

News Release Deputy Premier John Rau

Attorney General
Minister for Planning
Minister for Industrial Relations
Minister for Business Services and Consumers



Friday, 22 March 2013

'Operation Spandex' targets dodgy gym contracts

Raids on gyms and fitness centres across Adelaide this week by the State's consumer watchdog has found nearly all centres offering contracts that breach the law.

Minister for Business Services and Consumers John Rau says eight teams of inspectors from Consumer and Business Services (CBS) attended 42 fitness centres on Wednesday this week, seizing contract documents.

"Officers have examined these contracts to check for compliance with the *South Australian Health and fitness Industry Code*, and disturbingly they found a high number of breaches," Mr Rau said.

"Most of the contract breaches related to the absence of basic information about the service, supply periods, total costs, and direct debit arrangements.

"For instance, these breaches may allow the trader to continue taking payment after the contract has expired."

Commissioner for Consumer Affairs Paul White says that changes to the penalties for code breaches came into force a year ago.

"CBS wrote to all fitness centres last year, providing them with copies of the code, and reminding of their obligations," Mr White said

"So it's particularly concerning that operators are still issuing questionable contracts.

"At this stage, it appears only one operator had contracts that were in line with the code, while the rest had multiple breaches.

"In the case of one operator, the contract breached ten separate clauses of the code.

"We are now going to examine these breaches to determine the penalties that will apply.

"We are looking at imposing fines against the centre operators which can range from \$500 infringement notices to a maximum penalty of \$50,000 for a corporation.

"I would urge all consumers looking to enter into a fitness centre contract to read it very carefully, be aware of the duration of the contract and pay particular attention to any direct debit arrangements.

Anyone with concerns about their fitness centre contract should contact the centre management, or call CBS on 131 882.

Media contact Chris Burford – 0419 567 989