in 2022 were aged 15–34.¹¹

But current training is disproportionately impacting Māori and Pacific peoples.

Completion rates in exercise qualifications between 2020–2022 are significantly lower for Māori and Pacific people.¹²



And historic legacy rent model is causing high industry churn.



Poor retention – Of those who joined the exercise industry in 2018, only

42%

remained after one year.

After two years, only

25%

remained.¹³

¹¹ Stats New Zealand

¹² Ngā Kete

¹³ Stats New Zealand

Iti noa he pito mata

Challenges and opportunities

WORLD OF THE FUTURE

The pito mata (raw centre) is the small uncooked portion of the kūmara that is replanted to grow more. Although the pito mata is small (iti noa), therein lies potential and the opportunity for our māra kai to grow.

Engagement with the exercise industry identified the following four key themes that are discussed in this workforce development plan:

1.

Qualifications, training and pathways are not well aligned with industry requirements.

2.

Commercial gym models are a barrier to a thriving and sustainable workforce.

3.

Exercise industry needs to broaden its appeal to diverse populations.

4.

The industry has no forum to collectively address its challenges.

Te Pito Mata Tuatahi

Theme 1: Qualifications, training and pathways are not aligned with industry requirements

“

There are people out there with PT qualifications who will never ever use them and that’s because we did a disservice in the way that we dragged them through.

”

– Former exercise tutor and personal trainer

Formal training doesn’t reflect exercise industry needs. This means training isn’t producing a high percentage of work-ready graduates.

Current qualifications

The current entry-level qualification for the exercise industry is the Level 4 Certificate in Exercise. The New Zealand Register of Exercise Professionals (REPS) have identified this as the prerequisite for their professional register (as a PT), and most of the large players in the industry, being REP registered, have followed suit. For the purposes of this workforce development plan, Toi Mai has focused our attention on Certificate Levels 4 and 5 when discussing qualifications, as they are considered vocational training for the exercise industry.



Photo by Makea Pokere taken at Toi Ora Wānanga 2022

E hāpūpū ana te kō hei te putanga o te ihu Students graduate without the ability to be successful in the exercise industry

The current qualifications are predominantly geared towards producing graduates through theory-based, traditionally assessed education. However, there are critical gaps in developing practical coaching, interpersonal and business skills in new entrants of the workforce.

Industry wants graduates who are competent practically, are good with people, understand business and have a safe minimum requirement of applicable theoretical knowledge that can be built upon through on-the-job experience, and the courses should reflect that.

The general industry feedback is that current qualifications are not practical enough, with formal training not producing work-ready graduates. Furthermore, providers have geared their training and assessments heavily towards things they can quantifiably assess using traditional education mechanisms, such as textbook-based science and written tasks, rather than applied learning and training.

Exercise courses must focus on training learners to do the actual job.

“

There's not enough to get you ready for how you practically use your course. How you practically use that qualification. You might know everything you need to know about the anatomy, and then you realise, actually, how do I put this into real world use.

”

– Studio owner and personal trainer

“

We are in the relationship business.

”

– Senior fitness manager, national brand

Industry leaders indicate that the ability to create connections and build relationships are the most desirable skills for individuals in the exercise workforce; however, hiring managers repeatedly identified difficulties in finding graduates with well-developed interpersonal skills.



of respondents from 2022 survey of exercise industry leaders flagged interpersonal skills as the number one skill gap for graduates.¹⁴

This poses a recruitment challenge for industry leaders. Because the key success skills don't fit well into traditional assessment methodologies and are therefore only given a light touch, industry confidence in new graduates is low.

The industry, however, requires training provision to flip this emphasis so they can be more confident in the graduates applying to enter the workforce.

The ability of graduates to contextualise information for their clients and apply it in the form of great exercise experiences and meaningful relationships is lacking. Formal training provision needs to focus on developing the future exercise workforce with these soft skills at the forefront.

From a commercial viability perspective, the user experience delivered by an exercise professional far exceeds concern about the extent of their technical knowledge.

¹⁴ Toi Mai Exercise Industry Employer / Manager Survey (2022)

Practical coaching experience is limited

“

We teach the theory content well, like anatomy and physiology and programming, etc, but we don't do a good enough job of teaching them how to do the actual job.

”

– Former exercise tutor and personal training manager

Practical repetition of exercise coaching with targeted feedback around technical correctness and personability of delivery is critical to producing employable exercise graduates.

There is a perception among industry leaders that graduates have not coached enough sessions to develop the skills they need to be commercially viable and that the assessment of learners' coaching competence is not robust.

Industry prefers graduates who have conducted training sessions in multiple training styles.

This appeals to the breadth of the market and is desirable for industry success. Emphasis should be placed on developing coaching skills with the ability to progress and regress exercise based on the needs of the individual.

Respondents from a survey with Exercise Level 4 students indicate the desire for significantly more time on their course dedicated to learning to coach exercise in a gym environment.

“More practical work, less book work”

– Exercise course learner

“
Definitely wish we learnt more hands-on stuff like how to actually train a client in the gym.
”

– Exercise course learner

Current graduates lack business skills

“

There is such a massive skill set to running a self-employed or commercial business in a competitive environment that has nothing to do with the bulk of what's in the qualification.

”

– Former exercise tutor, PTM and personal trainer

For a contracted PT, business acumen relating to marketing and selling are fundamental skills to build a successful business. An individual can be great with people but fail to find prospective clients and sell services to them. This is the reality for many new entrants and the most common reason for industry attrition.

Business planning, sales and marketing were identified as three key areas learners wanted more time to practice and learn as part of their course.¹⁵

The business element of the current Exercise Level 4 is variable in its

efficacy. Some providers produce graduates who are well versed in the required skills, whereas other graduates don't seem to have much practical understanding at all.

Many exercise businesses have put in place short onboarding workshops and other remedial training to teach business and sales to their new PTs. The preference would be to have this covered and practiced during the qualification in a way that better prepared graduates with the skills and confidence to hit the ground running, especially under the sink-or-swim conditions of the legacy PT contractor model.

¹⁵ Toi Mai Exercise Industry Workforce Survey (2022)

E kānewha ana ngā hua o te māra

Theory-heavy exercise courses are not fit for purpose

Many students drop out of qualifications on the exercise pathway and never graduate.

30%

of learners enrolled in exercise qualifications between 2020 and 2022 did not complete.¹⁶

According to educators, the focus on academic content and written assessments is causing students to drop out before they even achieve their qualification due to a mismatch between expectations and reality.

There is a need from industry for qualifications to be assessed in a more practically applied way, rather than the current written, science-based assessment methods. This would ensure a diverse range of learners are catered for and that the practical skills of graduates meet industry requirements.

“

There’s so much weight hung on theory, it really rocks the confidence of the new students when they come in.

”

– Regional manager, national brand

¹⁶ Ngā Kete. Note that this data coincides with COVID-19, which might have impacted this.

“

Māori and Pasifika students have the most energy and enthusiasm . . . the energy is just fantastic, and the way that I found those students to communicate and be able to empathise is just unreal . . . Unfortunately, those were the students who did struggle with more of the written stuff . . . the writing is just a struggle, it’s just the barrier.”

”

– Former exercise tutor and personal trainer

Summary

Vision

Background

Snapshot

Challenges and Opportunities

Recommendations and Actions

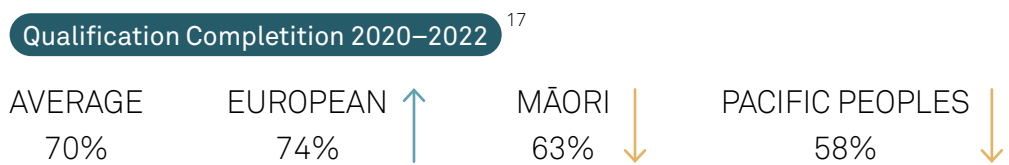
Acknowledgements



Māori and Pacific learners experience a higher non-completion rate on exercise courses

Māori and Pacific learners enrol in exercise courses at rates that exceed population representation. Looking at 2020 and 2022 exercise qualification stats, Māori and Pacific peoples make up around 35% of total enrolments – above population parity.

However, incompleteness rates for Māori and Pacific learners exceed those of other population groups. Completion rates are significantly lower:



This suggests that the exercise industry has qualities that broadly appeal to these population groups. The high prevalence of physical competence, coupled with both cultural community and people-centric world views make the exercise industry a great natural fit for the innate characteristics of both Māori and Pacific peoples.

One of the key perceived challenges for Māori and Pacific learners is being taught and assessed using a traditional education model where the emphasis is placed on bookwork and written assessments versus applied practical learning and assessment methodologies. Almost all the qualified industry leaders from Māori and Pacific backgrounds Toi Mai engaged with reflected on some degree of not relating to the theory component of their learning journey and how it was taught and assessed.

Having more Māori and Pacific exercise professionals qualified and working in both commercial and community-led exercise spaces would be a positive driving force in attracting more whānau to participate in regular exercise.

“

I want it to feel like it’s a safe space for them, feel like they’re not getting judged. That’s the kind of environment that I want to create.”

”

– Community exercise leader

¹⁷ Ngā Kete

Pathway for group training coaches is not fit for purpose

“

I think there's a group training pathway that is totally missing. And the social aspect of that, and the community aspect of that, and the performance aspect of that don't exist in training at all.

”

– Industry consultant and business owner

The education system currently lacks a fit-for-purpose qualification that matches the job requirements of the fastest growth sector in the industry, group training.

While many skills overlap with those of a PT, most group training coaches do not need to understand nutrition, lifestyle modification, running a business and, in many cases, even exercise programming. From a technical perspective, group training is a simpler role, so the full Exercise Level 4 Certificate content or above is a larger qualification than required.

Group training businesses are asking for a shorter credential or qualification – in other words: safe, fundamental exercise knowledge married with the ability to coach in a group setting. This is driven by businesses:

- tending to preselect future coaches from their member base (based on soft skills and training ability)
- having specific in-house onboarding training to familiarise new staff with their coaching system.

These factors allow for a shorter packet of learning to meet industry requirements.



Photo by Shane Boulton SMB Creative taken at Revl Porirua

Paraha kore, hua kore, oranga kore

Career development/specialisation are not supported by dated academic pathways

Developing one or more specialist areas is a natural progression for personal trainers once they are established in the industry. Specialisation generally follows the line of a personal area of interest or to meet market demand for a particular type of exercise, coaching or programming.

Currently the formal education system does not support specialisation as an exercise professional. It is uncommon for individuals to graduate, enter the workforce and then re-enter formal study to pursue further knowledge

or competence in a specialist area. This limits workforce development. Vocational training is biased toward large credit certificates and diplomas that do not suit the needs of working exercise professionals.

The industry has highlighted the lack of fit-for-purpose opportunities for upskilling while working. It is perceived that the formal training sector is dated, slow moving and lacking the agility to keep up with industry trends and developments.



Photo by Ricky Situ Zhucreative taken at Oni Wellington

“
At what point can you call yourself a specialist in something I think is an interesting topic.
”

– Head of fitness, national brand

“
If you guys need to be adjusting what you’re teaching . . . There will be a qualification review . . . it’s so slow, and then it gets in a room where people argue over what words should be described. And by the time it actually goes, yep, that’s the new thing. It’s not even relevant anymore.
”

– Senior fitness manager, national brand



Photo by Makea Pokere taken at Fitness Plus Manukau, Tāmaki Makaurau

A suggested agile exercise training model

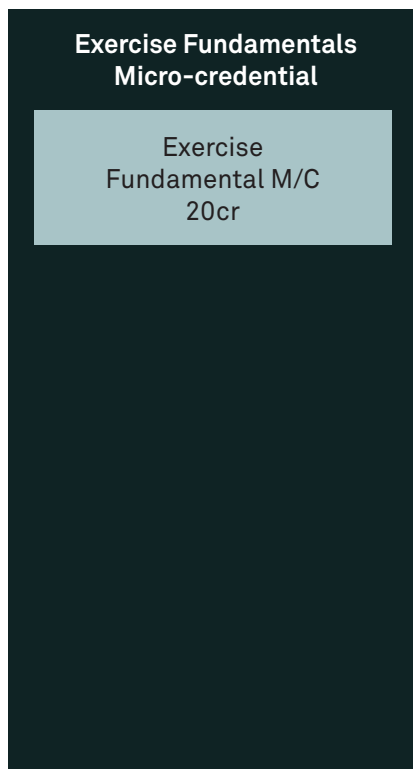
Engagement with industry suggests the need for guidance and facilitation to help create agile training pathways for the workforce that:

- are fit for purpose, focusing on the practical skills required to be successful in the job
- match career development – further formal study should be common as careers progress
- are flexible to suit learner requirements, catering to all industry roles with multi-modal study options that are supported and endorsed by industry
- are stackable to develop a wide range of career paths

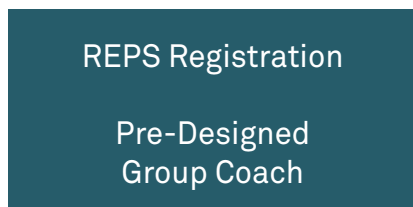
- are agile to meet industry requirements and emerging trends – new micro-credentials should be able to be added quickly to address industry needs.

The suggested model below provides an outline providers could build on, which is based around the newly developed exercise fundamentals micro-credential and reflects various discussions that have been taking place with the industry over the last few months.

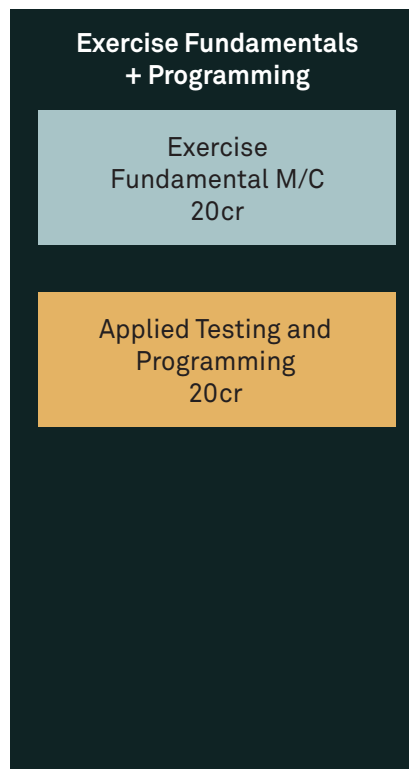
Pre-designed Group Coach Pathway



Graduate



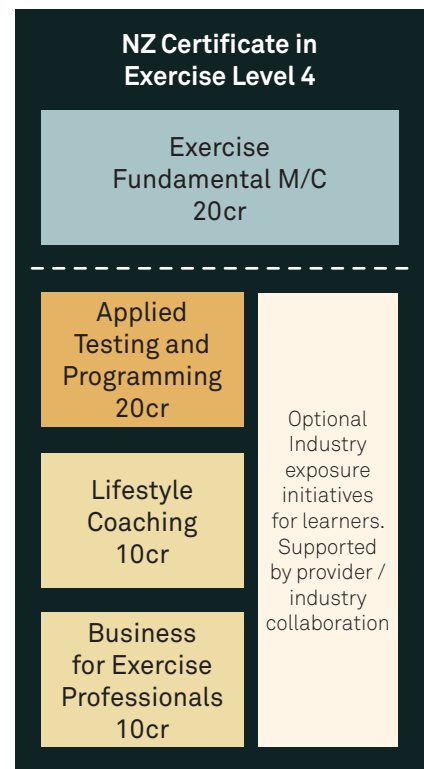
Group Coach / Gym Instructor Pathway



Graduate



Personal Trainer Pathway



Graduate



Ongoing career development / specialisation options



Example M/C topics

- Mobility and flexibility
- Advanced functional anatomy
- Exercise for long term conditions
- Digital marketing for exercise professionals
- Hauora Māori
- Community coaching
- Introductory Pilates
- Exercise for the deconditioned
- Pre/Post Natal exercise

- Programming for women
- Training teens
- Sport specific programming
- Behaviour change psychology
- Weight loss strategies
- Training for longevity
- Equipment specific training
- Rehab for Personal Trainers
- Exercise for an aging population
- Exercise to Music

The exercise fundamentals micro-credential is sufficient for the requirements of group training coaches (pre-designed group coaching). As a micro-credential it can be completed as a stand-alone packet of learning and be the training solution for this rapidly growing role currently underserved in industry.

Exercise fundamentals also forms the first 20 credits of the Exercise Level 4 Certificate. Once a learner on this pathway achieves the requirements of the micro-credential, industry know that they have crossed a safe threshold of practical competence. Industry and providers could then work together to facilitate opportunities for learners to gain some 'real-world' experience by completing some of their ongoing practical course requirements in commercial gyms (such as role-play sessions).

This system could address the lack of practical experience that currently hampers workforce development, as well as expose learners to industry and potentially pathway them into the workforce.

The remainder of the Exercise Level 4 Certificate can be split into skill standards or micro-credentials, which would be completed as part of the certificate programme or as needed by the exercise professional as their career develops.

Additional skill standards and/or micro-credentials could be added to form elective components of a Level 5 Certificate in Exercise or completed in isolation as ongoing career development. This would allow exercise professionals to pick their career path and accumulate the skills and knowledge necessary to thrive in the industry long term.

Te Pito Mata Tuarua

Theme 2: Commercial gym models are a barrier to a thriving and sustainable workforce



Photo by Ricky Situ Zhucreative taken at Oni Wellington

The exercise industry suffers from high staff turnover, which hampers workforce development. Too many new entrants fail before they gain any significant experience, causing businesses to constantly be in a hiring mode. This section discusses some of the key contributing factors to attrition in the exercise industry.

Retention statistics for the exercise industry are sobering.

42%

of those who joined the exercise industry in 2018 remained after one year.

25%

remained after two years.¹⁸

¹⁸ Statistics New Zealand

Kauhuria te one kia tūperepere anō ai ngā hua Rental Business Models for personal trainers contribute to high workforce attrition

“

The financial system always drives the behaviours. That doesn't change. If the system is designed to pay the gym for rent only, well, that's what you're going to get is rent and the gym will do the bare minimum in terms of what they can get away with (with respect to support).

”

– Industry leader and business owner

Most gyms require PTs to work as self-employed, rent-paying contractors, meaning the PT is responsible for building their clientele and running their own business (including marketing, sales, relationship building, training, programming, lifestyle management, business planning, money handling, business finances and tax).

The rent model is used by the industry as it requires minimal business oversight of their contracted PTs in exchange for a predictable rental income. Quality personal training has been shown to increase member attendance and retention, which are key drivers of revenue for commercial exercise businesses.

For those who can afford it, personal training is appealing as it delivers a

relationship, personalised service, bespoke programming and the coaching experience needed to achieve their desired outcome from exercise. The role of PT is still in demand, but its value proposition and the contractual working arrangements offered to PTs by industry needs a review to overcome the high turnover that stifles workforce development.

Experienced PTs that have achieved success under the rent model find it to be preferable when compared to the alternatives: employee models where the wages are traditionally very low, or uncapped percentage split of revenue models where the PT concedes a larger portion of their income to the gym. Therefore, for established PTs and the exercise facilities they work in, the rent model continues to be seen as a win-win. This isn't the case for new PTs.

Business start-up phase is highly challenging for new personal trainers under the rental system

“

I can't think of another industry where you take someone who's just qualified and say, right, you're now going to run your business. You've just graduated as a lawyer. You do not run your own law firm.

”

– Industry leader

PTs new to the industry face significant challenges. They are required to build their clientele quickly to meet the demands of the rent system. This critical startup period seems to produce high industry churn, as the confidence, skill set and connections required to build a viable business are lacking in new graduates.

The PT rent model is reliant on feeding a significant number of aspiring graduates through the system to find the few that will succeed under the challenging conditions of the model. From a workforce development perspective, this is highly inefficient.

The rent model is usually accompanied by a graduated 'ramp-up' period but proves too challenging for a significant percentage of new entrants into the workforce due to the steep learning

curve and high demands of running their own business as a novice.

The session fees that new PTs need to charge to make their business financially viable under the rent system often end up detrimentally impacting business growth. High fees create a value mismatch between cost and the novice PT's ability, and the fees also price out a significant percentage of the member base of the gym, limiting their target market.

The romance of working as a PT is quickly replaced with the commercial realities of trying to start up a self-employed business, and many fail. Challenges associated with getting started under the PT rent model in current market conditions are deemed to be a contributing factor to the high turnover.



Photo by Billie Win taken at Bodyshot Fitness Porirua

The rent model is leading to turnover for businesses

“

We get to the point where the person does the study, has got the job, but the question now remains, who is responsible for the viability of this person?

”

– Former exercise tutor, PTM and personal trainer

Historically, the rent model was more successful for gyms than it is today. Variables that were significantly different include:

- limited choice for commercial exercise options driving a higher percentage of consumers to PT
- limited consumer access to exercise information (pre-internet and social media days) leaving PTs as the main source of expert information
- new graduates benefitted from a ‘safe start’ in the industry in the form of paid gym instructor roles.

Statistics obtained from a selection of exercise businesses (who will remain confidential) that operate the PT rent model show examples of retention/attrition:

Examples of exercise businesses retention/attrition

70%

of new PTs retained beyond one year of operating.

55%

of new PTs leave within first year.



12 of 15 new PTs left within first quarter of contract.

Average PT lifecycle with company was



Average PT tenure was



E hōrakerake ana te māra

There is an absence of ‘safe start’ working options in most large commercial gyms

Historically, most commercial gyms had paid employee roles running alongside the PT rent system that were seen as vital entry points into the industry. These roles, referred to as gym instructors or exercise consultants were entry-level positions that allowed graduates to start their careers with guaranteed income.

Those employed in the role were not required to build their businesses straight away. They were employed to provide customer service to the members of the gym. During this time, they were able to develop the key skills and abilities required for long-term industry success. These roles were used as an extended paid apprenticeship by the industry to nurture aspiring PT contractors.

During the COVID-19 pandemic, most commercial operators removed these roles, with indications suggesting that they are unlikely to return.

The unintended consequence of removing this ‘safe’ entry point into the industry has been the requirement for

a higher percentage of graduates to ‘jump in at the deep end’ and attempt to run their businesses with no industry experience.

The industry is yet to find a solution to replace what it lost as a direct result of the removal of this incubator for the next generation of PTs.

To work towards a more sustainable workforce, more favourable conditions and support for graduates during the start-up period are required before moving onto the current PT rent model.

Given that the exercise industry tends to attract a relatively young workforce without significant life experience, providing an industry ‘safe start’ is paramount, with the workforce between 2017 and 2022 getting proportionately younger. In 2022, 66% were aged 15–34, compared to 63% in 2017.¹⁹

¹⁹ Statistics New Zealand

“

One of our primary recruitment sources was gym instructor first, do a year on the floor, then become a personal trainer. Whereas now, you're expected to run your business from day one, so you've got to be pretty committed. There's no soft start.

”

– Head of fitness, national brand

Te Pito Mata Tuatoru

Theme 3: Exercise industry needs to broaden its appeal to diverse populations

Growing the market in order to grow the workforce

“

It's about 20%. So one in five. I think we could probably double that by getting through some perceptual barriers . . . We serve a subset of the population, and a decent subset by the way, which could easily grow to 30% or 40% if we just get a few things right.

”

– Industry leader

The commercial exercise industry serves a limited portion of the adult population with approximately 20% holding gym memberships. With more exercise businesses entering the market, a challenge for the industry is broadening its appeal to have a greater reach. This could provide sustainable business and workforce growth, rather than see new businesses compete for the same slice of the market.

The commercial exercise industry has traditionally marketed itself using ‘aspirational’ content showing fit individuals participating in advanced or intense exercise. There is also a perception that the exercise industry delivers ‘hard’ exercise very well, but most of the population is not at the level of fitness required to participate safely or with any degree of enjoyment. This strategy has unwittingly created participation barriers for significant sections of the market.



Photo by Makea Pokere taken at Fitness Plus Manukau, Tāmaki Makaurau

Emerging community exercise initiatives are currently demonstrating that they can meet the needs of population groups that may feel excluded by the commercial sector. The success of programmes such as BBM's 'from the couch' (FTC) programme²⁰ has shown significant benefits by focusing on Māori and Pacific values and a community-led approach to health and wellness that incorporates exercise.

Initiatives such as this show that the appeal and efficacy of exercise can reach a wider audience than currently engaged in the commercial exercise sector, but changes need to be made to facilitate this on a larger scale. Appropriate training and funding are challenges faced

by the community exercise initiatives. Success in community coaching roles may prove to be a useful pathway into the commercial workforce if the formal training provision is inclusive and aligned.

Engagement findings revealed that community exercise initiatives provide various benefits to a diverse range of population who choose this over commercial gyms. Supporting community exercise initiatives will help grow the exercise workforce and achieve broader health and wellbeing outcomes for the population.

²⁰ <https://www.thebbmprogram.com/our-story/>

Te Pito Mata Tuawhā

Theme 4: The exercise industry has no forum to address its challenges collectively

Industry leaders have called for greater collaboration between education providers, exercise businesses and peak bodies (Exercise New Zealand and REPS) to discuss and address industry challenges. Currently, this only happens on a small scale approximately once every five years as part of the qualification review cycle, which is a very specific kaupapa that has yielded little significant change to the way exercise professionals are trained.

Toi Mai held an exercise industry wānanga in September 2022 that the industry deemed of value, and several participants asked if this could be an annual occurrence. During the qualitative interviews for this plan, the subject of industry collaboration came up multiple times from industry leaders.

“

Running your own exercise business can feel very isolated. It would be great to have the opportunity to meet with other business owners to discuss challenges affecting the exercise industry.

”

– Studio owner

A collaboration of providers, Toi Mai and industry could work together to tackle the issues outlined in this plan.

These could include:

- initial training
- ongoing training
- provider and industry collaboration
- industry models/support for new entrants
- appealing to a diverse market.

Exercise New Zealand and Toi Mai can collaborate to ensure the ‘convening of the industry’ takes place and the industry moves forward with respect to workforce development and commercial and community sustainability.

“

It might be that there's more times that industry is talking to training providers . . . REPs are involved, Exercise New Zealand are involved as well, so that there's more discussion around what's happening at the moment. How are we reacting to that? How is that affecting the industry? . . . The more we can talk about what's happening and make those adjustments, the better.

”

– Senior fitness manager, national brand



Photo by Makea Pokere taken at Toi Ora Wānanga 2022

Kī ana te māra ki ngā hua o Rongo

A well-represented exercise industry will ensure industry voices are heard and valued

The value proposition of REPS registration was highlighted as an area that could evolve to better serve the industry. Approximately two-thirds of the industry registers with REPS, leaving the remainder ‘unregulated.’ One barrier to registration is the cost/benefit value proposition, as many of the benefits of registering are unused or unseen from an individual worker perspective and business perspective.

Being a REPS-registered business requires all exercise staff working in that business to be REPS registered as individuals also. Individual registration comes with public liability and professional indemnity insurance,

which forms a significant percentage of the registration cost. Some businesses do not register with REPs because the business provides insurance for their staff, so REPS registration would be an unnecessary expense from an insurance perspective. Others commented that they just don’t see the value of registering, yet generally agree that a regulatory body is an important concept.

Convening the industry is seen to be a great opportunity to tackle industry challenges and bring the industry into a collaborative space, where currently it is deemed to be purely a competitive one.



Photo by Makea Pokere taken at Fitness Plus Manukau, Tāmaki Makaurau

Te Hauhakenga Conclusion

This workforce development plan recognises that education provision, professional registration levels and legacy working models employed within the Toi Ora (exercise) industry have, to some degree, failed to keep pace with industry evolution and growth. This, along with changes in consumer behaviour (due to increased options) has contributed to high attrition statistics in key roles within the commercial exercise industry, robbing Aotearoa of the opportunity to grow the skilled and experienced workforce required to tackle the growing health and wellbeing challenges faced by the population today.

Due to the continued use of PT rent models, large parts of the commercial exercise sector suffer from high attrition and therefore remain over-reliant on a steady stream of fresh recruits graduating from exercise courses simply to tread water with respect to staffing levels, with no clear pathway or support to success. Traditional theory-heavy qualifications are creating a mismatch between graduate ability and the skills industry require of their new entrants to thrive under the existing market conditions.

He rā whawhātī kō = a day when the kō breaks.

This whakataukī talks about hard work. When the kō (spade) has been used so much that it breaks, that is a sign of hard work and that's exactly what is required to prepare our māra for a season of prolific growth ahead.

In the following pages we refer to the actions and recommendations of Toi Mai as keri (the action of digging) and kō (the tool required).

Ngā kō

Recommendations:

Te Kō Tuatahi | Toi Mai Recommendation 1:

Education providers to update current programme (including assessments) to more practical and less theory.

Te Kō Tuarua | Toi Mai Recommendation 2:

Tertiary Education Commission (TEC) to review enrolment rules and funding rates for micro-credentials to make them a financially viable, agile solution for providers to keep pace with industry requirements.

Te Kō Tuatoru | Toi Mai Recommendation 3:

Industry to explore alternative 'safe start' options for new PTs before moving to the established rent model.

Ngā keri

Actions:

Te Keri Tuatahi | Toi Mai Action 1:

Produce skill standards for Exercise Level 4 that emphasise practical application of business skills, interpersonal skills and practical coaching experience.

Te Keri Tuarua | Toi Mai Action 2:

Develop programme guidance for the exercise fundamentals micro-credential to cater to both group coaching roles and one-on-one personal training.

Te Keri Tuatoru | Toi Mai Action 3:

Research current community exercise models of operating including training requirements.

Te Keri Tuawha | Toi Mai Action 4:

Convene the exercise industry to collectively discuss workforce challenges and opportunities.

Haere ake nei
Next steps

HAERE AKE NEI

Kōrero mai

Talk to us

We encourage Toi Ora workforce members and education providers to give feedback on this report's recommendations and Toi Mai actions.

Your feedback will inform the final recommendations and advice to the Tertiary Education Commission for investing in vocational education and training for Toi Ora careers. It will also influence the future work of Toi Mai in supporting the sector. An action plan will be created with targets to Thrive by '35, and industry and workforce training.

For details on the consultation process visit toimai.nz

Consultation is open until 22 July 2024.

For more information contact:

wdpfeedback@toimai.nz

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TOI MAI

Workforce
Development
Council

MĀHĀ TĀHĀ

Ngā whakamānawatanga

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About the statistics used in this plan

Access to the data used in this study was provided by Stats NZ under conditions designed to give effect to the security and confidentiality provisions of the Data and Statistics Act 2022. The results presented in this study are the work of the author, not Stats NZ or individual data suppliers.

These results are not official statistics. They have been created for research purposes from the Integrated Data Infrastructure (IDI) and Longitudinal Business Database (LBD), which are carefully managed by Stats NZ. For more information about the IDI and LBD please visit <https://www.stats.govt.nz/integrated-data/>

The results are based in part on tax data supplied by Inland Revenue to Stats NZ under the Tax Administration Act 1994 for statistical purposes. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.

He rangi whawhati kō, he tau hāwere