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OPEN LETTER FROM THE CEO

Dear Students

Since launching our Financial Support Package for students last week, we have received a number of emails and letters expressing gratitude for this assistance. We thank you for your patience, support and understanding during these unprecedented times.

We have also received numerous requests for a deeper discount on tuition fees for Terms 2 and 3 2020 and other forms of financial support. I am writing this open letter to all students to explain our position, to offer a further level of support and to make a commitment about passing on cost savings to our students, when we are able to achieve them.

Most importantly, I want to fully acknowledge the significant impact that the Covid-19 pandemic has had on many international students in Australia; increased unemployment and financial hardship, inability to travel home and connect with family and loved ones, as well as being socially isolated. I know and understand that this is a difficult period and I genuinely feel for you all.

Our Student Experience team will shortly be sending all ALG students a digital \$50 Gift Card (to use at Coles or Woolworths) so you can have a home-cooked meal on us. This is being sent to all students, regardless of whether you have already paid your tuition fees or have not yet paid. Please accept this as a small token of our empathy for your situation and our appreciation of your support for ALG.

As with many other businesses, the pandemic has taken ALG by surprise. We did (and are continuing to do) our best to keep up with the changing situation, to follow the advice of our various regulators and Government health authorities and to develop and implement plans to protect students, trainers and employees while continuing to operate the business. While a few students have expressed that we acted too quickly in ceasing face-to-face delivery and bringing forward the end of Term 1 (as it impacted completion of certain assessment items), others have expressed that we should have acted earlier. We have attempted as best as possible to balance the often competing interests of multiple student groups, and other stakeholders, with health and safety always front of mind.

The last month has been challenging for ALG. Closing our campuses (but still paying rent despite the campuses being closed), moving our entire workforce to working-from-home, developing adaptive measures to complete the remaining training and assessment items for Term 1 and planning the delivery of Term 2 by distance study (including the implementation of a new learning management system). We have fielded a large volume of student enquiries and are maintaining a list of FAQ's on our [Covid-19 webpage](#).

We have also, as a business, been coming to grips with what it means to have significantly lower student numbers (with the travel bans in place, we expect a much lower number of commencing students than in the past) and the implications on this for the viability of the business.

ALG is a campus-based business and our cost structure reflects this; long-term leases on premises and a large workforce. While we do expect to reduce our costs, the savings are not immediate, and we anticipate a very difficult (loss-making) trading period over the next 12 months.

The Board of Directors has foregone all remuneration, the management team have taken significant pay cuts and a reduction in the size of our workforce is inevitable. Far from profiting from this situation, it is actually extremely disappointing for me and other long-standing employees of the Group to see our many years of hard work in building the business falling away so rapidly.

With the knowledge that our students were facing difficult circumstances and also the challenges ahead for the business, we developed our Financial Support Package for students, including extending payment dates, waiving late fees for Term 1 and reducing tuition fees for Term 2 and 3 by 10%. We know that 10% may not seem like a huge number but on average that amounts to over \$200 per student per term for us, and whilst it may only make a small difference, the impact of the package in total to ALG is \$1.5M, which at this stage we are absorbing.

The 10% tuition fee discount was never tied to a change in our delivery mode to distance study or to other cost saving initiatives. We felt it was the right thing to do, in support of our students. We are committed to continually assessing our cost structure as we move into Term 2 and we anticipate being in a position to pass on a further discount to tuition fees in Term 3 and if the situation persists, beyond.

I hope this letter has provided some insight into what is happening at ALG and to openly express to you that you are being heard and acknowledged.

As previously advised, please be assured that ALG's student operations remain fully operational and our student services teams are here to support you as best we can. All our student support services remain accessible, including our free, confidential counselling sessions. We will shortly be distributing information concerning, delivery of Term 2 2020 via distance study.

Thank you for choosing to study with ALG and your continued support. Please stay safe.

Yours sincerely



Adam Davis
Chief Executive Officer