



# **Auckland City Council**

## **Central Business District Education Project –**

**May 2003**

## **Education Sector Overview**

The education sector in the CBD is dominated, (physically and in student numbers), by the University of Auckland and the Auckland University of Technology. Other NZ universities have also established campuses in the CBD, including the University of Waikato Language Institute and the University of Otago, although they are small campuses in comparison. Overseas universities are also planning to establish a presence in the CBD. Private Training Establishments (PTEs) including English Language, Tourism, Computer, Business, Hairdressing, Film and Television Schools, are the other significant providers to the education sector in the CBD. Foreign Fee Paying Students (FFPS) have been the major source of growth across the sector and the mature student market is becoming more of a focus.

A large portion of the CBD acts as an education campus due to the sheer number and movement of students.

Quality is a vital ingredient in the current and future success and sustainability of the sector.

### **Tertiary Education Institutions (TEIs)**

These providers include the University of Auckland, Auckland University of Technology, the University of Waikato Language Institute and the University of Otago. All were interviewed as part of this project<sup>4</sup>.

#### **Why are TEIs located in the CBD?**

The campuses are located in the CBD because of the significant infrastructure it provides to the students (undergraduate and mature) and staff, including transport, vital business links for student and staff, social and cultural activities, eating facilities, internet cafes. The CBD also means accessibility to a critical mass and diverse market of students to market to and recruit from.

Non-Auckland based institutions offer courses in the CBD as it is seen as a major education zone. The University of Otago, based in Dunedin, sees Auckland as the pivotal business centre for the country and uses its CBD campus building position and signage to promote their world class EMBA.

#### **Development Plans**

Both the University of Auckland and the Auckland University of Technology have very significant current and future developments in process including both institutions building large additions to their Business Schools. The University of Auckland is concentrating on positioning its Business School as a world-class and is investing \$110m, including significant Government and private contributions on this development.

The University of Auckland aim to have a pedestrianised, low rise campus to ease student movements. They see the university as a 7am – 10 pm operation, as does the Auckland University of Technology.

The University of Waikato Language Institute and the University of Otago do not have any notable development plans in the CBD.

Normal increases are expected in student numbers as opposed to significant increases although the mature student market is expected to become more of a focus. It is understood that other (Australian) universities are intending to establish a presence in the CBD and will be targeting the FFPS market and Executive courses.

### **Student Accommodation**

The University of Auckland is expanding student accommodation on campus and aim to accommodate 10% of students in university accommodation on campus by 2008. They need a mix of post graduate apartments/studios/hostels. Long term, as a benchmark, they aim to have 20% of students accommodated close to, or on the campus.

There is some concern about the amount of 'hot bedding' accommodation being developed in the CBD and questions raised over their compliance with minimum regulatory standards (space, sound proofing, warmth). The University of Auckland in particular felt that the standard of accommodation in the CBD needed to be of a higher quality than these developments were offering. This is particularly so for the long term and mature student market which is expected to become more of a focus with the new business schools and other market opportunities.

### **Parking**

The University of Auckland is concerned about the zoning restrictions that allowed them to provide only a limited amount of student parking on their campus. They indicated that if the University of Auckland was amalgamated into one zone block significantly larger underground car parks would have been built.

### **Unique focus**

Each institution has their own unique focus and points of difference. These include different target markets with the University of Auckland targeting a world class academic market while the Auckland University of Technology focuses primarily on applied qualifications.

The University of Waikato Language Institute's focus is English Language courses and therefore competes directly with the English Language Schools located in the CBD. The University of Otago's focus is on specific courses including Executive MBA, Dietetic and Children's Issues.

### **Links with the business sectors**

Both the Auckland University of Technology and the University of Auckland have strong links with many other CBD businesses with the University of Auckland having the stronger influence. Both institutions promote research projects and consulting services, Alumni Associations and incubators.

The Auckland University of Technology has very strong student focused business links due to the applied style of education and work experience required in many of their courses.

The University of Otago also has business links related to its EMBA course.

Many of the business links are a vital part of the education package and in sustaining the quality of education provided to ensure it meets market (student and business) demands.

Some of the institutions indicated there were opportunities to create better links with other business sectors which would be facilitated by the sharing of information about the education sector.

### **Links with other education providers**

All the institutions have strong links with various other education providers, including Universities, other Tertiary Education Institutions and a limited number of Private Training Establishments (PTEs).

The recent changes to the funding and management of TEIs with the establishment of the Tertiary Education Commission will lead to a strengthening of the collaborative practices already established.

Both the large TEIs encourage Foundation Courses that ensure FFPS have reached an acceptable standard for university entrance. They either run their own programmes or have arrangements with PTEs to staircase FFPS into the university system.

The Universities interviewed mentioned the need for transparency of information provided by PTEs for students to gain the education they want. This includes information on education pathway options, qualifications gained at the PTE and those required to gain entry into the Universities. This was seen as important in maintaining quality standards and the reputation of the education institutions.

### **FFP students**

The institutions have a cap on the % of FFPS they will enroll in their courses recognizing both the value and constraints of FFPS and the importance of maintaining quality education for all students.

The University of Auckland has a 15% cap on FFPS and now concentrates on enrolling only those FFPS students who they think will succeed in their degree programmes. The Auckland University of Technology's 20% cap is seen as an acceptable limit which does not change the culture of the institution or compromise its commitment to provide quality education to NZer's. They also recognize that FFPS are important in adding to the student experience and culture of the institution.

The University of Waikato Language Institute's CBD campus has 100% FFPS and competes with other PTE's.

The University of Otago has a 14% cap but FFPS are not a target market for their CBD courses.

Two of the institutions mentioned they are exploring other untapped FFPS markets.

All the institutions are concerned about the 'pastoral care' of FFPS, particularly the young, long-term students and recognize they have unique problems that other students do not have.

## **Private Training Establishments (PTEs)**

PTEs cover a range of providers and subjects in the CBD including English Language, Tourism and Hospitality, Computer Training, Business Skills, Hairdressing, Film and Television along with a range of other more esoteric providers. PTEs in the CBD also cover a number of post primary compulsory providers such as Kadimah College and Senior and Junior College.

Three PTEs were interviewed – one large well established language school, one large and well resourced computing provider, two small language school and one tourism school.<sup>5</sup>

### **Unique Focus**

PTEs have a well established presence in the CBD and have experienced phenomenal growth in the last 3 years, mainly due to FFPS, which is the target market for many of the schools. However there are a number of schools that target both NZ and FFPS in the computing, tourism and hospitality sectors and those that target mostly NZ students.

There are extremely successful schools that have been operating in the CBD for a number of years. Those successful schools have built an excellent reputation and have built up both current markets and explored new markets over a long period.

They have established strong points of difference by understanding the needs of the NZ and foreign students and the style and content of teaching tailored to specific student markets, for example NZ mature second chance students, FFPS students. They also offer international and NZ qualification standards. Many have excellent processes and quality and continuous improvement systems.

Many PTEs pride themselves on having the excellent facilities and pupil / teacher ratios. 'Quality and being the best' are key to their success. Some of them also pride themselves on exceeding the standards of some of the public tertiary education providers.

### **Export Education**

Many PTEs rely on FFPS for their business and export education is the biggest export earner in the CBD.

Export education is the subject of a separate report of the Council and has been mentioned in various parts of this report in reference to FFPS. Export education is seen as a critical part of the entire education sector in the CBD and has contributed to staggering growth and realization of the significance of the sector to Auckland and the CBD.

The education stakeholders point to the enormous benefits export education has brought to Auckland including:

- breathing life back into the city centre.
- assisting public transport back from the brink of irrelevancy.
- employing large numbers of NZers in the knowledge economy.
- enhancing the cultural mix of the city and environs.

- occupying commercial space that would simply remain untenanted.
- creating a range of business opportunities linked to the sector.
- creating educational opportunities that would not otherwise be funded.
- economic contribution.

Unfortunately information about these benefits is not publicized enough to give a balanced perspective on the impacts of export education and to allow appreciation of those benefits to be realized.

There are also, often overpublicised, downsides including increases in crime related to the Asian student population, bankruptcy of providers, the quality of some providers and reference to Asian students poor driving standards.

There is also general public concern about the increase in the Asian population in the central city. However, the education stakeholders quickly point to the fact that five years ago Queen Street was in a virtual desert and now that it is populated and vibrant.

A more detailed research effort into the impacts of this sector needs to be undertaken to understand the impact of export education, as it is now and in the future assuming its continued growth.

The Ministry of Education's report 'Export Education in New Zealand: A Strategic Approach to Developing the Sector', in August 200The University of Auckland adopts the following vision ' A sector providing sustainable, high quality international education and support services, thereby producing a range of economic, educational and social benefits for NZ'.

The report raises many issues regarding quality, risk management and sustainability of the sector and suggests initiatives to address those.

### **Why are PTEs located in the CBD?**

Critical to the location of PTEs in the CBD is:

- the large supply of rental space as second tier commercial space has become available.
- the ability to utilize space in the CBD without the onerous carpark requirements for other city zones.
- the current vibrancy of downtown with its food halls, internet cafes and people, (FFPS in Hamilton and Tauranga will go to Auckland for the weekends).
- the significant infrastructure including transport hubs, business sector, eating facilities.

While these are the attractors a number of initiatives could be investigated to ensure this part of the city enhances its reputation as a downtown campus. We refer to these in the recommended 'role for Auckland City Council' section of this report.

### **Development Plans**

They are obviously serving the education market very well and appear to have a solid sustainable future. There is a consistent opinion that the market has potential to grow, even double, in both the NZ student and FFPS market but current constraints including

changes in funding for NZ students, a negative internal political environment towards export education and the current unstable international environment have caused some caution amongst PTEs in terms of future development options.

Some of the schools are expanding overseas because they have an excellent product that is world class and the quality focused requirements are significantly less onerous in target countries. A number are investigating Canada, Australia, South Africa and the UK.

Conversely, a number of international providers have already been established in NZ for some time and are looking to significantly expand operations. Global Holdings Ltd is a large international provider of education programmes and has targeted NZ as a market opportunity. It has purchased the Central Institute of Technology in Upper Hutt and is currently licensing courses for delivery in the CBD.

### **School Facilities**

PTEs have occupied previously vacant office space in the CBD. Some PTEs have spent millions of dollars on accommodation refits and moved premises several times in order to occupy suitable premises. They have specific needs in accommodation including clear span floor space, separate elevator access for students if the building is occupied by education and other businesses, very close proximity to a bus stop and adequate parking for management and teachers.

Due to the phenomenal growth of the sector PTEs would prefer leases with more flexibility in terms of time period and ability to expand occupation.

PTEs lack the array of student facilities provided by large public institutions however many of the PTEs do provide breakout lounge rooms for relaxation, eating and leisure activities, and one school in particular prides itself on having excellent, state of the art accommodation and facilities tailored to meet student needs.

Many of the FFPS enjoy being out in the city, meeting friends in cafes. They also make good use of the green areas in the city eg Myers Park, Aotea Square, Albert Park.

PTEs have concerns about pastoral care issues for FFPS including health and social services, police, counseling, and support the development of access points to these services.

### **Links with other business sectors**

Links with other business sectors are more prevalent in PTEs enrolling NZ students, for example tourism computing schools.

The larger PTEs employ industry liaison officers who arrange work experience, business visits, guest speakers, lecturers, job placement programmes, training and links with business to ensure courses deliver a quality product and what the market requires.

### **Links with other education providers and associations**

A number of industry associations cover the PTE sector. For example the Federation of Independent English Schools audits members to the Brewster Standard, as significantly more detailed standard than that applied by NZQA or the Code of Conduct for the Pastoral Care of International Students.

The Association of Private Providers of English Language and the Combined Registered English Language Schools promote themselves as associations of quality focused providers.

Some PTEs, particularly Language, Computer and Business Schools, have strong links with each other, secondary schools and public tertiary institutions, for example PTEs providing Foundation Courses for students to effectively staircase into a University.

Other, smaller providers do not have such links.

Overall there is a lack of communication and information sharing across the PTEs, mainly due to competition, however all the PTE's are interested in statistics about the industry and information on developments in the overall education sector.

### **Quality assurance standards and auditing**

All PTEs must be registered by NZQA and are subject to NZQA auditing requirements. While these requirements are relatively stringent there is a feeling in the industry that new PTEs and especially language schools need to be audited in their first year of operation to determine that they are meeting students pastoral needs and that they have the financial viability and systems to survive.

Many PTEs find the current requirement overly rigorous but it is hard to argue with attempts by both NZQA and the Ministry of Education to insist on a quality approach with respect to auditing PTEs.

However, a number of PTEs indicated they felt the industry was being unjustly treated by the Government in terms of the Student Levy, the requirement to place FFPS fees into a trust and the rigorous auditing standards.

### **Funding for NZ resident students**

Many PTEs providing education to domestic students have relied on government funding to subsidise NZ student fees, however the future of this funding is uncertain. The Government, through the introduction of the TEC, has signaled that PTEs must meet priority goals in terms of education outcomes. Courses will be funded that can meet these goals. Many courses that are not linked to employment outcomes for example may well struggle to gain government subsidy.

## **Other Stakeholders**

The Heart of the City and the Retailers Association were interviewed<sup>6</sup> to help get a perspective of the impact of the education sector on other business sectors in the CBD.

Due to the speed with which the education sector has changed in the last three years without any form of regulatory controls there are issues that need to be addressed in order to ensure there is a consistent, quality and more strategic approach to the sector. This includes acknowledging a city campus exists, creating a vision for the sector in the CBD, acknowledging there are some issues to deal with and finding solutions consistent with the vision for the sector.

There is also a need for business to access education sector information and statistics and to create a forum for business to communicate with the sector. This would enable the sharing of ideas, understanding the sector and the ability to capitalize on further business and tourism opportunities.

In the future certain retailers may relocate to other areas, eg High street, the Chancery, Malls, the Viaduct, Britomart, Newmarket. The CBD and in particular upper Queen Street may be dominated by those supporting the education and tourism sectors, for example restaurants, cafés, fast food and food halls, art and craft, tourism and gift retail, record stores, book stores, entertainment activities.

There is opportunity for this retail area to combine with all the education providers and related business to become part of a central educational and cultural initiative providing a wonderful experience for students, business, tourism, Aucklanders and NZers.

## **Tertiary Education Commission - Education Sector Performance**

The TEC is initiating tertiary education reforms to improve the focus and performance of the sector including requiring TEO's to identify their mission and role and alignment with the tertiary education strategy. Charters and Profiles are being required which will strengthen management and governance and foster collaboration and effective partnerships between tertiary education organizations. Assessments of Strategic Relevance will also be required to ensure alignment with the tertiary education strategy and priorities and approval for access to public funding.

Collaborating for Efficiency project – to help public tertiary education providers implement good practice and develop collaborative strategies including shared services with TEO's and Crown Research Institutes.

# **Constraints and Issues facing the CBD Education Sector**

## **Constraints**

- Competition for students from provision in their home countries.
- Increasing difficulty in attracting quality education staff to Auckland, from NZ and overseas.
- Universities self-imposed caps on FFPS.
- Pastoral problems with FFPS, including homesickness, health, safety, lack of recreational facilities and activities, counseling and support services, living conditions.
- Uncertainty in the FFPS market due to current political environment.
- The appreciating value of the NZ dollar.
- The targeting of the FFPS market by Australia, UK and Canada.
- Student visa delays.
- Potential of political or health related constraints on student numbers.
- Cap on university fees prohibits market rates being charged for some programmes (MBAs).

## **Other Issues**

- Need for a proactive approach by sector stakeholders.
- Student safety in certain areas of the CBD eg Albert park.
- Equalisation of Local Body Rates for TEIs % of FFPS.
- Cost and availability of parking.
- Traffic congestion.
- Transport network capacity, frequency and links are inadequate.

## **Role for Auckland City Council in Supporting the CBD Education Sector**

### **Promotion of the CBD as an Education Zone or Campus**

It is clear from the influence of education in the CBD that it is a major contributor to the cultural and economic life of the city.

It is proposed that ACC acknowledge and accept this and actively promote the positive aspects of this development in concert with the other industry stakeholders. Those interviewed as part of the report have indicated full support for this concept.

Recognise and promote the sector as an asset and core competency of the city by:

- using sister city relationships.
- promoting Auckland as a place to study and be employed in the education sector.
- encouraging students to live in the city.
- developing and promoting attractions for short terms students who are looking for opportunities outside the classroom. For example encourage the development of an 'outward bound' set up in Auckland with courses to specifically target the FFPS and mature student markets, and encouraging international entertainers to perform in the city.
- organising with tourist and information 'i sites' to have an education sector stand.
- improve marketing of arts and culture precinct around Aotea Square, Lorne Street and the Library, targeting more mature students.

### **Developing closer collaboration with stakeholders over planning issues**

The issue of access to the tertiary education facilities and the encompassing transport debate was identified by all interviewed. All supported the continued enhancement of the public transport system. A number of suggested improvements ranged from detailed development of student access systems around Symonds Street and Albert Park to the effective use of buses and trains.

Student parking, particularly for the business school programmes was seen to be a vital ingredient in the mix. With most of the public parking controlled by a private company the question was raised as to the efficacy of this model.

All the universities interviewed indicated they could have been consulted more effectively over a range of planning issues from the location of a bus stop in an inappropriate place to the opportunity to rezone to increase student carparking capacity.

### **Support the development of access points for pastoral care services**

All stakeholders interviewed noted that continuing pastoral care of students is an issue. While much of the responsibility lies with the provider a 'student care initiative' involving the provision of services to both FFPS and domestic students would make a positive impact.

A pastoral care services or student support centre has been suggested including the provision of health services, social services, family planning, police, counseling, immigration, chat rooms etc, staffed by multi lingual professionals. It would be expected that PTEs in particular would assist to fund this type of development.

There is also an opportunity for ACC to offer an introductory programme "Welcome to the Campus" for all new students studying in the CBD. An online programme provided through all the providers could offer entry points for a range of languages, welcome students to city, and guide them through a range of student focused issues with respect to living and schooling in Auckland.

## **Facilitate communication and information sharing among sector stakeholders**

There is a distinct lack of communication and information sharing across the sector and with other business sectors, including ACC. To assist ACC could facilitate or be involved in:

- an Education Expo and exhibitions.
- a forum where interested parties can meet and share ideas, network, share information, open doors to opportunities both business and educational.
- publishing an education sector monthly bulletin, inviting all stakeholders to contribute to it, and distribute it around the CBD.
- hosting a career space or forum where business meets students to learn about each other and in particular for the students to learn about different businesses, business cultures, understand practicalities of careers, what employers are looking for.
- working directly with the sector through student projects, research, surveys.
- meeting with the key stakeholders in the sector, for example the TEC, the University of Auckland, the Auckland University of Technology, and PTE representatives to keep up to date with developments in and Council issues effecting, the sector.

## **Lobbying role**

There are several areas where the ACC could lobby Government in support of the sector:

- more effective policing of triad gangs through more dedicated units.
- issues in relation to sector fees, local body rate and course fees, as mentioned under constraints.

### ***Interview Notes: Specific Improvement Suggestions***

Parking to be cheaper and more accessible. Current lease holders of carpark are charging high fees and seem to be happy with partial occupancy. One institute approached one of the carpark operators to rent a bulk number of parks for a certain time period, but the operator was not interested. The high fees and short time limits for parking target business sectors but hurt students and shoppers.

Transport Network. Although the transport network is an advantage of being in the CBD, the network is not adequate in terms of frequency, capacity, links and the time it takes to get around on buses.

Development of a 'campus bus route', (Wellington has a 'campus connection' route operated by Stagecoach), with education institutions and schools as key destination points.

Cover walkways from bus stops to institutes and schools.

Print the bus timetable in different languages.

Employ bi-lingual bus drivers.

Consider putting limits on the use of cars by FFPS who are only in NZ for a short term. I

Pedestrianising St Pauls Street and Alfred Street.

Improve Symonds Street pedestrian safety. Two underground walkways exist, one is used, the other is not. Is there a need for another one, more appropriately located? Is it realistic to consider undergrounding part of Symonds street?

Improve safety of the street behind the University of Otago to discourage undesirable use of the access way.

Cleaning the streets regularly. Consider providing ash trays, if and where practical, especially near PTE's.

More seating areas near the education schools and / or in open areas.

Multi lingual signage.

License mobile food vendors to operate in Myers Park and Albert Park, eg baked potato, pizza, coffee vendors.

Put greater emphasis on OSH standards for food outlets in the CBD.

Improve the link through Albert Park to city, considered unsafe at present. More lighting, trim back trees, add signage, have wider access routes, consider developing large central concourse access way down to the city and another to Wellesley Street to link with the gallery or pedestrian overbridge, consider security guards in winter from 6-8pm.

Require all developments around the Auckland University of Technology and the University of Auckland to have cafes and retail at ground floor level. There is no shopping area between these two major institutions, students like the activity and their presence would add to a campus atmosphere.

Students should be encouraged to live in the city and be part of the campus, (and help alleviate pressure on transport and road congestion). To a certain extent we may have to accept that it is a 'commuter campus' because many students will continue to live away from the campus, but there is still opportunity to encourage more to live near campus and create a quality campus environment for all to enjoy. The University of Auckland aims to have 20% of it's students living in close proximity to it's campus.

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- 4 **University of Auckland**  
Professor Barry Spicer, Dean, Department of Commerce  
Michael Groves, Director Executive Programmes  
Mark Bentley, Director of Marketing, Communication and Advancement

**Auckland University of Technology**  
Dr David Brook, Deputy Vice Chancellor

**University of Otago –**  
Regina Mitchell, Director of Executive MBA  
Adrieene Molloy, Auckland Centre Manager

**University of Waikato Language Institute**  
Vic Clement, Marketing Executive

**Interviewed by ACC**  
**University of Auckland**  
Maurice Matthewson, Director of Property  
Wayne Clarke, Director of Student Administration  
Knowledge Wave Trust  
Geoff Whitcher, Project Director

- 5 **Carich Training Centre Limited**  
Scott Forest, Marketing and Communications Manager

**Modern Age Institute of Learning**  
Anthony Kim, Managing Director  
Dr John Hetet, Chief Academic Officer

**Dynaspeak English**  
Patrick Ibbetson, Director

**Sir George Seymour National College of Tourism and Travel**  
Bradd Trebilco, Campus Manager

**Interview by ACC –**  
**Dominion English Schools –**  
John Langdon, Managing Director.

- 6 **Heart of the City –**  
Alex Swney, CEO.

**NZ Retailers Association**  
Russell Sinclair, Auckland Regional Manager