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**Skills recognition in the post-compulsory sector - An international
comparison:**

Towards a Recognition Dividend

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Executive Summary

Skill recognition is now a permanent feature of Australian and Canadian vocational education and training. Students enrolled in education and training institutions are offered Recognition services, which ensure that the learners do not need to repeat training already completed. Australian students in particular make use of these services to a substantial degree.

People with skills and knowledge learned in the workplace, or those who immigrate with qualifications gained overseas, do not have the same access to Recognition services. High charges are levied for the services, despite the fact that these people are often in low paid employment, or unemployed, because they are not able to progress into positions dependent on holding high level Australian and Canadian qualifications. The way to gaining higher qualifications without completing further training is barred to them by cost.

The bureaucratic focus of education and training provider institutions on the perceived cost of community recognition services ignores the social and economic gains that can be derived if take-up of recognition services is maximised. A recent Canadian study shows that investment in the recognition of the skills and knowledge of immigrants and workplace-based learners can result in the achievement of billions of dollars of otherwise unrealised earnings.

This paper further demonstrates that the taxation revenue raised as a result of increasing earning capacity of unrecognized learners would recoup a government investment in recognition in the first year of increased earning power. Not only would the investment be returned in one year, but also the return would be magnified in every subsequent year of increased earnings.

Rather than quibble about the cost of recognition services, it is time for governments to realise that every dollar spent in recognising skills results in economic and social gain.

Australia and Canada - Exploring Common Ground

There are significant political, economic and social similarities between Australia and Canada. The countries are both federations of states or provinces and territories under the Commonwealth, with the Queen of England and Great Britain as head of state. The senior government officer is the Prime Minister, and each State in Australia, and Province in Canada, has a state or provincial government headed by a Premier. The Queen's representative in both countries is the Governor-General.

Both countries are very large landmasses, and are sparsely populated in their inland and northern regions for extreme climatic reasons. The population is clustered around the coastlines and waterways, with the majority of the population found in less than 6 major cities in each country. Canada's population is 78% urban (Statistics Canada), while in Australia the urban 1% of the continent contains 84% of the population, and half the continent contains 0.3% of the population (Australian Bureau of Statistics).

The British settled in Canada and Australia during the seventeenth and eighteenth centuries respectively, at great cost to the indigenous populations because of disease and conflict. The British also fought with French settlements in Canada and there was conflict with the American colonists. Most of Canada is English speaking, with the exception of the Francophone Quebec Province. Australia is predominantly English speaking, although many

areas with a multicultural population, speaking one or more of the 130+ languages represented in Australia, provide services and documentation in several different languages.

Immigration has been a constant, if modest, source of population growth for both Canada and Australia. In the 1996 Census of Population and Households conducted in each country, Australia's population of overseas born residents was 21.84% of its population, while Canada had 17% overseas born residents. Both countries have a traditional and continuing dependence on natural resources to generate export income.

Skills Recognition Practices in Australia and Canada

Since the late 1980s Australia and Canada have both adopted Recognition of Prior Learning as a fundamental tenet of post-secondary education. Significant policy development has occurred at various levels, but, as with many other countries, the adoption of policy does not always lead to action that ensures recognition services are available to all. Australia still imports temporary skilled labour each year to compensate for skills shortages.

Recognition Practices in Australia

Australia has adopted national standards and qualifications in a wide variety of industry areas, and a national system of accreditation of training providers. Both public and private organisations are able to issue national qualifications, and all must provide a system of Recognition of Prior Learning (RPL), as it is predominantly known in Australia, to their students. Systems of RPL vary from provider to provider, but are predicated on the 1993 National Framework for Recognition of Training (NFROT) and the requirements of the 1998 Australian Qualifications Framework. The principles applying to RPL are similar to those used in many other countries, including the principles of the National Qualifications Framework in the United Kingdom. Training providers usually charge for the RPL service, at full cost recovery. TAFE NSW does not at present levy any additional charge to its existing students for RPL, but does charge community members who are seeking RPL without additional training.

Although great leaps have been made in the acceptance of RPL by educational institutions, universities are still in general reluctant to give credit in a program for study for workplace learning. Most prefer to use a system of providing advanced standing into graduate programs, such as MBAs, to show their commitment to recognition. In these cases they equate workplace experience at senior level with undergraduate status, but do not actually grant the undergraduate qualification.

Training organisations in the Vocational Education and Training (VET) sector are probably the largest providers of RPL services since the registration to deliver qualifications requires the availability of the service.

In order to assist immigrants seeking RPL for their existing qualifications, Australia created the National Office of Overseas Skills Recognition (NOOSR) early in the 1990s. This office has created documents titled *Country Education Profiles* providing information on the education systems of countries across all continents, and giving broad interpretations of equivalence with levels of Australian qualifications. NOOSR provides services to immigrants assisting with interpretation of documents and information about undertaking education in Australia.

However, NOOSR does not arrange credit transfer with institutions or conduct assessments for Recognition purposes. Such assessments must be carried out by industry credentialing organisations, such as the Institution of Engineers, by training organisations such as Technical and Further Education (TAFE) Institutes, or by universities. Again, these assessments are usually carried out at a cost to the applicant, who, being unemployed or having low earning capacity due to inadequate qualifications for Australian conditions, is ill-equipped to pay for the assessment. There is no national office for RPL and, indeed, there seem to be few good reasons why one should exist, since individual providers are responsible for the quality control of qualifications they issue.

Recognition Practices in Canada

Canada has no national standards or qualifications and there is active resistance from the provinces to the creation of national entities. The national Human Resources Development ministry promotes the introduction of national standards but faces substantial opposition from the provincial governments. Provincial spokespersons informally characterise their provinces as "Have-Provinces", or "Have-Not Provinces", describing the level of wealth and federal government funding provided, and this terminology typifies the disunity between provincial governments. Yet there is significant amity and unity of purpose among educational practitioners, and the existence of the Canadian Association for Prior Learning Assessment (CAPLA), representing assessors across the country, is testimony to the sense of common purpose and commitment in the Canadian education community. There is also tremendous diversity and energy in the Recognition services available, perhaps a welcome side product of the lack of national direction and control.

Canadian educators have embraced the term Prior Learning Assessment and Recognition (PLAR) for what is known to Australians as RPL, and have expended considerable effort to bring this terminology into the community lexicon. Practitioners have a high level of contact with their students, often acting as long-term mentors to assist the student in applying for advanced standing at different institutions. (For example, the PLA Centre, Halifax, Nova Scotia, www.placentre.ns.ca.)

The preparation of a PLAR portfolio is regarded by many organisations as a substantial end in itself, and some Canadian community organisations and indigenous learning centres have adopted portfolio development as a cornerstone of learning. (For example, the First Nations Technical Institute in the Tyendinaga Territory of the Mohawk Nation, Ontario.)

The PLAR process is in most cases very intensive and time-consuming for applicants and assessors. There are charges for PLAR in nearly all provinces, and relatively low numbers of applicants are reported, although no statistics have been found concerning the number of applicants for RPL across provinces or Canada as a whole.

There is a clear divide between PLAR and Qualifications Recognition (QR), where applicants with previous formal learning can apply for credits. Separate offices frequently conduct the assessment of PLAR and QR, with separate payments being required (for example, Mohawk College of Applied Arts and Technology, Ontario). This can lead to students being unsure of which type of Recognition to seek, or unaware of the fact that there are two offices they need to approach.

Credit Transfer Projects

There are two main areas of activity involving credit transfer in Canada and Australia. These schemes can be useful in developing credit arrangements between courses offered by different educational institutions. Where they operate internationally, they can provide a database of existing credit arrangements which can assist in the processing of applications for RPL by immigrants.

Credit on completion of study

The first involves the identification of credit available for a student who has completed a program at one institution and wishes to commence study at another. This involves negotiation between institutions to evaluate each other's curricula to determine credit available. Substantial enrolment increases have been demonstrated where credit transfer arrangements exist between co-located institutions. Hunter Institute of TAFE NSW and the University of Newcastle have monitored the increase in enrolments in courses where credit transfer arrangements have been created, and noticed significant enrolment gains. There are also examples of international arrangements, such as those developed between the University of Western Sydney and the Colleges of Applied Arts and Technology (see for example, the website of Conestoga College, Ontario at www.conestogac.on.ca).

The arrangements are time-consuming to develop, and are subject to changes when programs and courses are revised. However, there is relative stability in courses and programs, and small-scale change is required once a comprehensive set of agreements exist between organisations. The publication of such arrangements can be burdensome to the institutions, involving ongoing production and publishing costs.

An innovative solution to this publication problem has been devised on Ontario, Canada. Government funding was made available for the development of an online facility to record formal credit transfer arrangements between Ontario colleges and universities. Known as the Ontario Colleges and Universities Transfer Guide, (OCUTG) the guide makes it possible for all associated institutions to register and update arrangements online. The site is available at www.ocutg.on.ca.

Student Exchange During a Program of Study

The second credit transfer arrangement involves reciprocal agreements for student exchange among international universities. Australia and Canada are both signatories to international agreements to promote credit transfer for students wishing to undertake studies complementary to their university degree at another university. Australia is signatory to the University Mobility in Asia Pacific (UMAP) agreement created in 1991 with 26 member countries, and its instrument, the University Credit Transfer System. Canada is signatory to this agreement and to the European Credit Transfer System (ECTS), as well as the Regional Academic Mobility Program (RAMP) agreement between Canada, USA and Mexico, among others.

All these agreements allow students to undertake study at a second university without having to pay the tuition costs at the receiving institution. In the case of UCTS, there must be a balance between ingoing and outgoing students, so the scheme functions as a direct student exchange. These exchange credits do not usually result in credit transfer

agreements which can be used to evaluate degrees completed overseas, since the credit given does not directly substitute for a course which would otherwise be completed at the home university.

The Economic Impact of Skills Recognition

Canada has a strong commitment to education. In 1994, for example, Canada spent 7.2% of GDP on education, higher even than USA, Japan or Germany. Half of all Canadians are post-secondary school graduates, higher than any other nation.

A 2001 report entitled *Brain Gain – The Economic Impact of Recognizing Learning and Learning Credentials in Canada* (Brain Gain) highlighted the expense to Canada of not recognizing the skills and knowledge of its immigrant and Canadian born population. The study found that many Canadians are unable to realise the full potential of their overseas qualifications and work experience, since there is either insufficient opportunity to gain PLAR, or it is too time-consuming or expensive.

The Brain Gain study estimated potential earnings for Canadians who have not had their previous learning recognized. The study found that "...comprehensive learning recognition in Canada would benefit more than 540,000 Canadians, providing them with a total of \$4 billion and perhaps as much as \$6 billion annually, for an average personal gain of \$8000 to \$12000 per year." [Brain Gain, p.33] The study also identified 67000 unrecognized learners who might be unemployed because of lack of recognition of their previous learning. These workers forgo earnings of \$2.2 billion Canadian annually, assuming an average annual income gained of \$30000.

The Brain Gain study derived a figure of 2.17% as the proportion of unrecognized learners for the entire 15+ adult population [Brain Gain, 2001, p.22]. Statistics Canada estimates the 15+ adult population of Canada at 25.2 million for the year 2001. Therefore, the Canadian estimate of unrecognized adult learners is over half a million people (546840). [Brain Gain, 2001, p.17]

A similar calculation can be performed for Australia, given the appropriateness of comparison between the two nations. Australia's proportion of overseas born residents is higher than Canada's by a factor of nearly 5%, so it is not unreasonable to assume that similar employment and recognition difficulties exist at a commensurate level for new Australians, just as they do for new Canadians.

The major statistical assumption of this paper, based on the findings of the Canadian study, is that 2.17% of the Australian adult population are unrecognized learners, The estimated Australian adult population for June 2000, provided by the DIMA Public Affairs Section (DIMA 2001, Fact Sheet 13), was 19.2 million. Given that the percentage of the population above the age of 15 in the 1996 Australian Census of Population and Housing was 78.47% of the total population, an estimate of 15.06 million people over the age of 15 in June 2000 can be determined. Applying the Canadian figure of 2.17% to this total yields approximately 325 000 unrecognized adult learners for Australia.

The Canadian study further refined its parameters to identify the proportion of unrecognized adult learners who expressed an interest in having their learning recognized. A figure of 83000 learners was identified as a result of the survey of 12000 households in major Canadian cities. [Brain Gain, 2001, p.32] This figure translates into a percentage of 15% of total unrecognized learners.

If we apply this percentage to the Australian calculation, it results in figure of approximately 50,000 Australian learners who desire to have their learning recognized.

The Recognition Dividend

The Recognition Dividend is available to governments that take the opportunity to produce social capital and public wealth by a relatively small public investment. The recognition of prior learning frees up the potential income earning capacity of those learners in a shorter time and at low cost relative to the duration or cost of training or education provision. The most frequently encountered claim against public provision of RPL is that it is too expensive to administer and assess. Yet calculations (below) based on the Brain Gain study show that in fact RPL generates wealth, for both governments and learners. To inhibit recognition opportunities by charging learners, who cannot afford it, because of the very fact that their skills and knowledge are NOT recognized, is an absurd Catch 22, especially when Australia must import skilled labour to meet shortages.

TAFE NSW has suggested a possible fee schedule model for RPL assessments for people who are not enrolled in TAFE courses. This model has been judged to provide cost recovery for the TAFE organisation for RPL assessments, which are not funded in the same way by governments, as are tuition hours. [Coincidentally, the model has some similarity to the charges schedule applied in some colleges of Applied Arts and Technology in Ontario, Canada, so yet another useful point of comparison between Australia and Canada is possible.]

Suggested TAFE model:

\$1 per tuition hour (average diploma course length: 1000 hours) + one year course administration charge (Diploma administration charge for one year = approximately \$700)

Total cost = \$1000 + \$700 = \$1700

Table 1: Cost of Recognition assessment and administration

Number of learners assessed	Total cost for assessment of all applicants
1	\$1700
50 000	\$85 000 000
325 000	\$552 500 000

The Brain Gain study uses a set of complex calculations to determine lost earnings and human capital losses resulting from the failure to enable the individuals to gain Recognition of their learning. Using an estimate of lost earnings given by the respondents, calculations were made based on a range from \$8000 to \$12000 in additional annual earnings. These figures marked the range of additional income which respondents believed they could achieve if their learning was recognized and they were granted higher qualifications. Canadian figures show that higher qualifications enable entry into better paid professions and positions.

Table 2: Estimates of additional earnings for Australian unrecognized learners

Learners identifying desire to have learning recognized	50 000
Additional earnings at \$8000 pa	\$400 000 000
Additional earnings at \$12000 pa	\$600 000 000
Total learners needing Recognition of learning	325000
Additional earnings at \$8000	\$2 600 000 000
Additional earnings at \$12000	\$3 900 000 000

The outside estimate of nearly \$4 billion in lost earnings, for the 325 000 Australians who have not had their learning recognized, represents a huge deficit in income and spending power. Even the lowest estimate of \$400 million, for only those 50 000 learners who express an interest in having their learning recognized, represents lost contribution to the Australian economy that no government can afford to ignore.

Investing in the recognition of the skills and knowledge of just one learner, will be paid for in two years by increased taxation revenue, should that learner be able to increase their income by just \$4000 per annum. It makes no sense to ignore the opportunity to add 50 000 workers qualified at post-school level to the pool of available workers without having to fund their training. The following table shows that the publicly funded provision of RPL would in fact generate revenue, rather than reduce it.

Table 3: The Recognition Dividend

Number of applicants	50 000 (those identifying desire for Recognition)	325 000 (all unrecognized learners)
Initial one-off cost of government funded service (a)	\$85 000 000	\$552 500 000

Generated annual income for applicants based on \$8000 pa increase in income (b)	\$400 000 000 pa	\$2 600 000 000 pa
Taxation revenue based on 30% marginal rate (c)	\$120 000 000 pa	\$780 000 000 pa
Net financial gain to government in first year of increased applicant earnings after investment (c) – (a)	\$35 000 000	\$227 500 000
Net financial benefit to applicants in first year of increased earnings after assessment and successful recognition (b) – (c)	\$280 000 000	\$1 820 000 000
Dollar for dollar gain to government for funding Recognition resulting in higher wages paid to applicants	\$2.40 per year for every \$1 spent in one-off assessment	\$2.40 per year for every \$1 spent in one-off assessment
Social gain in increased net income and spending power	\$3.30 per year for every \$1 invested by government on a one-off basis	\$3.30 per year for every \$1 invested by government on a one-off basis

The comparison between these costs, and the gains for the learners and the community as a result of Recognition being carried out, strongly support the claim that there can be no valid objection to the government meeting Recognition costs. The benefits in financial terms to the learners and the community outweigh any bureaucratic objections to cost. These costs are one-off since Recognition assessment need only be carried out once for the majority of learners, but the financial benefits would accrue annually to both learners and government in the form of increased earnings and revenue. Recognition pays for itself over and over again.

[Even if the projected increase in earnings was reduced to half of the Canadian projection, giving an average rise in income of \$4000 per person per annum, the costs would be recovered by taxation revenue in two years. At the very least, a HECS style employment-

linked payment process could be considered, where users make payment for the service once they achieved the projected higher income level.]

Conclusion

The Brain Gain study summarises its outcomes in the following statement.

Non-recognition of learning is a major cost to Canada and Canadians today; tomorrow, recognition of learning can be a major economic gain—if we get it right. ... Given the costs calculated in this study and the clear economic benefits that are possible, leaders in government, education and business may well decide that they cannot afford to delay any longer. If they do choose to act, their investment in learning recognition can benefit all Canadians.

The sentiments apply equally to Australia, Australians, and Australian governments, education and business. To be globally competitive, we need all the skilled workers available to the nation to be able to function at their full potential. No workers should be artificially hampered from gaining appropriate employment by unresolved translation, into meaningful Australian qualifications, of their overseas qualifications or skills learned on the job.

In the words of one delegate to the Recognizing Learning conference in Halifax, Nova Scotia in October 2001:

"The qualifications of immigrants are a gift, but we treat them as a burden."
(Ratna Omidvar, Executive Director, Maytree Foundation)

If overseas qualifications and the informal prior learning of the existing Australian workforce go unrecognized, the personal and economic investments, which they represent, are wasted. It is time that Australians, too, learned to regard the qualifications of immigrants, and the prior learning of the many Australians who have not completed formal study, as a gift to the economy, rather than a burden.

Appendix 1: List of Australian and Canadian websites relevant to recognition (note: this is not an exhaustive list of all available resources)

Australia

www.anta.gov.au – Australian National Training Authority

www.ntis.gov.au – National Training Information Service

www.deetya.gov.au/noosr/ – National Office of Overseas Skills Recognition

www.tafe.nsw.edu.au – TAFE NSW

www.aqf.edu.au – Australian Qualifications Framework

www.det.nsw.edu.au/hsctafe/ - Recognition arrangements between school and TAFE NSW

www.hunter.tafe.nsw.edu.au – Hunter Institute – TAFE NSW

www.professionalq.com.au – website for Professional Q commercial recognition process

www.umap.org/ucts - University Mobility in the Asia Pacific – University Credit Transfer System

Canada

www.ocutg.on.ca – Ontario Colleges and Universities Transfer Guide

www.placentre.ns.ca – PLA Centre, Halifax, Nova Scotia

www.hrdc-drhc.gc.ca – Human Resources Development Canada; Développement des ressources humaines Canada

www.cthrb.ca – Canadian Technology Human Resources Board; Bureau canadien des ressources humaines en technologie

www.cthrc.ca – Canadian Tourism Human Resource Council; Conseil canadien des ressources humaines en tourisme

www.caeto.ca – Canadian Alliance of Education and Training Organisations; Alliance canadienne des organismes d'éducation et de formation

www.saco.on.ca – Ontario College Application Service; Service d'admission des collèges de l'Ontario

www.accc.ca – Association of Canadian Community Colleges; Association des collèges communautaires du Canada

Appendix 2: Population statistics for Australia and Canada

Australia:

1996 Census of Population and Housing

Total population of Australia: 17 892 423

Population 15+: 14 040 303

Proportion of total population aged 15+: 78.47%

Number of Australians born overseas: 3 908 213

Percentage of Australians born overseas (1996): 21.84%

[abs.gov.auwebsites/d3310108.nsf/ASGC/] downloaded 27/11/01

June 2001 Australian Population

19.2 million based on 1.0% to 1.5% increase in each of the last 10 years

Australian net overseas migration (NOM): 70 000 per annum

[dima.gov.au/facts/13pop] downloaded 27/11/01

Canada:

1996 Census of Population and Housing: 28 846 700

Number of Canadians born overseas: 4 971 070

Percentage of population born overseas (1996) : 17%

2001 Canadian total population: 31 081 900

2001 15+ Canadian population: 25.2 million

[Statistics Canada www.statcan.ca] downloaded 27/11/01

Canadian migration 1986 - 1991: 651 530 average 130 306 pa

Canadian migration 1991 -1996: 845 705 average 169 141 pa

[Brain Gain, 2001, p.8]

Number of people leaving Canada to work in USA or elsewhere:

1986 – 17000

1997 – 98000

[Brain Gain, 2001, p.8]

Brain Gain survey methodology:

55 responses from credentialling organisations

45 responses from employers

telephone survey of 12000 households in 4 major cities resulted in direct identification of 487 respondents with learning recognition problems

Appendix 3: Preliminary Comment on Costa Rica

Note: The Recognition system of Costa Rica was intended to form part of this study. However, the language restriction of the researcher, who does not speak Spanish, and difficulty in moving around the country, meant that observations were confined to direct involvement with goods and services providers and English speaking commentators. It is hoped to conduct more intensive investigation with a subsequent visit to the country.

Observations:

Costa Rica has an enviable literacy rate of over 90% and high attendance at secondary schools. Beyond school, there is a range of educational opportunities for those who wish to explore them. There are, however, no requirements for practising tradespeople to hold qualifications for trades such as plumbing and electrical work. This means that it is possible for young people leaving school to move directly into the *artesania* class of worker, where it is possible to undertake studies in trade areas. There is an Institute for Apprenticeship training in San Jose.

However, many workers are trained informally on the job by their employers, leading to perpetuation of outdated, inefficient and at times unsafe work practices. Many examples of low levels of skill can be found in domestic home building and automotive repair, with work needing to be repaired after completion.

The cheaper Asian produced cars driven by most car owners in Costa Rica are serviced by local mechanics, and every town has many small locally owned repair shops of dubious quality, where car repairs can take up to a month without the benefit of manufacturers' manuals for guidance. One visit to a repair shop showed that the mechanic had arranged the parts of the engine around the workshop, with little pieces of paper under each part. On each piece of paper he had written himself notes about where the part came from and what it was connected to. These notes comprised his manual.

An increasing immigrant population from the USA and Germany has seen the importing of cars produced by companies such as BMW and Audi. The sales outlets of such vehicles often advertise explicitly that they have Bavarian trained service mechanics, since the reputation of locally trained mechanics is low.

Higher level professional education is the major focus of post school education, with two major university campuses in the capital, San Jose, and institutes for professional training in engineering and information technology. There is little provision for higher education outside of the Valle Central, where San Jose is located, so east coast populations and those who live in the north and south of the country have difficulty gaining access to higher education.

The high cost of infrastructure for professional education has seen the Costa Rican education system emphasise credit transfer pathways to overseas universities. There are large numbers of students who attend universities in the USA and elsewhere to gain their professional qualifications. There have also been considerable efforts to obtain recognition of Costa Rican courses by professional associations, such as Institutions of Engineers.

REFERENCES

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