



Within Tuition

Australian Tutoring Association (ATA) Ltd.

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The Australian Tutoring Association (ATA) Ltd Newsletter

ATA and Westpac announce an historical banking partnership deal for ATA members

Westpac and the Australian Tutoring Association (ATA) Ltd have released details of their exclusive banking deal for ATA members. Concerned at the very high fees and charges being levied by their former bank, the ATA has shifted all of its accounts to Westpac. However to take advantage of the deal a member need **NOT** have to bank with Westpac. The features of the deal are as follows:

Westpac Merchant Service for EFTPOS Processing

- Credit cards **0.918%** of total turnover (min \$22 per month)
- Debit cards \$0.11 per transaction payable monthly
- Terminal access fee \$22.00 (monthly rent)
- There is **NO** Establishment fee for any ATA member whether they have an EFTPOS merchant facility or not
- The Participation Fee of \$2 per month has been waived for all ATA members

Visa/MasterCard Merchant Service for Online Processing

- Credit cards **0.918%** of total turnover (min \$22 per month)
- Establishment fee \$160
- Participation fee \$11 payable monthly
- Transaction fee \$0.11 per transaction, payable monthly

Please note the full details of the various Merchant Services as well as the Product Disclosure Statement (PDS) are available on the ATA website at www.ata.edu.au. Also note that the ATA receives 0.01% commission on credit card turnover.

Pictured below: ATA President Chris Druett with Westpac's Arisha Jayakumar



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Unsolicited spam emails targeting ATA members

The ATA and its members have been subject to SPAM attacks from various businesses. These businesses have been registered in Queensland and have used email to solicit members. The ATA actively addresses such issues and is taking steps to remove members email contact details from our public website.

**Is it a Sub-Contractor or an Employee??** Mohan Dhall

Tuition businesses and business owners are often faced with an interesting decision with respect to staffing and employment. The central question is whether people who work as tutors should be employed by the business or whether they should they be taken on in the capacity of sub-contractors?

There are advantages of either arrangement however the choice of one over the other is quite complicated on account of the following factors:

- The superannuation threshold. Currently set at \$450 gross earnings per month, an employee earning over this amount on average per month should have 9% superannuation paid to their nominated superannuation fund
- Taxation reasons: a person earning more than 80% of their income from only one source or one employee may be considered an employee of the business which has implications in terms of payroll taxation, taxation thresholds and so forth
- Where the work is done: if a person is required to wear a uniform, use specific materials supplied by the business and/or work to a particular method in a particular or specified location then that may be deemed to constitute an employer-employee relationship regardless of how the people engaged 'define' their relationship

relationship

- Whether the tutors involved are required to provide an ABN, supply invoices and/or provide evidence of their own child protection screening paperwork.

These factors must be considered when trying to characterise the relationship that tutors have with a tuition business as if a business believes that it is engaging the services of sub-contractors, but is actually taking on tutors in an employment capacity then there may be significant workers compensation, superannuation and taxation issues which can arise.

Managers and owners of tuition businesses need to be aware of the nature and quality of the employment arrangement that they have with their staff (full time, part time, casual or sub-contracted). If a business owner believes that their staff are sub-contractors but they are for all legal intents and purposes employees then there could be unexpected financial costs arising at the point of separation on account of unpaid superannuation. Similarly, public liability insurance may not cover a sub-contractor who may need to make their own arrangements in this regard.

The information contained herein is general in nature only and does not constitute advice. Readers are to make their own investigations when deciding on matters of a commercial nature

Tutoring and Education in Singapore by Mohan Dhall

Singapore is a country with a population of around 5 million people. It is a society that is highly regulated and people are generally law abiding and respectful of one another. Education in Singapore is also highly regulated, controlled by the Ministry of Education (MOE). Tuition in Singapore is prevalent as revealed in a 2008 survey conducted by the Sunday Times in June 2008 that was also published in the New Straits Times. The survey had a small sample size of 100 students, however the survey found that:

- 97 of the 100 students engaged in a form of tuition. The students survey ranged from primary school through junior college (years 7 - 9) and secondary college (years 10 - 12)
- 49 of these students had private tutors whilst a further 32 went to external supplementary classes. 16 of the 97 had both forms of tuition

In Singapore, tuition businesses with fixed premises are called 'tuition centres'. Such businesses are those that students visit for tuition. Most of this is based on classes as opposed to one-to-one in form. These centres have to be registered with the Ministry of Education. Contrast this with the situation for private tutors (those who tutor in students homes). Such tutors do not have to be registered.

In an interview with the author a senior former education bureaucrat and politician stated that it is this private tuition ('agency') aspect of the tuition market that should be most subject to regulation. He expressed concern that more than 50% of students engaging tutors could have unregulated persons conducting the tuition. He further stated that he shared a more general concern in regards to on-line tuition which he thought would be the way in which tuition will be conducted in the future.

Tuition centres are registered as private schools. Similar to Australian trends, this aspect of the tuition market has grown steadily in recent years. Thus, in 2004 there were 387 tuition centres. In 2005 there were 412 and 2008 there were 425 centres. The annual turnover increased from \$105.9 million (SGD) in 2004 up to \$110.6 million - an increase of about 5%. This equates to a rise from AUD\$85.6 million to AUD\$88.4 million. In 2009 preliminary figures from MOE suggest there are up to 664 commercial schools. There has been some discussion amongst the larger commercial enterprises as to whether there could be a tutoring association and if so, what role it would play.

Reference: Mavis Toh, "Tuition Nation", 15.06.08, from http://www.straitstimes.com/print/Free/Story/STIStory_248124.html, accessed on 03.10.09; Source: 2009 Education Statistics Digest from www.moe.gov.sg



Tutoring in the News

by Mohan Dhall

Tutoring has been a feature of several news articles across a range of different newspapers and in different Australian States. A context and reference to each of the recent articles has been presented below.

Tutoring as Small Business Opportunity

2009 has been characterised by the global downturn and numerous economies in recession. In Australia the response by the government early in the downturn was the payment of cash handouts to low and medium income families. With the Reserve Bank of Australia (RBA) raising interest rates, government has taken the view that the Australian economy is starting to grow. It is in this context a report by IBISWorld, called *The New Australians: Who we will be in 2020*, should be read. The report suggests that consumer demand and thus business growth in the Australian economy will be slow until the end of 2010. An IBISWorld industry analyst, Raghu Rajakumar, says that discretionary spending, such as that allocated to the retail sector, will be slow. He asserts however that from an investment perspective IBISWorld expects "...the private tutoring industry to do very well." Though the parameters of the study were not disclosed in the article, Rajakumar asserts that the tutoring industry "saw an increase in revenue of about 6% over 2008-09 over the previous year" and he says, "we expect an increase of 5% in 2009-10".

Whilst the definition and scope of the study were not revealed in the article, anecdotal evidence from ATA members suggest that despite the downturn many tuition businesses have experienced growth. This may be due to a combination of two factors: a strong recent increase in Australia's migration levels (in the 2009 year about 275,000 new arrivals are expected, an increase over the 120,000 in 2007). Moreover, many families place greater value on education when the job market is tight. A downturn can re-orientate family values towards the benefits of a strong educational grounding in making future survival in difficult economic circumstances more likely.

Reference: Derek Parker, "*Educators go to the head of the class: SME opportunities*", *The Australian*, 31.07.09

Good tutors, who by definition will be good educators, have been able to survive the downturn by focusing on competitively sustainable business practices. A focus on the consumer or client, the provision of a high quality service and accountability are all highly valued when discretionary spending falls. In Wilson's article, ATA President Chris Druett is quoted emphasising the importance of good quality staffing and companies engaging in tight, accountable and comprehensive recruitment and selection practices.

Reference: David Wilson, "*Tutors cash in on business end*", *Sunday Age*, 16.08.09

External Examinations and Educational Practices

Of great interest to educators and bureaucrats is the effect of national school-based testing on educational practices. The Commonwealth government asserts that national tests are necessary for benchmarking national standards in areas such as literacy and numeracy. Moreover, external student testing coupled with school ranking is justified on the basis of providing parents with 'choice' and enabling them to make informed decisions in regards to schooling. The notion of school ranking on the basis of student achievement on external-to-school tests is strongly and vocally resisted by teachers and their unions who assert that the number of variables affecting student performance cannot be captured on the basis of a standardised external test.

The NSW Higher School Certificate (HSC) is the final examination undertaken by Year 12 school leavers. In Gilmore and Patty's article the issue of whether such a credential is an adequate measure of academic performance was canvassed. The Vice Chancellor of Sydney University, Michael Spence, said that the numerical value derived from student performance in the HSC was "a crude and one-dimensional measure of a student's track-record". The notion that a single entry mark should be the sole-determinant for entry into university is also questioned by Macquarie University Vice Chancellor, Steven Schwartz.

Reference: Heath Gilmore and Anna Patty, "*Bright students betrayed' by HSC*", *The Sydney Morning Herald*, 12.09.09

The role of tutors in the context of mainstream education is of interest to educators and parents in numerous nations around the world. International growth in tutoring indicates that parents and students place a high utility on supplementing mainstream education. But exactly how much is a tutor worth? How can the increase in a child's self-confidence be measured? How does a person place a value on the assistance given by tutors that helps students find success in their schooling? These questions are very hard to definitely answer: experience varies from student to student and family to family. In the article by Carly Hennessy the use of tutors as a supplement to mainstream education, and to increase student success in mainstream education is explored. Whilst the limitations of a couple of schools was discussed the article refers to some factors that will impact on student learning: teacher education, remoteness/isolation, class sizes, subject content, student learning styles and so forth. Whilst it is widely recognised that smaller class sizes can have a directly beneficial effect on student outcomes in mainstream education, not all schools have small classes. Thus, tuition, giving direct student support can be beneficial.

Reference: Carly Hennessy, "*Tutors called in to fill gaps*", *Sunday Mail*, 13.09.09

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ATA Board Meetings

The ATA Board meets from time to time (at least four times per year face to face) and conducts regular teleconferences. The ATA Board aims to improve the range of services offered to ATA members.

Members are welcome to contribute items for the Board to discuss through contacting one of the Board members or emailing the ATA at the addresses listed below. Members are invited to contribute to the newsletter, which is published quarterly. The ATA Newsletter is distributed in hard copy form to all members and is also available on the ATA website for download.

Within Tuition Editor: Mohan Dhall
mdhall@ata.edu.au; Ph (02) 9704 5724 or mobile on (0408) 619 714

Contacting Us

For contributions and comments please email the ATA mdhall@ata.edu.au or mlopez@ata.edu.au; Alternatively, mail us at:

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STOP PRESS STOP PRESS STOP PRESS

ATA Updates:

ATA President, Chris Druett will spend 6 days in the USA in mid – to late November investigating models of certification in tutoring and also establishing a rapport with our international counterpart organisation.

The ATA is keen to liaise with, and learn from the experience of other tutoring associations.

Sticker availability

The ATA has stickers available for car bumpers and for windows of premises. All new members received two such stickers upon acceptance of membership. Additional stickers can be purchased from \$1 each from the office.

Back Issues of the Newsletter

Previous issues of the ATA newsletter are available upon request. We now have nearly 4 years of quarterly newsletters which cover a huge range of issues relevant to the tutoring industry domestically.

Moreover, they can be downloaded from the ATA website: www.ata.edu.au.