1999

THE LEGISLATIVE ASSEMBLY FOR THE

AUSTRALIAN CAPITAL TERRITORY

FAIR TRADING ACT 1992

FAIR TRADING REGULATIONS (AMENDMENT)

Subordinate Law No. 11 of 1999

EXPLANATORY MEMORANDUM

Circulated by the authority of
Gary Humphries MLA
MINISTER FOR JUSTICE AND COMMUNITY SAFETY

FAIR TRADING REGULATIONS (AMENDMENT)

Subordinate Law No. 11 of 1999

PURPOSE

The intention of this amendment is:

- (a) to have the Fair Trading Regulations ("the Principal Regulations") prescribe, in accordance with section 35 of the Fair Trading Act 1992 ("the Act"):
 - (i) the Fitness Industry Code of Practice Amendment (No.1 of 1999) as an amendment to the Fitness Industry Code of Practice;
 - (ii) the Crowd Marshals Industry Code of Practice Amendment (No.1 of 1999) as an amendment to the Crowd Marshals Industry Code of Practice; and
- (b) to repeal Regulation 5 of the Principal Regulations.

BACKGROUND

The Director of Consumer Affairs has complied with subclause 35(3) of the Act in relation to both the *Fitness Industry Code of Practice Amendment (No.1 of 1999*) and the *Crowd Marshals Industry Code of Practice Amendment (No.1 of 1999*).

The Minister has approved each of those Amendments without alteration.

DETAILS OF AMENDMENT

Clause 3 inserts paragraphs 4A(e) and (f) into the Principal Regulations, thereby prescribing, respectively, the *Fitness Industry Code of Practice Amendment (No.1 of 1999*) and the *Crowd Marshals Industry Code of Practice Amendment (No.1 of 1999*) for the purposes of section 35 of the Act.

The Fitness Industry Code of Practice Amendment (No.1 of 1999) and accompanying Explanatory Notes appear at Attachments 1 and 2, respectively.

The Crowd Marshals Industry Code of Practice Amendment (No.1 of 1999) and accompanying Explanatory Notes appear at Attachments 3 and 4, respectively.

Clause 4 repeals Regulation 5 of the Principal Regulations, which states:

"An instrument by which a code of practice, or an amendment to a code of practice, is approved is a disallowable instrument for the purposes of section 10 of the *Subordinate Laws Act 1989*."

Regulation 5 purports to bring the instrument by which the Minister approves a Code or an amendment to a Code into the domain of section 10 of the *Subordinate Laws Act 1989*, thereby making that instrument subject to the notification, tabling and disallowance provisions of section 6 of that Act.

However, the ACT Government Solicitor has advised that Regulation 5 is not effective to bring such instruments within the domain of section 10 and, accordingly, Regulation 5 has no legal operation.

Section 10 of the *Subordinate Laws Act* provides that:

"Where an Act or a subordinate law confers power to make an instrument (however described) and expressly provides that the instrument is a disallowable instrument for the purposes of this section, then, except so far as the Act or subordinate law otherwise provides—

- (a) section 6 of this Act and section 38 of the *Interpretation Act* 1967 apply in relation to the instrument as if—
 - (i) references to a subordinate law or to an Act were references to the instrument:
 - (ii) references to a provision of a subordinate law or to a part of an Act were references to a provision of the instrument; and
 - (iii) references to repeal were references to revocation; and
- (b) section 7 applies in relation to the instrument as if the instrument were a subordinate law."

The ACT Government Solicitor identified that, while Regulation 5 expressly provides that the instrument of approval is a disallowable instrument for the purposes of section 10, the Principal Regulations do not confer the power to make the instrument and, accordingly, Regulation 5 is ineffective in seeking to bring the instrument within the domain of section 10.

Even if Regulation 5 were effective, it would be unnecessary because the *Subordinate Laws Act* already requires that the regulation prescribing a Code or an amendment to a Code be tabled and subject to disallowance. If the Assembly wished to disallow a Code,

or an amendment, then that outcome could be achieved by disallowing the regulation prescribing it. A Code or amendment that has been approved but not prescribed has no legal effect.

As Regulation 5 has no legal operation and there is no sound policy reason for its inclusion in the Regulations, it is repealed as a matter of housekeeping.

FINANCIAL IMPLICATIONS

Neither the Fitness Industry Code of Practice Amendment (No.1 of 1999) nor the Crowd Marshals Industry Code of Practice Amendment (No.1 of 1999) has any financial implications for the scheme established by the Code to which it relates.

<u>Attachment 1</u> to Explanatory Memorandum to Fair Trading Regulations



AUSTRALIAN CAPITAL TERRITORY

Fair Trading Act 1992

Fitness Industry CODE OF PRACTICE AMENDMENT (No.1 of 1999)

This Amendment is certified as a true and correct copy of that approved by the Minister in accordance with section 35 of the Fair Trading Act 1992.

Gary Humphries MI

Gary Humphries MLA Minister for Justice and Community Safety

Dated:

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Fair Trading Act 1992

Fitness Industry CODE OF PRACTICE AMENDMENT (No.1 of 1999)

Principal Code

1. In this amendment, "Principal Code" means the Fitness Industry Code of Practice, prescribed by the Fair Trading Regulations as a Code of Practice under the Fair Trading Act 1992.

Substitution

2. All clauses of the Principal Code are repealed and replaced with the following:

"PART I—PRELIMINARY

Objectives

- 1. The objectives of the Code are:
 - (a) to ensure appropriate standards of trading are maintained within the Fitness Industry;
 - (b) to promote consumer confidence in the Fitness Industry;
 - (c) to ensure that management and employees in the Fitness Industry provide services in an ethical and professional manner which takes into consideration the interests of consumers;
 - (d) to support and promote the Fitness Industry;
 - (e) to encourage people in the community to participate in regular physical fitness activities;



- (f) to establish rights and obligations between suppliers and consumers in relation to:
 - (i) services offered and provided;
 - (ii) the disclosure of all information that is relevant to a consumer entering a membership agreement at a fitness centre; and
 - (iii) complaint resolution; and
- (g) to establish adequate procedures to resolve complaints.

Interpretation

2. In this Code, unless the contrary intention appears:

"casual" means a consumer who has not entered a membership agreement with a supplier and who pays that supplier for the provision of a specified service each time he or she uses a fitness service:

"Code" means this Fitness Industry Code of Practice;

"consumer" means a person who is supplied with a fitness service and includes a person who is making enquiries at a fitness centre preparatory to deciding whether to enter a membership agreement;

"cooling off period" means the period referred to in clause 10 during which a consumer may terminate his or her membership;

"Director" means the Director of Consumer Affairs for the Australian Capital Territory or his or her nominee;

"Fitness ACT" means Fitness ACT Incorporated, unless the Minister has approved some other peak industry body, in which case; that other body;

"fitness centre" means a facility at which fitness services are provided, but does not include outdoor sport and recreation facilities or unsupervised activities that include interaction with the natural environment:

"Fitness Industry" means the service industry encompassing all persons who are suppliers;

"fitness service" means any of the following services:

- (a) a pre-exercise evaluation;
- (b) an individual fitness program;
- (c) a supervised fitness program;



- (d) a group fitness program;
- (e) the provision of fitness equipment at a fitness centre for use by consumers.

"floor class" means any adult group exercise;

"membership agreement" means an agreement referred to in clause 7 between a supplier and a consumer for membership of a fitness centre for a specified period;

"Minister" means the Minister responsible for administering the Fair Trading Act 1992;

"supplier" means a person, other than an employee, who supplies a fitness service, but does not include:

- (a) a medical practitioner registered under the *Medical Practitioners Act* 1930 providing a service in the course of his or her profession;
- (b) a physiotherapist registered under the *Physiotherapists Act* 1977 providing a service in the course of his or her profession;
- (c) a sporting club or organisation established to engage in competitive sport, where people, either individually or as part of a team, train in a place other than a fitness centre; or
- (d) a person engaged in the business of providing only the use of a spa or sauna bath, swimming pool or similar facility.

Application of Code

3. (1) This Code applies to a supplier.

Exemption from Code

- 4. (1) A supplier may apply to the Minister for an exemption from the application of all or any of the provisions of this Code.
- (2) An application to the Minister under subclause (1) shall be in writing setting out the grounds on which the supplier seeks the exemption.
- (3) Where the Minister receives an application in accordance with subclause (1), the Minister shall seek advice from the Code Administration Committee.
- (4) The Minister may:
 - (a) after considering advice from the Code Administration Committee; and

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(b) if satisfied that there will be no substantial detriment caused to consumers;

grant to a supplier:

- (c) an unconditional exemption; or
- (d) an exemption subject to conditions.
- (5) The Minister may, at any time, revoke an exemption.
- (6) If the Minister revokes an exemption, he or she shall give notice, in writing, to the supplier.

PART II—SUPPLIER'S OBLIGATIONS

Supplier's obligations

- 5. (1) A supplier shall not use misleading or unfair advertising or marketing practices.
- (2) A supplier shall ensure that sufficient information is available to enable a consumer to make an informed decision in relation to membership of a fitness centre, and in particular shall:
 - (a) ensure that all promotional material is truthful, accurate and unambiguous;
 - (b) ensure that promotional material does not encourage unrealistic expectations about the level of fitness attainable or the facilities and equipment provided;
 - (c) not make misleading or false comparisons with programs provided by competitors; and
 - (d) allow prospective consumers to inspect the premises without any obligation to purchase a membership.
- (3) A supplier shall, where requested by a consumer, give a copy of the membership agreement, the rules of the fitness centre and any other relevant documentation to the consumer prior to the consumer signing a membership agreement.
- (4) A supplier shall display the rules of the fitness centre in a place where they are likely to come to the attention of consumers.
- (5) A supplier shall display any new rule in a place where it is likely to come to the attention of consumers.

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- (6) A supplier shall ensure that an employee who provides a fitness service is qualified to provide the service.
- (7) A supplier shall ensure that there is available, at all times during which fitness services are provided at a fitness centre, an appropriately qualified person to supervise the provision of each service.
- (8) A supplier shall take reasonable steps to ensure that services offered under membership agreements are available to consumers.
- (9) A supplier shall maintain adequate public liability insurance and professional indemnity insurance based on accepted industry standards.

Price of services to be made available to consumer before membership agreement entered

- 6. (1) Before a consumer signs a membership agreement a supplier shall provide the consumer with material that discloses the full price of the services being offered including, where applicable—
 - (a) the joining fee;
 - (b) the fee for each service or visit;
 - (c) the total amount payable for membership for a specified period;
 - (d) the fee for a fitness assessment;
 - (e) the fee for an exercise program; and
 - (f) any other fees payable, or that may be payable, under the membership agreement.
- (2) A supplier shall not describe part of a membership as free or discounted if any program offered in relation to the membership is increased in price, decreased in quality or is restricted in any manner as a result of the offer.

Membership agreements

- 7. (1) A supplier shall ensure that employees act in an ethical and professional manner and do not use unreasonable sales methods to sell memberships.
- (2) A supplier shall ensure that a membership agreement:
 - (a) states the name and address of the supplier;
 - (b) sets out clearly and unambiguously the rights and responsibilities of the supplier and the consumer;

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- (c) states that an agreement for a period of 3 months or more is subject to a cooling off period; and
- (d) discloses the full price of the services being offered including, where applicable:
 - (i) the joining fee;
 - (ii) the fee for each service or visit;
 - (iii) the total amount payable for membership for a specified period;
 - (iv) the fee for a fitness assessment;
 - (v) the fee for an exercise program; and
 - (vi) any other fees payable, or that may be payable, under the membership agreement.
- (3) A supplier shall not enter a membership agreement with a consumer unless the agreement is in writing and is signed by the consumer.
- (4) A supplier shall not sell a membership:
 - (a) for a period greater than 12 months;
 - (b) where a lease on premises being used for a fitness centre has less than 12 months before it is due to expire, for a period that exceeds the unexpired period of the lease; or
 - (c) for a fitness centre that has not commenced providing fitness services.
- (5) A supplier shall not offer to renew a membership:
 - (a) in the case of a membership for a period of 12 months, until the current membership has less than 4 months before it is due to expire; or
 - (b) where a lease on premises being used for a fitness centre has less than 12 months before it is due to expire, for a period that exceeds the unexpired period of the lease; or
 - (c) in any other case, where the total membership would, at any time, exceed 15 months.

Consumer to complete pre-exercise questionnaire

8. (1) A supplier shall not enter a membership agreement with a consumer unless the consumer completes a questionnaire, provided by the supplier, in relation to the consumer's fitness to participate in a fitness service.

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- (2) Where answers to a questionnaire indicate that a consumer may be at risk from participating in a particular fitness service the supplier shall not supply any fitness service to the consumer unless the consumer provides evidence from a medical practitioner or an appropriate health professional to the effect that the consumer is, in the opinion of the practitioner or the health professional, not at risk from participating in the proposed fitness service.
- (3) Where a consumer provides evidence under subclause (2) a supplier shall not provide a fitness service until an appropriately qualified person has provided advice to the consumer in relation to an appropriate fitness program.

Visits to fitness centre by casuals

- 9. (1) A supplier shall, before providing a fitness service to a casual, inquire whether the casual knows, or has reasonable grounds to believe, that he or she may be at risk from participating in the fitness service.
- (2) A supplier may, after making an inquiry under subclause (1), require a casual to indemnify a fitness centre before the casual participates in a particular fitness service.

Cooling off period

- 10. (1) Where a consumer purchases a membership for a period of 3 months or more, there is a 7 day cooling off period that begins on the date of purchase, during which the consumer may terminate the membership.
- (2) A consumer who terminates a membership during the cooling off period shall:
 - (a) give notice to the supplier, in writing, include evidence of membership; and
 - (b) either:
 - (i) deliver the notice in person or have it delivered to the supplier's registered or business address; or
 - (ii) post the notice to the supplier's registered or business address by certified mail.
- (3) Where a supplier has provided services to a consumer before the consumer terminates the membership, the supplier may deduct from the amount refunded the reasonable cost of any service provided together with a reasonable administration charge.
- (4) A supplier shall pay a refund due to a consumer within 21 days of receiving notice of termination of the membership.

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Confidentiality of personal information

11. A supplier shall not disclose to any person any personal information acquired by him or her from a consumer unless authorised, in writing, by the consumer.

PART III—STANDARD OF FITNESS CENTRE

Standard of fitness centre

- 12. (1) A supplier shall ensure that all wet areas are effectively cleaned on a daily basis.
- (2) A supplier shall ensure that all equipment:
 - (a) conforms to safety standards established by the Standards Association of Australia;
 - (b) is mechanically sound; and
 - (c) is serviced adequately, efficiently and regularly to ensure continued user safety.
- (3) A supplier shall, display an adequate warning notice, stating that a hazard potential exists if the equipment is misused, at the entrance to any area where fitness equipment is located.
- (4) A supplier shall restrict the number of people in floor classes to a maximum of 1 person for every 3 square metres of effective exercise area.
- (5) A supplier shall ensure that dedicated resistance training areas contain adequate safe working space and that user numbers do not hinder safe and effective use of the training equipment.
- (6) A supplier shall provide ventilation adequate to ensure the comfort of the maximum number of people that a particular area accommodates at any time.

PART IV—QUALIFICATIONS AND EMPLOYMENT OF STAFF

Qualifications of staff

13. (1) A supplier shall not represent to a consumer that an employee who is to provide a fitness service is qualified to provide the service if the employee is not so qualified.

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- (2) A person who is gaining experience to become registered shall be supervised by a person who is qualified to provide the service at the appropriate level.
- (3) An employee is qualified to provide a fitness service if the employee is registered by the Australian Fitness Accreditation Council or Fitness ACT and provides service at a level appropriate to that registration.

PART V—CONSUMER OBLIGATIONS

Consumer obligations

- 14. (1) A consumer who enters a membership agreement with a supplier agrees to:
 - (a) carry out, as far as is reasonably practicable, his or her obligations under the agreement;
 - (b) abide by the rules of the fitness centre; and
 - (c) follow any reasonable direction of an employee of the fitness centre.
- (2) If a consumer knows or has reasonable grounds to believe that he or she may be at risk by participating in a particular fitness service, the consumer shall inform the supplier.

PART VI—ADMINISTRATION

Code Administration Committee

- 15. (1) The Code shall be administered by the Code Administration Committee.
- (2) The Code Administration Committee shall consist of:
 - (a) a representative of Fitness ACT;
 - (b) a representative of the Fitness Industry who is the owner or manager of a fitness centre;
 - (c) the Director; and
 - (d) a representative of a peak consumer organisation.
- (3) The representative of the Fitness Industry shall be elected at an open meeting of suppliers.
- (4) The Chairperson of the Code Administration Committee shall be the Director.



- (5) The Consumer Affairs Bureau shall provide secretariat services to the Code Administration Committee.
- (6) The Code Administration Committee may appoint to the Code Administration Committee such other people as it considers necessary to carry out its functions.
- (7) Each member of the Code Administration Committee shall be appointed for a period of 2 years and shall be eligible for reappointment.
- (8) The Code Administration Committee shall meet at least twice each year but may meet more frequently as required.
- (9) The Code Administration Committee shall:
 - (a) monitor compliance with the Code;
 - (b) report to the Minister on the effectiveness of the Code;
 - (c) monitor the operation and administration of the complaints handling procedures and the Complaints Resolution Committee;
 - (d) develop policy and procedures to promote the Code within the industry and its recognition by consumers;
 - (e) conduct periodic reviews of the effectiveness of the Code and consider recommendations for amendments to the Code; and
 - (f) determine a complaint referred by the Complaints Resolution Committee.
- (10) A member of the Code Administration Committee may act by proxy.
- (11) The appointment of a member of the Code Administration Committee is not invalidated, and shall not be called in question, by reason of a defect or irregularity in, or in connection with, the appointment of the member.
- (12) A member of the Code Administration Committee shall not act as a member of a Complaints Resolution Committee.
- (13) A member, or former member, of a Code Administration Committee shall not disclose any information acquired by him or her as a consequence of his or her position.
- (14) A member, or former member, of a Code Administration Committee shall not be liable for anything done or omitted to be done in good faith in or in connection with the exercise or purported exercise of any duties conferred on him or her under this Code.



Complaint resolution procedure

- 16. (1) A supplier shall make every reasonable effort to resolve quickly and fairly any complaint made by a consumer in relation to the provision of services offered under a membership agreement with that supplier.
- (2) Where:
 - (a) a complaint cannot be resolved between a supplier and a consumer; or
 - (b) a complaint is made by a supplier against another supplier;

the complainant may request, by writing, that the complaint be dealt with by the Complaints Resolution Committee.

- (3) Where the Director receives a request under subclause (2), he or she shall, as soon as practicable, appoint a Complaints Resolution Committee and, within 14 days, refer the complaint to it for determination.
- (4) Where a complaint is referred to a Complaints Resolution Committee, the Committee shall, within 7 working days of the referral, hear the complaint.
- (5) Where a Complaints Resolution Committee reaches a decision on a complaint, the Committee shall, within 7 working days:
 - (a) prepare a written statement of reasons for the decision; and
 - (b) provide that statement to the Director for distribution to the parties.

Complaints Resolution Committee

- 17. (1) A Complaints Resolution Committee shall consist of:
 - (a) an independent chair;
 - (b) a representative of the Fitness Industry who is an owner or manager of a fitness centre; and
 - (c) a representative of consumers.
- (2) The Code Administration Committee shall appoint a panel of persons for membership to a Complaints Resolution Committee for the purposes of subclause (1).
- (3) The Director shall appoint, from the panel referred to in subclause (2), a Complaints Resolution Committee, to determine a complaint in accordance with subclause 16(3).



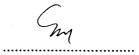
- (4) The members of the Complaints Resolution Committee referred to in paragraphs (1)(b) and 1(c) shall be selected from appropriately qualified people who have expressed an interest in being a member of the Committee.
- (5) The Complaints Resolution Committee shall observe the principles of natural justice.
- (6) Where a member:
 - (a) has a direct interest, pecuniary or otherwise; or
 - (b) has an interest which could otherwise conflict, or appear to conflict, with the proper performance of his or her duties as a member of the Committee in a matter before the Complaints Resolution Committee,

the member shall advise the Committee and the Director of the interest and take no further part in those proceedings as a member of the Committee.

- (7) A member, or former member, of a Complaints Resolution Committee shall not disclose any information acquired by him or her as a consequence of his or her position.
- (8) A member or former member of the Complaints Resolution Committee shall not be liable for anything done or omitted to be done in good faith in or in connection with the exercise or purported exercise of any duties conferred on him or her under this Code.
- (9) The Director may appoint eligible persons as alternates in the event that a member advises the Director of a conflict of interest under subclause (6).
- (10) Each member of the panel referred to in subclause (2) shall be appointed for a period of 2 years and shall be eligible for reappointment.
- (11) The appointment of a member of the Complaints Resolution Committee is not invalidated, and shall not be called in question, by reason of a defect or irregularity in, or in connection with, the appointment of the member.

Sanctions

- 18. Where a Complaints Resolution Committee determines that a supplier has breached the Code, the Committee may do one or more of the following:
 - (a) require the principal to remove or change any offending material;
 - (b) require the principal to publish a corrective statement in a manner and with wording approved by the Committee;



- (c) require the principal to have future advertising and promotional material monitored by the Director;
- (d) require the principal to refund to a consumer an amount determined by the Committee; or
- (e) make such recommendation to the Director as it considers appropriate.

Compliance

- 19. If a supplier refuses to:
 - (a) attend to have a complaint determined by a Complaints Resolution Committee;
 - (b) comply with a requirement imposed by the Complaints Resolution Committee: or
 - (c) comply with the provisions of the Code;

the Director may exercise his or her powers under section 36 of the Fair Trading Act 1992.

Administrative report

- 20. (1) The Code Administration Committee shall, within 3 months after the end of each financial year, submit a report to the Minister.
- (2) The report shall identify industry specific problems and recommend changes to inappropriate practices.
- (3) The report shall include details of:
 - (a) the number of complaints lodged;
 - (b) the number of suppliers found to be in breach of the Code and the nature of those breaches;
 - (c) the amount of time taken to deal with each complaint;
 - (d) the number of breaches identified through monitoring; and
 - (e) the number and type of sanctions imposed.

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Review and evaluation of Code

21. The Code Administration Committee shall review the effectiveness of the Code after the first 6 months of its operation, and then at intervals of not more than 3 years, and may make recommendations for amendments to the Code."

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<u>Attachment 2</u> to Explanatory Memorandum to Fair Trading Regulations



AUSTRALIAN CAPITAL TERRITORY

Fair Trading Act 1992

Fitness Industry CODE OF PRACTICE AMENDMENT (No.1 of 1999)

Explanatory Notes

The Fitness Industry Code of Practice ("the Original Code") was prescribed by Regulation No.1 of 1995 and commenced operation on 6 January 1995. A copy of the Original Code appears at Attachment 2.1.

The Fitness Industry Code of Practice Amendment (No.1 of 1999) ("the New Code") is intended to make amendments to the Original Code to improve its workability. An explanation of the amendments appears in the Schedule of Amendments at Attachment 2.2.

The New Code is essentially a consolidation of the Original Code and various amendments agreed to by industry and the Code Administration Committee. Therefore, while the New Code repeals all provisions of the Original Code, the bulk of those provisions are repeated in the New Code, unaltered. Given this context, the Schedule of Amendments deals exclusively with the differences between the two versions of the Code.

FITNESS INDUSTRY CODE OF PRACTICE

Fair Trading Act 1992

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FITNESS INDUSTRY

CODE OF PRACTICE

Fair Trading Act 1992

This Code of Practice for the Fitness Industry has been developed by the Consumer Affairs Bureau in conjunction with the Bureau of Sport, Recreation and Racing, together with representatives of the Fitness Industry and in consultation with consumers.

This is a mandatory Code, approved by the Consumer Affairs Minister, Terry Connolly, under section 34 of the Fair Trading Act 1992. The Code specifies minimum standards that apply to suppliers providing fitness services to consumers.

The content of the Code will be reviewed periodically by the Code Administration Committee.

PART I—PRELIMINARY

Objectives

- 1. The objectives of the Fitness Industry Code of Practice are—
 - (a) to ensure appropriate standards of trading are maintained within the Fitness Industry;

(b) to promote consumer confidence in the Fitness Industry;

to ensure that management and employees in the Fitness Industry provide services in an ethical and professional manner which takes into consideration the interests of consumers;

(d) to support and promote the Fitness Industry;

- (e) to encourage people in the community to participate in regular physical fitness activities:
- (f) to establish rights and obligations between suppliers and consumers in relation to—

(i) services offered and provided;

the disclosure of all information that is relevant to a consumer entering a membership agreement at a fitness centre; and

(iii) complaint resolution; and

(g) to establish adequate procedures to resolve complaints.

Interpretation

- 2. In this Code, unless the contrary intention appears—
 - "ACTFAC" means the Australian Capital Territory Fitness Advisory Council Incorporated;

- "casual" means a consumer who has not entered a membership agreement with a supplier and who pays that supplier for the provision of a specified service each time he or she uses a fitness service;
- "Code" means this Fitness Industry Code of Practice;
- "consumer" means a person who is supplied with a fitness service and includes a person who is making enquiries at a fitness centre preparatory to deciding whether to enter a membership agreement;
- "cooling off period" means the period referred to in clause 10 during which a consumer may terminate his or her membership;
- "fitness centre" means a facility at which fitness services are provided, but does not include outdoor sport and recreation facilities or unsupervised activities that include interaction with the natural environment;
- "Fitness Industry" means a service industry encompassing any person or organisation that provides a fitness service;
- "fitness service" means a service referred to in subclause 3 (1);
- "floor class" means any adult group exercise class not involving dedicated resistance training equipment;
- "membership agreement" means an agreement referred to in clause 7 between a supplier and a consumer for membership of a fitness centre for a specified period;
- "supplier" means a person, other than an employee, who supplies a fitness service.

Application of Code

- 3. (1) This Code applies to a person who offers or provides any of the following services:
 - (a) a pre-exercise evaluation;
 - (b) an individual fitness program;
 - (c) a supervised fitness program;
 - (d) a group fitness program;
 - (e) the provision of fitness equipment at a fitness centre for use by consumers.
 - (2) This Code does not apply to—
 - (a) a medical practitioner registered under the *Medical Practitioners Act* 1930 providing a service in the course of his or her profession;
 - (b) a physiotherapist registered under the *Physiotherapists Act* 1977 providing a service in the course of his or her profession;
 - (c) a sporting club or organisation established to engage in competitive sport, where people, either individually or as part of a team, train in a place other than a fitness centre; or
 - (d) a person engaged in the business of providing only the use of a spa or

sauna bath, swimming pool or similar facility.

Exemption from Code

- 4. (1) A supplier may apply to the Minister for an exemption from the application of all or any of the provisions of this Code.
- (2) An application to the Minister under subclause (1) shall be in writing setting out the grounds on which the supplier seeks the exemption.
- (3) Where the Minister receives an application in accordance with subclause (1), the Minister shall seek advice from the Code Administration Committee.
 - (4) The Minister may—
 - (a) after considering advice from the Code Administration Committee; and
- (b) if satisfied that there will be no substantial detriment caused to consumers; grant to a supplier—
 - (c) an unconditional exemption; or
 - (d) an exemption subject to conditions.
 - (5) The Minister may, at any time, revoke an exemption.
- (6) If the Minister revokes an exemption, he or she shall give notice, in writing, to the supplier.

PART II—SUPPLIER'S OBLIGATIONS

Supplier's obligations

- 5. (1) A supplier shall not use misleading or unfair advertising or marketing practices.
- (2) A supplier shall ensure that sufficient information is available to enable a consumer to make an informed decision in relation to membership of a fitness centre, and in particular shall—
 - (a) ensure that all promotional material is truthful, accurate and unambiguous;
 - (b) ensure that promotional material does not encourage unrealistic expectations about the level of fitness attainable or the facilities and equipment provided;
 - not make misleading or false comparisons with programs provided by competitors; and
 - (d) allow prospective consumers to inspect the premises without any obligation to purchase a membership.
- (3) A supplier shall, where requested by a consumer, give a copy of the membership agreement, the rules of the fitness centre and any other relevant documentation to the consumer prior to the consumer signing a membership agreement.
- (4) A supplier shall display the rules of the fitness centre in a place where they are likely to come to the attention of consumers.

- (5) A supplier shall display any new rule in a place where it is likely to come to the attention of consumers.
- (6) A supplier shall ensure that an employee who provides a fitness service is qualified to provide the service.
- (7) A supplier shall ensure that there is available, at all times during which fitness services are provided at a fitness centre, an appropriately qualified person to supervise the provision of each service.
- (8) A supplier shall take reasonable steps to ensure that services offered under membership agreements are available to consumers.
- (9) A supplier shall maintain adequate public liability insurance and professional indemnity insurance based on accepted industry standards.

Price of services to be made available to consumer before membership agreement entered

6. (1) Before a consumer signs a membership agreement a supplier shall provide the consumer with material that discloses the full price of the services being offered including, where applicable—

(a) the joining fee;

- (b) the fee for each service or visit;
- (c) the total amount payable for membership for a specified period;
- (d) the fee for a fitness assessment;
- (e) the fee for an exercise program; and
- (f) any other fees payable, or that may be payable, under the membership agreement.
- (2) A supplier shall not describe part of a membership as free or discounted if any program offered in relation to the membership is increased in price, decreased in quality or is restricted in any manner as a result of the offer.

Membership agreements

- 7. (1) A supplier shall ensure that employees act in an ethical and professional manner and do not use unreasonable sales methods to sell memberships.
 - (2) A supplier shall ensure that a membership agreement—

(a) states the name and address of the supplier;

- (b) sets out clearly and unambiguously the rights and responsibilities of the supplier and the consumer;
- (c) states that an agreement for a period of 3 months or more is subject to a cooling off period; and
- (d) discloses the full price of the services being offered including, where applicable—

(i) the joining fee;

- (ii) the fee for each service or visit;
- (iii) the total amount payable for membership for a specified

period;

- (iv) the fee for a fitness assessment;
- (v) the fee for an exercise program; and
- (vi) any other fees payable, or that may be payable, under the membership agreement.
- (3) A supplier shall not enter a membership agreement with a consumer unless the agreement is in writing and is signed by the consumer.
 - (4) A supplier shall not sell a membership—

(a) for a period greater than 12 months;

- (b) where a lease on premises being used for a fitness centre has less than 12 months before it is due to expire—for a period that exceeds the unexpired period of the lease; or
 - (c) for a fitness centre that has not commenced providing fitness services.

(5) A supplier shall not offer to renew a membership—

- (a) in the case of a membership for a period of 12 months—until the current membership has less than 4 months before it is due to expire; or
- (b) in any other case—where the total membership would, at any time, exceed 15 months.

Consumer to complete pre-exercise questionnaire

- 8. (1) A supplier shall not enter a membership agreement with a consumer unless the consumer completes a questionnaire, provided by the supplier, in relation to the consumer's fitness to participate in a fitness service.
- (2) Where answers to a questionnaire indicate that a consumer may be at risk from participating in a particular fitness service the supplier shall not supply any fitness service to the consumer unless the consumer provides evidence from a medical practitioner or an appropriate health professional to the effect that the consumer is, in the opinion of the practitioner or the health professional, not at risk from participating in the proposed fitness service.
- (3) Where a consumer provides evidence under subclause (2) a supplier shall not provide a fitness service until an appropriately qualified person has provided advice to the consumer in relation to an appropriate fitness program.

Visits to fitness centre by casuals

- 9. (1) A supplier shall, before providing a fitness service to a casual, inquire whether the casual knows, or has reasonable grounds to believe, that he or she may be at risk from participating in the fitness service.
- (2) A supplier may, after making an inquiry under subclause (1), require a casual to indemnify a fitness centre before the casual participates in a particular fitness service.

Cooling off period

- 10. (1) Where a consumer purchases a membership for a period of 3 months or more, there is a 7 day cooling off period that begins on the date of purchase, during which the consumer may terminate the membership.
- (2) A consumer who terminates a membership during the cooling off period shall—
 - (a) give notice to the supplier, in writing, include evidence of membership; and
 - (b) either—
 - (i) deliver the notice in person or have it delivered to the supplier's registered or business address; or
 - (ii) post the notice to the supplier's registered or business address by certified mail.
- (3) Where a supplier has provided services to a consumer before the consumer terminates the membership, the supplier may deduct from the amount refunded the reasonable cost of any service provided together with a reasonable administration charge.
- (4) A supplier shall pay a refund due to a consumer within 21 days of receiving notice of termination of the membership.

Confidentiality of personal information

11. A supplier shall not disclose to any person any personal information acquired by him or her from a consumer unless authorised, in writing, by the consumer.

PART III—STANDARD OF FITNESS CENTRE

Standard of fitness Centre

- 12. (1) A supplier shall ensure that all wet areas are effectively cleaned on a daily basis.
 - (2) A supplier shall ensure that all equipment—
 - (a) conforms to safety standards established by the Australian Standards Association;
 - (b) is mechanically sound; and
 - (c) is serviced adequately, efficiently and regularly to ensure continued user safety.
- (3) A supplier shall, display an adequate warning notice, stating that a hazard potential exists if the equipment is misused, at the entrance to any area where fitness equipment is located.
- (4) A supplier shall restrict the number of people in floor classes to a maximum of 1 person for every 3 square metres of effective exercise area.
- (5) A supplier shall ensure that dedicated resistance training areas contain adequate safe working space and that user numbers do not hinder safe and effective use of the training equipment.

(6) A supplier shall provide ventilation adequate to ensure the comfort of the maximum number of people that a particular area accommodates at any time.

PART IV—QUALIFICATIONS AND EMPLOYMENT OF STAFF

Qualifications of staff

- 13. (1) A supplier shall not represent to a consumer that an employee who is to provide a fitness service is qualified to provide the service if the employee is not so qualified.
- (2) A person who is gaining experience to become registered shall be supervised by a person who is qualified to provide the service at the appropriate level.
- (3) An employee is qualified to provide a fitness service referred to in paragraph 3 (1) (a), (b), (c) or (d) if the employee is registered by the Australian Fitness Accreditation Council or ACTFAC and provides service at a level appropriate to that registration.

PART V—CONSUMER OBLIGATIONS

Consumer obligations

- 14. (1) A consumer who enters a membership agreement with a supplier agrees to—
 - (a) carry out, as far as is reasonably practicable, his or her obligations under the agreement;
 - (b) abide by the rules of the fitness centre; and
 - (c) follow any reasonable direction of an employee of the fitness centre.
- (2) If a consumer knows or has reasonable grounds to believe that he or she may be at risk by participating in a particular fitness service, the consumer shall inform the supplier.

PART VI—ADMINISTRATION

Code Administration Committee

- 15. (1) The Code shall be administered by the Code Administration Committee.
 - (2) The Code Administration Committee shall consist of—
 - (a) a representative of ACTFAC:
 - (b) a representative of the Fitness Industry who is the owner or manager of a fitness centre:
 - (c) the Director of Consumer Affairs; and
 - (d) a representative of a peak consumer organisation.
- (3) The representative of the Fitness Industry shall be elected at a meeting of people with an interest in the Fitness Industry.
- (4) The Chairperson of the Code Administration Committee shall be the Director of Consumer Affairs.

- (5) The Consumer Affairs Bureau shall provide secretariat services to the Code Administration Committee.
- (6) The Code Administration Committee may appoint to the Code Administration Committee such other people as it considers necessary to carry out its functions.
- (7) Each member of the Code Administration Committee shall be appointed for a period of 2 years and shall be eligible for reappointment.
- (8) The Code Administration Committee shall meet at least twice each year but may meet more frequently as required.
 - (9) The Code Administration Committee shall—

(a) monitor compliance with the Code;

- (b) report to the Minister on the effectiveness of the Code;
- (c) monitor the operation and administration of the complaints handling procedures and the Complaints Resolution Committee;
- (d) develop policy and procedures to promote the Code within the industry and its recognition by consumers;
- (e) conduct periodic reviews of the effectiveness of the Code and consider recommendations for amendments to the Code; and
- (f) determine a complaint referred by the Complaints Resolution Committee.
- (10) Where the Code Administration Committee convenes to determine a complaint referred by the Complaints Resolution Committee, a member who has a direct interest, pecuniary or otherwise, in a matter before the Committee shall not take part in proceedings in relation to that matter where the member's interest could conflict, or appear to conflict, with the proper performance of his or her duties as a member of the Committee.
- (11) The Code Administration Committee shall, where it convenes to determine a complaint referred by the Complaint Resolution Committee, observe the principles of natural justice.
- (12) A member of the Code Administration Committee shall not act as a member of a Complaints Resolution Committee.
- (13) A member, or former member, of a Code Administration Committee shall not disclose any information acquired by him or her as a consequence of his or her position.
- (14) A member, or former member, of a Code Administration Committee shall not be liable for anything done or omitted to be done in good faith in or in connection with the exercise or purported exercise of any duties conferred on him or her under this Code.

Complaints Resolution Committee

- 16. (1) The Code Administration Committee shall appoint a Complaints Resolution Committee to determine complaints—
 - (a) between consumers and suppliers; and
 - (b) between suppliers.

- (2) A Complaints Resolution Committee shall consist of—
- (a) a representative of ACTFAC;
- (b) a representative of the Fitness Industry who is the owner or manager of a fitness centre; and
- (c) a representative of a peak consumer organisation.
- (3) Subject to subclause (5), the member of the Complaints Resolution Committee referred to in paragraph (2) (b) shall be selected from appropriately qualified people who have expressed an interest in being a member of the Committee.
- (4) The Complaints Resolution Committee shall observe the principles of natural justice.
- (5) A member who has a direct interest, pecuniary or otherwise, in a matter before the Complaints Resolution Committee shall not take part in proceedings in relation to that matter where the member's interest could conflict, or appear to conflict, with the proper performance of his or her duties as a member of the Committee.
- (6) A member, or former member, of a Complaints Resolution Committee shall not disclose any information acquired by him or her as a consequence of his or her position.
- (7) A member or former member of the Complaints Resolution Committee shall not be liable for anything done or omitted to be done in good faith in or in connection with the exercise or purported exercise of any duties conferred on him or her under this Code.

Complaint resolution procedure

- 17. (1) A supplier shall make every reasonable effort to resolve quickly and fairly any complaint made by a consumer in relation to the provision of services offered under a membership agreement with that supplier.
 - (2) Where—
 - (a) a complaint cannot be resolved between a supplier and a consumer; or
- (b) a complaint is made by a supplier against another supplier; the Director of Consumer Affairs shall, on request, refer the complaint to a Complaints Resolution Committee for determination.
- (3) Where a complaint is referred to a Complaints Resolution Committee, the Committee shall, within 7 working days of the referral, hear the complaint.
- (4) Where a Complaints Resolution Committee reaches a unanimous decision on a complaint the Committee shall, within 7 working days—
 - (a) notify the parties to the complaint, in writing; and
 - (b) provide a report to the Code Administration Committee specifying the decision and the reasons for that decision.
- (5) Where a Complaints Resolution Committee is unable to reach a unanimous decision on a complaint, the Committee shall, within 7 working days, refer

the complaint, together with the Committee's recommendations to the Code Administration Committee.

(6) Where, in accordance with subclause (5), a complaint is referred to the Code Administration Committee, the Committee shall, within 7 working days, determine the complaint, and where a unanimous decision cannot be reached the question shall be decided by a vote, with the Director of Consumer Affairs eligible to cast an additional or deciding vote in the case of an equality of votes.

Sanctions

18. Where—

(a) a Complaints Resolution Committee; or

(b) the Code Administration Committee, after reviewing a complaint referred by the Complaints Resolution Committee;

determines that a supplier has breached the Code, the Committee who made the determination may require the supplier to do one or more of the following:

(c) remove or change any offending material;

- (d) publish a corrective statement in a manner and with wording approved by the relevant Committee:
- (e) have future advertising and promotion material monitored by the Director of Consumer Affairs;
- (f) refund to a consumer an amount determined by the relevant Committee.

Compliance

- 19. If a supplier refuses to—
 - (a) attend to have a complaint determined by a Complaints Resolution Committee;
 - (b) comply with a requirement imposed by the Committee; or
 - (c) comply with the provisions of the Code;

the Committee shall notify the Code Administration Committee to request the Director of Consumer Affairs to exercise his or her powers under section 36 of the Fair Trading Act 1992.

Administrative report

- 20. (1) The Code Administration Committee shall, within 3 months after the end of each financial year, submit a report to the Minister.
- (2) The report shall identify industry specific problems and recommend changes to inappropriate practices.
 - (3) The report shall include details of—

(a) the number of complaints lodged;

- (b) the number of suppliers found to be in breach of the Code and the nature of those breaches;
- (c) the amount of time taken to deal with each complaint;
- (d) the number of breaches identified through monitoring; and
- (e) the number and type of sanctions imposed.

Review and evaluation of Code

21. The Code Administration Committee shall review the effectiveness of the Code after the first 6 months of its operation, and then at intervals of not more than 3 years, and may make recommendations in accordance with section 35 of the Fair Trading Act 1992 for amendments to the Code.

Transitional arrangements

- 22. A supplier shall—
 - (a) from the day on which the Code commences—comply with the Code to the extent that he or she is reasonably capable of complying; and
 - (b) as soon as practicable but in any case no later than the end of 6 months after the Code commences—comply with the Code;

except to the extent that an exemption granted under subclause 4 (4) provides for non-compliance.

Provision in the	Equivalent	How the Original Code has been after it in the original Code has been afterned in the original c
Original Code	provision in the	The state of the s
	New Code	
1. Objectives	1. Objectives	No Change.
2. Interpretation	2. Interpretation	The definitions of "Director" and "Minister" have been added for clarity.
		The definition of "Fitness ACT" has been included, and the definition of "ACTFAC" has been deleted, because Fitness ACT has taken over the responsibilities of ACTFAC.
Author		The definition of "Fitness Industry" has been simplified by reference to "Fitness Industry"
ৰ Application of Gode	2. Interpretation	The definitions of "fitness service" and "supplier" have been clarified by relocating the provisions of clause 3 of the Original Code into the body of the definitions clause of the New Code.
Parli	3. Application of	3 of the New Code places the case for security in the New Code places the case of the New Code places the case of the New Code places the case of the Code places the Code places the case of the Code places the case of the Code places the Code places the case of the Code places the
amentary (Code	was inherent in the Original Code and has been expressly stated to bring this Code into line with other Codes prescribed under the Edit Tradian
4 Exemption	4. Exemption	No Change.
from Code	from Code	
Supplier's	5. Supplier's	No Change.
픬	Obligations	
	6. Price of	No Change.
Services to be	Services to be	
arable	available	
/er Membership	7. Membership Agreements	Paragraph 7(5)(b) of the New Code corrects a deficiency in the Original Code; it adds a prohibition to mirror that contained in subclause 7(4)(h) such that a contained in subclause 7(4)(h) such tha
J		nor extend, a membership where the supplier does not have a lease on the premises in relation to the period of membership.
		Paragraph 7(5)(b) of the Original Code has been renumbered as paragraph 7(5)(c) of the New Code.
8. Pre-exercise Questionnaire	8. Pre-exercise	No Change.
0	& decelled and	

9. Visits by	9. Visits	No Change
	casuals	
10. Cooling off		No Change.
nollad	period	
11. Confidentiality	11. Confidentiality	No Change.
12. Standard of		The reference to the "Australian Standards Association" is a secondards.
Centre	Centre	Code has been deleted and replaced with a reference to the "Standard Accessions"
A		Australia" in order to recognise the name change of that hody
in ise	13.	Subclause 13(3) of the Original Code has been simulified by deleting the constant
gualifications of Staff	Qualifications of Staff	provisions of clause 3. The reference to ACTFAC in the Original Code has been replaced by a
4. Consumer	14. Consumer	No Change
G bligations	Obligations	
Code	15. Code	The references to ACTFAC in paragraph 15(2)(a) of the Original Code have been realisted to
Administration Gommittee	Administration Committee	reference to Fitness ACT.
l-also access		Subclauses (10) and (11) of the Original Code have been repealed because those provisions have been made redundant by amendment to the complement to the com
sible a		discontinuity difficulties to the complaint resolution procedure below.
at www.legislati		Subclause (10) of the New Code is intended to make the Code Administration Committee more workable by allowing members to act by proxy.
on.ac		Subclaired (11) of the Name Of the Control of the Name Of the Control of the Cont
		Committee being called into question by reason of some defect in appointment of a month
16. Complaints Resolution	17. Complaints Resolution	To provide a more logical presentation of the scheme of dispute resolution, clauses 16 and 17 of the Original Code appear in reverse order in the New Code
Committee	Committee	
		Clause 16 of the Original Code, which establishes the Complaints Resolution Committee, has been revised to improve the workability of the Committee, as described below.
	-	While the Original Code provided for a representative of ACTFAC to serve on the Complaints

Procedure	Procedure	Subclause 16/3) of the New Code places as abitration as the Discourse 16/3) of the New Code places
)	Resolution Committee, in accordance with subclause 17(3) of the New Code, as soon as practicable. Within 14 days of the appointment, the Director must refer the complaint to that
7		
		In contrast to the Original Code, the Code Administration Committee is no longer involved in the resolution of complaints under the New Code. This change was necessary to reflect the proper roles of the two committees established under the Code. The Code Administration Committees
 Authorised		is intended to be a policy and review body concerned with the general operation of the Code, while the Complaints Resolution Committee is intended to deal with individual disputes. This
by the ACT Par	·	change was necessary to maintain the independence of the Complaints Resolution Committee and make the Code consistent with other Codes prescribed under the Act.
equence Sanctions	18. Sanctions	ıΨ
ıry Co		ith an additional sanction in
unsel		the Director. These recommendations are not binding on the Director but may include a
–also ac		recommendation that the Director use his or her powers under the Act to seek an undertaking or injunctive relief.
Compliance	19. Compliance	The reference in paragraph 19(b) to the "Code Administration Committee" has been replaced
at www		with a reference to the "Complaints Resolution Committee" as a consequence of the changes to the complaints resolution procedure
Annual Annual	20 Annual	
We port	Report	
\$1. Review and	21. Review ar	The unnecessary reference to section 35 of the Act has been deleted from clause 21 of the
L'valdation of	Evaluation of	Oliginal code.
Code	Code	
22. Transitional		Clause 22 of the Original Code, which provided for transitional arrangements for the
Arrangements		commencement of the Original Code, has been repealed as unnecessary.

<u>Attachment 3</u> to Explanatory Memorandum to Fair Trading Regulations



AUSTRALIAN CAPITAL TERRITORY

Fair Trading Act 1992

Crowd Marshals Industry CODE OF PRACTICE AMENDMENT (No.1 of 1999)

Table of Provisions

Clause

1. Principal Code

2. References to Crime Prevention Committee

3. Complaints Resolution Committee

This Amendment is certified as a true and correct copy of that approved by the Minister in accordance with section 35 of the Fair Trading Act 1992.

Gary Humphries MLA

Minister for Justice and Community Safety

Dated: 5 24 (199

Fair Trading Act 1992 Fair Trading Regulations

Crowd Marshals Industry CODE OF PRACTICE AMENDMENT (No.1 of 1999)

Principal Code

1. In this amendment, "Principal Code" means the Crowd Marshals Industry Code of Practice, prescribed by the Fair Trading Regulations ("the Regulations") as a Code of Practice under the Fair Trading Act 1992, as amended by the Crowd Marshals Industry Code Of Practice Amendment (No.1 of 1998), also prescribed by the Regulations.

References to Crime Prevention Committee

2. Paragraph 11(2)(g) and subclause 11(3) of the Principal Code are amended by omitting "Community Safety Committee" wherever occurring and substituting "Crime Prevention Committee".

Complaints Resolution Committee

3. Paragraph 13(1)(b) of the Principal Code is amended by omitting the words "the Crowd Marshal Industry who is the owner or manager of a Crowd Marshal company" and substituting "principals".

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Attachment 4 to Explanatory Memorandum to Fair Trading Regulations



AUSTRALIAN CAPITAL TERRITORY

Fair Trading Act 1992

Fair Trading Regulations

Crowd Marshals Industry CODE OF PRACTICE AMENDMENT (No.1 of 1999)

Explanatory Notes

Introduction

The purpose of the Amendment is to make two minor amendments to the Code to facilitate its proper administration.

Clause 2

Clause 2 amends clause 13 of the Principal Code in order to reflect the fact that the Community Safety Committee has been renamed "the Crime Prevention Committee".

Clause 3

Clause 3 is intended to broaden the range of persons that are eligible for appointment to the Complaints Resolution Committee as representatives of the industry. The description of the industry representative in paragraph 13(1)(b) of the Principal Code does not accord with the original policy intention of the Code because it restricts representation to owners or managers of crowd marshal companies and excludes Liquor Licensees. The policy intention is to allow for representation by principals in the industry generally; some Liquor Licensees are principals under the Code.