



Inside this issue...

Editorial	1
AGM summary	3
Social media KPIs	4
2014: The year that was...	4
2014: The year that was...	5
ATA financial data and disclosure	6
What value accreditation...?	7
2015 Cost of accreditation	8
2015 New fees structure	9
Future directions	9
Tutoring news	11
ATA press release: university practices can encourage or discourage plagiarism	12

Editorial

The 2014 year has been an amazing one for the Australian Tutoring Association (ATA) and one that has progressed the long term vision of the organisation. Members should be pleased that some very significant changes have taken place. There are five extremely significant aspects to the year:

1. The change in legal structure from a not-for-profit to a non-profit corporate structure
2. The launch and embedding of accreditation
3. The development of the insurance partnership with AON
4. The expansion into the social media space
5. The move to become a cloud-based, online organisation

The change in legal structure

The ATA Board realised that in order to set up the ATA Charity there was a necessary first legal step that had to be undertaken. This was the advice of DLA Piper, the legal firm in Melbourne assisting the ATA on a pro bono basis. The members had to vote in order to agree to a change in the ATA Constitution that allows for the company to raise funds for a charitable purpose.

The Constitutional change required a vote in favour of the resolution and members overwhelmingly voted in favour of the change. The administrative procedure of notifying ASIC was completed quickly and lodged following the vote. This has removed any structural impediment to the creation or founding of the charity.

The launch and embedding of accreditation

The alliance with Accredited Tutor (www.accreditedtutor.org) has been an extremely significant and has already changed the tutoring industry in Australia. The ATA was not able to provide a platform or means by which to offer a training standard for members and those seeking to enter the industry. AT has enabled the ATA to offer a very robust training package in a medium that suits members and benchmarks best practice nationally.

From 2015, access to discounted insurance will come only after members have completed their accreditation. Those seeking to access AON insurance products without accreditation will face higher insurance costs. This is because accreditation represents a lower risk to the insurer as well as a commitment to best practice.

The development of the insurance partnership with AON

AON has been an excellent insurance partner. AON offers very discounted insurance on public liability for ATA members and gives professional indemnity cover with the public liability cover. AON has also worked hard to create a business pack that businesses should seriously assess. Apart from supporting our members, the ATA receives \$7 for every member sign up – which helps us to keep our fees low!

The expansion into the social media space

In the past year the way Australians communicate has shifted markedly. More and more businesses and individuals communicate through online forums and electronically. The ATA decided to boost its presence in social media through engaging more fully on Facebook and Twitter, as well as making use of a YouTube channel. These media are used increasingly by our members and we see it as our role to support members by using social media to add value to member Facebook pages and Twitter feeds. The KPIs indicate the rapid uptake of social media and the interest with which the public and members view our online presence.

The move to become a 'cloud-based', online organisation

In 2013 we noticed that the preferred choice was payment for membership by cheque. However, late in 2013 members started to ask to direct transfer membership fees and increasingly sought to use card payments. Accordingly, the move to electronic payments was in response to the changing preferences of members.

The ATA redesign of the website and move to a wholly online payment gateway from PayPal has been coupled with the use of Mailchimp as the provider of email services, an integrated CRM with the website, the use of dropbox and the 'cloud' for storage (appropriately password protected and backed up) and various forms of analytics through Google and Survey Monkey and also use Mention.net to assess our media presence.

The effect of these changes mean that administration costs have fallen and that the ATA office can be run 'virtually'. This reduces costs associated with rental space and other overhead costs.

The flexibility that technology offers does carry some drawbacks. Staff training is paramount for the successful use of various technologies on different platforms, and also for consistency of experience from a user perspective. Moreover, system upgrades and enhancements do add cost and also hamper some processes when we undertake necessary upgrades to improve security and enhance flexibility, stability and the capacity to support members better.

AGM Summary

The following KPIs were presented to those assembled at the AGM and are available in the AGM slides that are on the ATA website: <http://ata.edu.au/category/press-releases/>

Highlights include that membership has grown from 504 to 601 – a net growth of 19.2% for the year.

ATA Membership KPIs and recent trends

Total members 31st December 2011	348
Total members 31st December 2012	413
Total members 31st December 2013	504
Total members 31st March 2014	551
Total members 30th June 2014	572
Total members 30th September 2014	587
Total members 3rd December 2014	601
Total current members	601

Net increase through 2014: 243 new, 146 lapsed, NET: 97 members

Net increase through 2013: 194 new, 103 lapsed, NET: 91 members

Net increase through 2012: 146 new, 81 lapsed, NET: 65 members

Annual 'churn' rates:

2014: 146/504 (Churn 29%)

2013: 103/413 (Churn 24.9%)

2012: 81/348 (Churn 23.3%)

Comment:

The level of churn or turn over in the member base provides an interesting snapshot on the industry more broadly. Clearly, the industry is very easy to enter and easy to leave. This fact means that about 20-30% of businesses do not last very long in the industry. Accreditation, whilst boosting national standards, actually means there is now an appropriate entry pathway into the industry and thus it should, over time, reduce the number of entrants and also exits from the industry. This will be to the benefit of standards and the reputation of the industry broadly.

Social media KPIs – Facebook, Twitter and the ATA YouTube channel

The data below offers statistics on the use of social media by the ATA over the past 3 years (2012-14). The trends are very clear. Investment in an active social media presence leads to increased engagement with the 'audience'. In the ATA's case the 'audience' includes members, families, educators, statutory authorities and other stakeholders with an interest in, and/or affected by, the industry. Note that the ATA is a best practice organisation in the tutoring sphere internationally and thus what we do is closely monitored by organisations offshore. Moreover, what we articulate in press releases and through our social media platforms have far reaching effects domestically and also internationally.

ATA Facebook Statistics

2012

- Facebook posts: 5
- Average 0.42/month
- Av reach: 13.2 people
- Av engagement (post clicks or "likes" or "shares"): $117/5 = 23.4$

2013

- Facebook posts: 3
- Average 0.25/month
- Av reach: 44.7 people
- Av engagement: $12/3 = 4$

2014

- Facebook posts: 67 (since 24th June)
- Average 11.16/month
- Av reach: 199.75 people
- Av engagement: $1488/67 = 22.2$
- Number of 'likes' since June 2014: Increased from 120 to 281

ATA Twitter statistics:

- Number of 'followers' increased from: 22 to 47 (since 24th June)
- Number of Tweets increased from 50 to 117

Subscribers to updates:

Subscribers to ATA newsletter including both: the Australian College of Educational Research (ACER) and the Australian Curriculum Assessment and Reporting Authority (ACARA)

ATA YouTube Channel statistics:

- ATA YouTube Channel: 216 views (about the ATA) up from 160 since June 2014.

2014: the year that was...

The past year has been one of consolidation, growth and powerfully transforming change for the ATA and its members. The timeline below provides a snapshot or overview of the significant events and activities that occurred through 2014. These events and activities have made this year our best ever.

January

- ATA Code of Conduct translated into Hindi
- Press article in China News: Chinese Australian attends cram school, 29/01/14

February

- Joint Press Release with NSW Fair Trading Minister Stuart Ayres and the NSW Office of Fair Trading: Hindi and Chinese media Press Releases
- Numerous articles in favour of the ATA were published in Chinese language papers, the Chinese television stations and Indian newspapers. Examples include:
- Nena Badhwar, “ATA sets a benchmark on tutoring” from The Indian Down Under, 17.01.14

March

- ATA sets up new Scholarship Account thanks to generous donation from iSmart Tuition founder Chin Chan
- Australian Tutoring Association (ATA) turns 9-years-old. This is a significant domestic and global milestone

May

- Stephen Lacey, “Taking guesswork out of tutors”, SMH, Saturday 03.05.14
- ATA Press Release, “NAPLAN encourages tutoring” – note the significance of this article
- Press articles on NAPLAN: Wes Hosking, ‘Parents turn to tutors to help children on eve of NAPLAN tests’, Herald Sun, 07.05.14
- Alexandra Smith, “Parents wait on results before seeking help of tutors”, SMH, 11.05.14 also published as “Students at public primary schools more likely to be coached after bad NAPLAN results”.

June

- Cystic Fibrosis Victoria (CFV) offers tutoring grants, a condition of which the applicants are members of the ATA

July

- Thomas commences tutoring following a psychometric test. He is the first in a series of trials to develop the best scholarship model
- ACARA contacts the ATA with a view to aligning the messages re: NAPLAN

August – momentous change

Not-for-profit to Non-profit

In this morning’s Special General Meeting there were 125 votes in favour of the change and I vote against. The resolution, called in order to change the ATA Constitution such that the corporate structure will become non-profit in character rather than not-for-profit, was therefore resoundingly passed. The ATA Board will now pursue charitable status through the ACNC and the ATO. We are very pleased with this momentous change and will keep you updated as we progress.

- PISA results released
- SBS News article: Brianna Roberts, “Does it pay to send your child to after-school tutoring?”
- National Literacy and Numeracy Week (NLNW): ATA Press Release: Literacy and numeracy school-tutor partnerships”
- News article regarding written exams and the issues these exams present for those who are learning to utilise technology by Ian Walker, “Pain game: The writing may be on the wall for three-hour written HSC exams with technology set to take over”, 03.08.14 Sunday Telegraph

September

- Double page article by Katrina Creer in Kidspot (News Corp, Saturday 7th September): “Tutors may be the best remedy”.
- ATA makes ABN mandatory for new members and renewing members – this adds a layer of protection for all ATA members

October

- Kip Online launched in Australia by Kip McGrath Ltd. a significant member of the ATA and ardent supporter since its inception.
- Source: <http://www.kiponline.com.au/>

- Second scholarship trial underway in Karratha exploring the use of online technologies

November

- Over 300 individuals accredited in Australia
- ATA Press Release: “University assessment can encourage or discourage plagiarism”

December

- ATA AGM
- ACNC supplementary information for charitable status submitted for assessment

Audit requirements for AGM and ASIC Rules – Companies limited by guarantee – simplified obligations:

From 28 June 2010, companies limited by guarantee are subject to a number of law changes including:

- prohibition on payment of dividends to members
- preparation and audit or review of financial reports, and
- annual financial reporting to members.
- Importantly, the law now defines a small company limited by guarantee.
- What is a small company limited by guarantee? A company is a small company limited by guarantee in a particular financial year if:

- it is a company limited by guarantee for the whole of the financial year
- it is not a deductible gift recipient at any time during the financial year; and
- its revenue (or consolidated revenue if that applies) for the financial year is less than \$250,000.

Tier Type of company Obligations

1. Small company limited by guarantee. Unless directed by a member or ASIC, does not have to:
 - prepare a financial report or have it audited
 - prepare a directors’ report, or
 - notify members of annual reports.

Source: <http://www.asic.gov.au/asic/asic.nsf/byheadline/Companies+limited+by+guarantee-simplified+obligations>

ATA financial data and disclosure

Despite ASIC requirements excluding the ATA Board from needed to prepare an annual report the Board believes it is consistent with openness and accountability, as well as good governance standards to disclose the key financial data relevant to the company and its members annually. The data below provides a summary of the income earned, expenses incurred and net increase in the bank account over the past twelve months.

Income

- Income from ATA Memberships: \$102,336.54 (2013: \$80,678.65)
- Other income: AON Insurance partnership income (June-Nov): \$1,108.80
- **Total annual income: \$103,445.34**

Expenditure

- Total expenses: **\$77,864.96** (wages expense: \$37,429)
- **Net increase in bank (Dec 2013 – Nov 2014): + \$25,580.38**

What value accreditation...?

For a few months the ATA offered accreditation free with ATA membership. However, the cost to the ATA of halving the income received by the ATA was too great, and was not sustainable. The ATA Board has had to reassess the cost of accreditation against its utility in order to find a price that is commensurate with its value. As part of this process we looked at the cost of different forms of accreditation in various industries. As can be seen below, the very lowest price was in the order of \$50. As also can be seen with each of the job types below, the prices vary for each of the unskilled and semi-skilled forms of training.

- The cost of Responsible Service of Alcohol (RSA) \$69 online (or \$49 discounted)
- Construction Induction Training White Card: \$50 online (less than an hour)
- Toby's Estate Barista Course: \$150 for 3 hours – Level I Espresso Foundations Course
- Traffic controller ('Lollipop man'): \$205.75 (1 day course) renewable every 3 years for \$167.45 (this equates to an average of just under \$56 per year)

The ATA Board considered the costs above and also looked at a range of other costs associated with accreditation and entry into different industries and lines of work. It became clear that the cost of tutoring accreditation was being vastly undervalued.

Accordingly, there will be an adjustment to membership fees from January 1st 2015 in order to reflect better the actual cost of accreditation and to reflect better its value for members in the market.

2015 Cost of accreditation

Accreditation will be priced in 2015 at a nominal cost of \$100. Note that this is a very low cost and also further note the following:

- The expense of accreditation is tax deductible
- An accredited tutor should charge slightly higher hourly rates for the service they provide. Even \$5 per hour should mean that a tutor will recoup the monetary investment within a few weeks
- The accredited tutors will get priority search status on the ATA website and will also have a profile on the Accredited Tutor website. This should boost the tutor's profile and also add value in terms of perceptions about quality and best practice standards

Risk mitigation and insurance

Insurance is a risk mitigation option that is utilised by businesses that seek to reduce or manage risk. From an insurer's perspective, the lowest risk applicants for insurance should attract the greatest discount as they represent the lower chance of possible claim.

The AON insurer has agreed to offer discounted insurance to those who complete accreditation and to increase the cost of insurance for those who do not. This is commensurate with an appropriate and market based solution to the mitigation and management of risk. Insurance alone is in the order of \$550 as can be seen from the following:

Business Insurance quotes for: Tutor from: <http://www.aami.com.au/business-insurance>:

- Per year Quote 1: \$45.86 per month (this translates to \$550 per year)
- Included covers: Public & Products Liability

2015 New Fees structure

ATA members received a reduction in cost through 2014 as a result of our association with AON. This alliance meant that even though there was a slight rise in membership fees members saved \$10 on membership and insurance. The benefit was compounded as the actual insurance product offered by AON is a vast improvement on that which was offered by our previous insurer – AAMI.

The new fees for membership and accreditation are shown below. Note that for the first time, non-teacher trained tutors and business owners will be charged a higher rather than lower membership fee. This is to reflect that they are entering the industry without formal educational training and thus the cost of gaining an industry-based qualification that is recognised must be appropriately factored into the price. It also reflects that the fact that there is a high level of 'churn' amongst these member .

Fees for 2015 and Membership Categories

Category A - Businesses

1. For businesses with a teacher principal \$299 (incl GST)
2. For businesses with a non-teacher principal: \$349 (incl GST)

Category B - Individual teachers

3. For individual teachers \$299 (incl GST)

Category C – Individuals – non-teacher trained

4. For individual non-teacher: \$349 (incl GST)

Membership and insurance

Insurance will be available at the current cost of \$200 for \$10m public liability (PL) and \$1m professional indemnity (PI) cover. This extremely low cost insurance is the price for those who get accredited and reflects the lower risk associated with those taking on accreditation.

The heavily discounted insurance will no longer be available for those who are not accredited. A discounted product will be offered but not at the rates given to accredited members.

In terms of other pricing, there has been a slight increase in the listing price for those seeking to list multiple sites and thus increase the chances of being picked up on the 'Find a Tutor' function of the ATA website. The 2015 listing costs are below.

Listing Price (members with multiple sites – one manager)

- \$55 per site per year for registered businesses
- \$220 for "Agencies" – no actual physical site

Future Directions

The ATA shall celebrate its tenth year during 2015. This makes it a year to celebrate the successes and the growth of tutoring as a phenomenon in Australia. That parents are choosing to supplement mainstream education with the 'informal' tutoring sector suggests that they:

- Seek to have greater control over the outcomes of the education their child(ren) receives
- Are demonstrating that they value education and can see its importance
- See tutoring as an appropriate supplement to mainstream education

Accordingly, in 2015 the ATA shall do each of the following:

Working With Children Protection

From the 1st of January it shall become a condition of ATA membership that all members provide evidence of having done a Working With Children Check (WWCC).

ATA Charity and scholarships for those in need

The charity is the focus as is the development of the scholarships. The application before the ACNC is currently being assessed and it is fervently hoped that it is successful. The need for literacy and numeracy scholarships continues to grow and the model for remediation and inclusion envisioned by the ATA is one that we believe would address and ameliorate the issue of disadvantage. However, imagination needs to be ignited for other stakeholders.

Global Professional Tutors Association (GPTA)

The second phase of development for the GPTA website is taking place during December and January. The GPTS has been set up in London as a non-profit company and will commence operations at the end of February, given present indications. It will commence with a Code of Conduct, offer of discounted insurance and a form of accreditation that recognises teachers and child protection checks. It will not provide an online learning standard for accreditation that features in the Australian market.



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Tutoring news

There is a trend for supplementing children's education with tuition, not just across Australia but around the world. It's a parental choice that has brought to the market an increasing number of tutoring businesses, including Kip McGrath Education Centres. At the end of June the business counted 552 franchised centres around the world – 133 of these in Australia. KMEC has achieved three years of significant year-on-year revenue and earnings growth, which led to revenue of \$12.5 million in financial year 2014. CEO Storm McGrath, the son of the founder, says the real growth has been in profits and the revenue has doubled. And it's been brought about by a change in the franchise model.

"We have different distribution and different franchise systems. The original model from the 1980s was a fixed revenue model, CD based and worksheet delivery system." McGrath explains. Fees are now a percentage of revenue. "For some of our older franchisees, paying a higher percentage was going to be a struggle and a hard decision. But for five years we've been transparent with franchisees about what it will mean. Between 50 and 100 have said it's not for me and have retired or sold their business. About half the franchisees are already on the new agreement but a number did decide not to make the change, and to move out of the franchise... Most sales happened in the '90s so it's been 20 years for some franchises and it's too hard to change. In the last five years we've brought in more people under 40 who understand technology. The franchisor's job is to get young people into business, they are vibrant and bring new ideas."

Techno trend

It can be hard to implement change with a 30 year history in the shadows but technology has been the change management tool.

"I took over seven years ago and spent two years investigating the business, talking to the bigger franchisees, other franchisors, competitors. When you look at Subway and McDonald's, they do a lot of things that we do now, that make it easy for franchisees. Our business requires people and relationships but technology can enable... Now we do the back office – BAS, payroll, pay the bills, P+Ls, collect gross revenue. We piloted the model and it's proven successful."

The company invested \$4 million developing a proprietary software to house the technological capabilities required for the new model. So how will shareholders judge the success of the innovations?

"The only measurement that counts is profit after tax," says McGrath. "We've come off a very low base. We spent nearly every cent we earned. Now investment is going down, and revenue and profit is up... There have been lots of really small changes that make big differences. We collect monies – parents pay centrally and it's automated, so there is less bad debt. Content is all delivered through the cloud."

Techno tutoring

"All of our franchisees teach in the centre, with tutors. The technology gives them more control over the teaching, which creates better lessons, and students stay in the system longer. One other thing starting to make a difference is the proprietary delivery online, now we can look at delivering education to regional and remote areas, remedial schools, sick kids, and for pre- and post-tests. We can show the parents what we did, how long we took, how the results are getting better."

KMEC has just released an online tutoring platform with Voice Over Internet Provider (VOIP) and video facilities that has been trialed in Karratha in Western Australia since last September. Enquiries will be handled centrally and will go to the geographically closest and most capable franchisee, says McGrath. Four years in development, KipOnline delivers personalised tuition to students in their own home through a simple webcam and online interface that retains the 'live' student-teacher interaction, emphasis on manual work and real-time feedback. It will be rolled out across existing operations in Australia and the UK, and to other countries including New Zealand and South Africa.

McGrath says that many existing franchisees have signed on to deliver this program as part of new franchise agreements, but some had chosen not to adopt the new model and would relinquish their KipOnline licenses.

"The hybrid online model we have developed is the future of tutoring in Australia and very much the future of Kip McGrath in Australia and internationally. While we are closely supporting those franchisees migrating to the new model, there is a modest investment of time and funds required and we can understand some not wanting to make that commitment," McGrath explains. "That means in many regions there are openings for motivated and entrepreneurial business operators with a passion for education to pick up the KipOnline mantle," he adds.

While this seems a perfect solution for remote and regional areas, McGrath believes the potential extends beyond outlying territories. The indirect costs of tuition like travelling to and from a tutoring session and the time it takes will mean city based parents will come to embrace the online model, he suggests.

"When the economy has started to slow down, education is a major concern for parents who want their children to have a better life than them, and the way to achieve this is better education. It gives us freedom and choice."

When the McGraths started this business the only children getting extra tuition were well off; now the triggers are the NAPLAN tests, poor student performance, and moving schools. And there are more businesses in the sector. According to the Australian Tutoring Association (ATA), 40,000 people are registered to get their main income from tutoring.

"We teach about 12,000 people in Australia, there are about 2 million children in Australia."

While English and maths are the two subjects taught through KMEC, McGrath predicts the so-called edutainment industry will become more significant.

"What the internet will do is offer convenience. The TV is the window to the world, the tutor is at the other end."

The great majority of KMEC franchisees are located overseas with growth expected in all of the major markets. A benefit for overseas trading is that the company in Australia is publicly listed; the McGraths remain the major shareholders.

"We're a small company so it's a high cost but it brings discipline and makes you think a lot more about good decisions; you're accountable to shareholders."

Public listing delivers greater longevity to the franchisor and certainty to the franchisees, says McGrath.

Source: S Stowe, "Online learning driving new look Kip McGrath model", 21.10.14

ATA Press Release: University practices can encourage or discourage plagiarism

University assessment practices can encourage or discourage plagiarism.

External assessment, found to be a weakness in the HSC prior to the review of external assessment leading to the creation of more robust assessment processes, has evidently undermined university assessment. The complicating factor for universities is the lure of the dollars associated with international students. This factor may have been an influence in the types of assessment utilised within the courses chosen by some of these students.

When external assessment comprises a high proportion of the overall assessment, problems of plagiarism can arise. In a proportion of cases where robust assessment would have caught students who should have failed, the lack of robustness has evidently allowed students to pass or better.

ATA CEO, Mohan Dhall said, “Universities can work with the tutoring sector to better understand the issues that arise with respect to assessment and the overlay of a commercial imperative that can drive less savoury business practices. Robust assessment is creative but is well-supervised and involves an application of skills. Face-to-face presentations before an expert panel, for example can assess the strength of a student’s ability and understanding. There is also place for a stronger emphasis on examinations in universities. However, this does not preclude the application of higher order thinking skills. Application of thinking to scenario-based questions and other creative forms of assessment ensure that the possibility of plagiarism and also rote memorisation are limited.”

The ATA Code of Conduct prohibits members from engaging in any form of plagiarism or creating dependencies. ATA members who tutor students at any level, university or school, are banned from doing the work in place of the student. The outsourcing of student work to so-called ‘tutors’ is a scam based on a false belief that passing is more important than understanding and that knowledge and understanding can be purchased. Both of these are falsehoods.

Within Tuition Editor

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