

**Interns Australia**  
2015 Annual Survey



November 2015

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## About Interns Australia

Interns Australia is the support and advocacy body for interns and students undertaking work placements in Australia. As an apolitical organisation, our goal is to engage and empower interns, employers, legislators, government and other stakeholders to create an employment landscape that is fair, regulated and protects the dignity of interns.

## Introduction – the Interns Australia 2015 Annual Survey

With lawmakers, government, industry and the community becoming aware of an apparent growth in unpaid internships in Australia,<sup>1</sup> it is increasingly important to evaluate the nature and prevalence of unpaid work arrangements across the economy.

## Research methodology

In 2015, Interns Australia conducted a survey of 503 respondents on their experiences with internships. The online survey was conducted over a period of two months between August and October 2015. Participation was open to all those interested, whether they had undertaken an internship or not. This was designed to gauge the attitudes of both those who had experience as interns and those who had no experience as an intern but may nonetheless have a view on issues related to internships.

Of the respondents, 90.61 per cent of had completed at least one internship. 53.47 per cent had completed two or more internships. 28.98 per cent of these respondents had completed three or more.<sup>2</sup>

Due to a paucity of long-term historical data and information on internships in Australia, it is difficult to accurately gauge the growth in the extent of unpaid (or paid) internships.<sup>3</sup> While this absence of longitudinal data renders an exploration of unpaid

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<sup>1</sup> Misa Han, "Productivity Commission warns companies over using unpaid interns instead of paid employees" *Australian Financial Review* 6 August 2015 <http://www.afr.com/news/economy/employment/productivity-commission-warns-companies-over-using-unpaid-interns-instead-of-paid-employees-20150804-girqy8#ixzz3i5fXkdfI>; Clay Lucas, "Companies freeloading on unprotected interns," *The Age* (20 April 2014) <http://www.theage.com.au/victoria/companies-freeloading-on-unprotected-interns-20140420-36yxm.html>.

<sup>2</sup> Ibid.

<sup>3</sup> Andrew Stewart and Rosemary Owens, 2013, Experience or Exploitation? The Nature, Prevalence and Regulation of Unpaid Work Experience, Internships and Trial Periods in Australia, Fair Work Ombudsman, available online: <http://www.fairwork.gov.au/Publications/Research/UW-complete-report.pdf>

internships over a substantial period of time difficult, the lack of information may imply that unpaid internships were previously not prevalent enough to compel such research.

In contrast to the Australian experience, internships in the United States have been more thoroughly documented.<sup>4</sup> In that region, they are overwhelmingly unpaid, and since the 1930s have metamorphosed from a medical training arrangement to a key feature of the employment landscape across almost all industries.<sup>5</sup> As a result, internships are now a virtual prerequisite for employment in professional labour markets.<sup>6</sup>

## **1. The extent of internships in Australia**

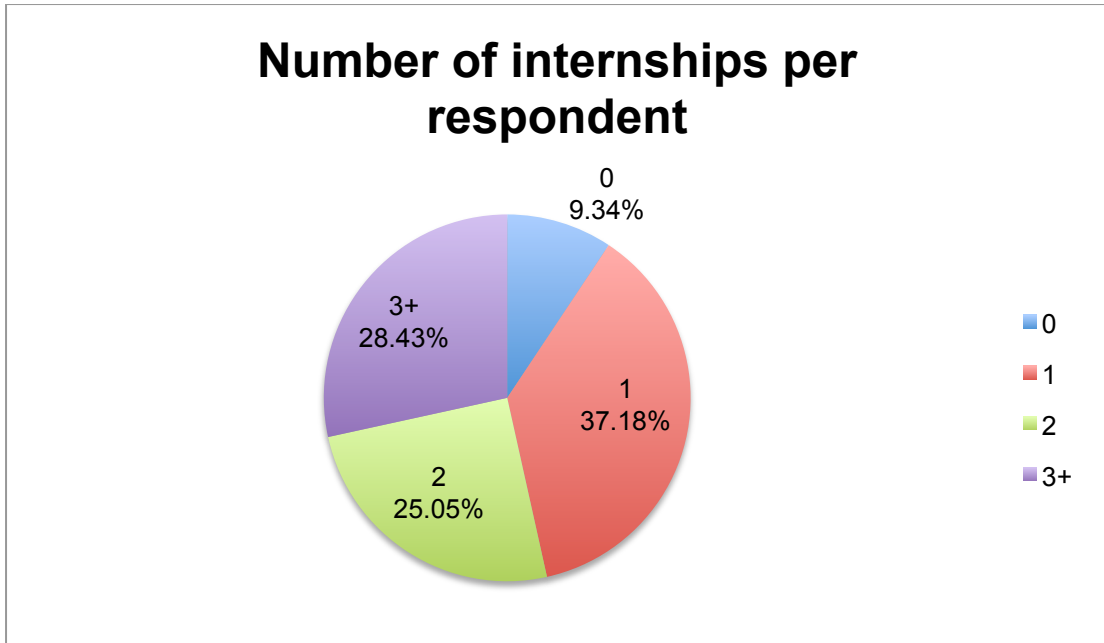
The 2015 Interns Australia Annual Survey indicated that of 503 respondents, 90.66 per cent had completed at least one internship, 37.18 per cent had completed one internship, 25.05 per cent had completed two internships, and 28.43 per cent had completed three or more internships. While Interns Australia's engagement with interns suggests that a considerable number of young people undertake internships, the precise figure requires further research as the respondents to the Annual Survey are more likely to be former interns and thus not be representative of a cross section of the community.

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<sup>4</sup> Ross Perlin, *Intern Nation*, Verso, London (2011).

<sup>5</sup> Laurence Geffen, 'A brief history of medical education and training in Australia', *The Medical Journal of Australia*, 2014; 201, <https://www.mja.com.au/journal/2014/201/1/brief-history-medical-education-and-training-australia>.

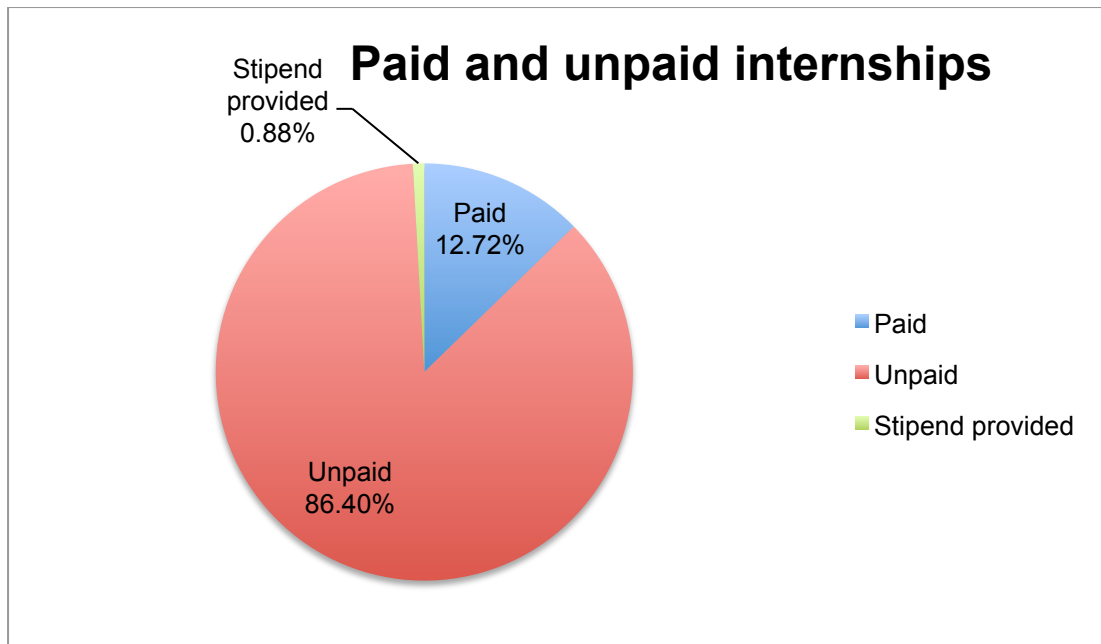
<sup>6</sup> David Yamada, 'The Employment Rights of Student Interns', 35 *Connecticut Law Review*, 215.



## 2. Most internships in Australia are unpaid and last 45 days

By far the majority of internships in Australia are unpaid. Of the 456 respondents who had completed at least one internship, 12.72 per cent (58) were paid at least minimum wage for their placement. 86.40 per cent (394) were not paid or paid below minimum wage. Less than 1 per cent (0.88 per cent) were not paid but received a stipend such as travel or meal reimbursements.

In an open form question, the total time the average intern reported spending in internship placements was 45 days. This means that the average unpaid intern in Australia forfeits \$5913.18 in wages, calculated based on the intern earning the national minimum wage.

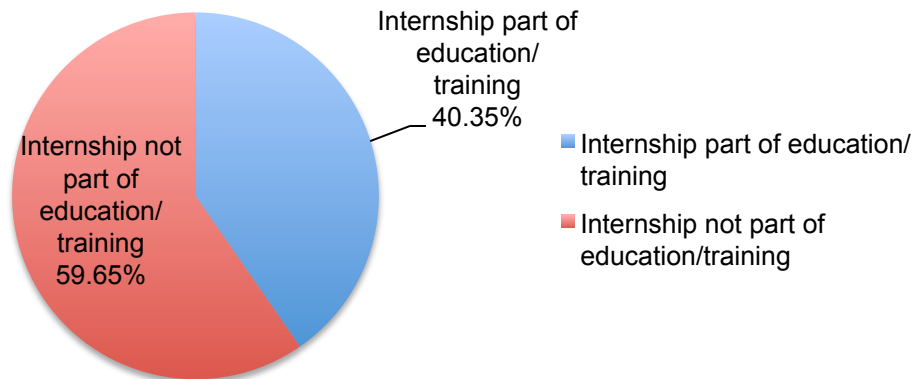


### 3. Most internships are undertaken outside education or training

This survey indicated that the 90.66 per cent of respondents had completed at least one internship. 40.35 per cent were undertaken as part of formal education. 59.65 per cent were undertaken outside study. For employers to comply with the *Fair Work Act*, roughly the same number of people who completed an internship outside their studies – 59.65 per cent - should have been remunerated. Only 12.72 per cent of internships were remunerated, suggesting that most unpaid internships are completed outside the bounds of the *Fair Work Act*. Recent case law dictates that when an internship is not undertaken for course credit, interns must be paid.<sup>7</sup>

<sup>7</sup> Fair Work Ombudsman v Crocmedia Pty Ltd [2015] FCCA 140.

## Internships as part of education and training



In 2014, Interns Australia conducted a survey of 160 respondents. This indicated that 17.5 per cent of respondents had completed internships as part of tertiary education. 58.75 per cent had completed internships outside formal education (the remainder of the responses did not fall within either category).<sup>8</sup> Despite this, the survey indicated that only 12.5 per cent of respondents had been remunerated for their internships.<sup>9</sup> For employers to comply with the *Act*, around 58.75 per cent of internships should have been paid.

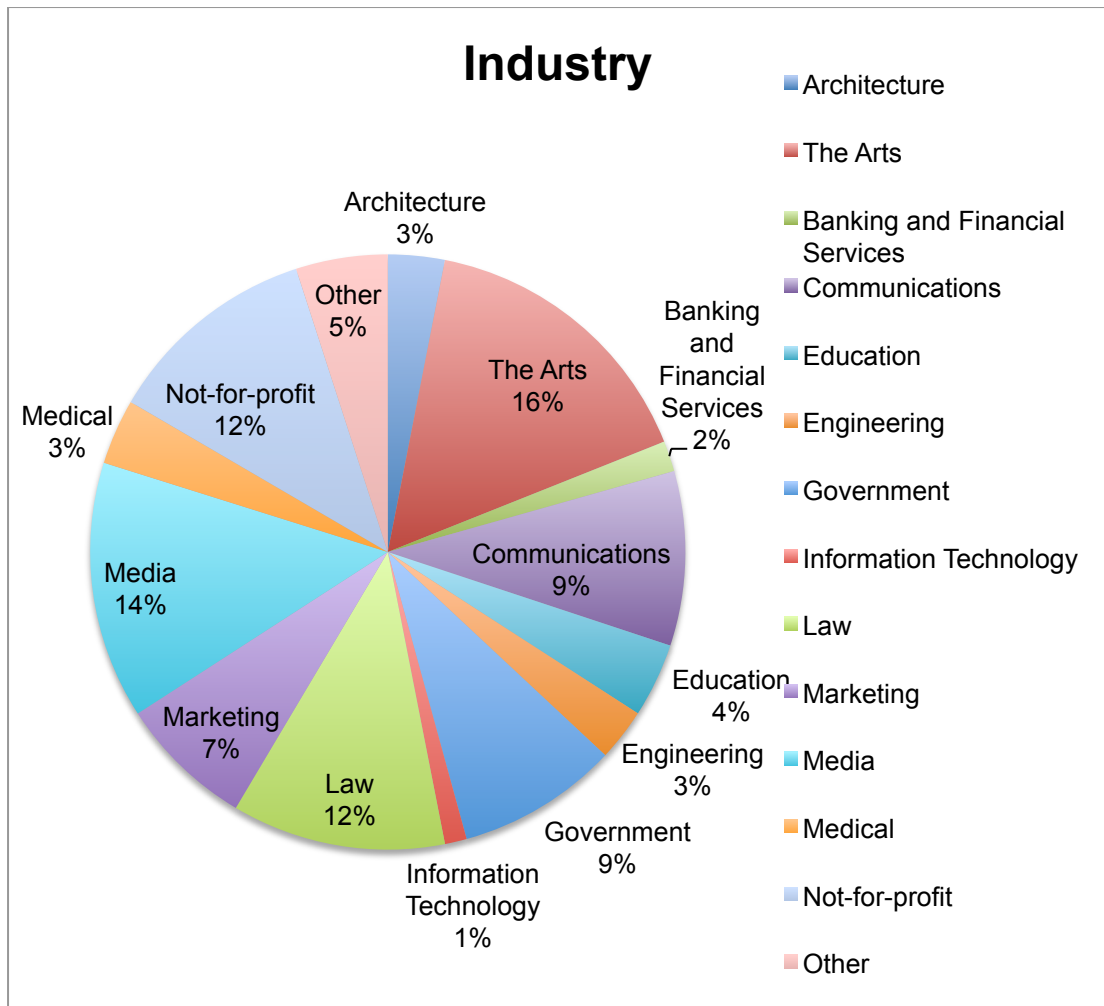
#### 4. Prevalence and characteristics across industries

The 2015 Interns Australia Annual Survey suggests that, like the United States, internships are prevalent in a broad range of professions. In this year's Annual Survey, internships were found to be most common in the arts (15.76 per cent), media (13.88 per cent), non-profits (11.59 per cent), law (11.53 per cent), communications (9.41 per cent) and government (8.94 per cent).

Interestingly, while there are fewer internships in IT, technology and engineering, roughly 50 per cent of them are paid compared to only two to 11 per cent which are paid across the industries in which internships are more prevalent.

<sup>8</sup> Interns Australia Annual Survey 2014, available online: <http://www.internsaustralia.org>.

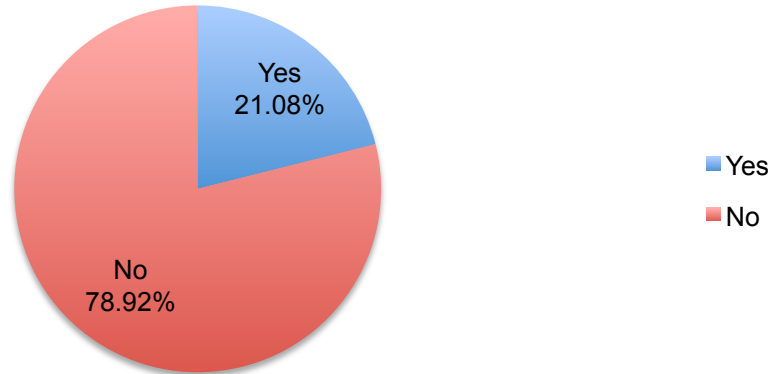
<sup>9</sup> Ibid.



**5. Internships do not lead to paid employment with the internship provider**

The 2015 Annual Survey suggests that contrary to popular belief, internships do not lead to permanent employment with the internship provider. Of the responses to the question, “Did the internship lead to paid employment with the same company?”, 21.08 per cent reported that they had secured paid work from their internship. 78.92 per cent reported that their internship did not lead to paid work with the same company/organisation.

## Did you receive a job offer from the internship provider?

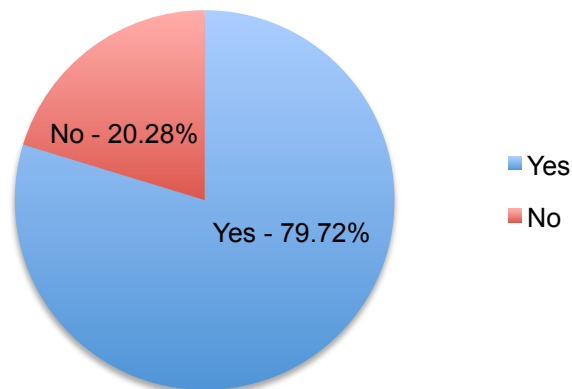


Interestingly, when the data is cut and analysed, 19.83 per cent of unpaid interns received an offer of paid employment with the host company. Of the respondents who had undertaken paid internships, 35.42 per cent received an offer of paid employment with the same company/organisation.

### 6. Should internships be remunerated?

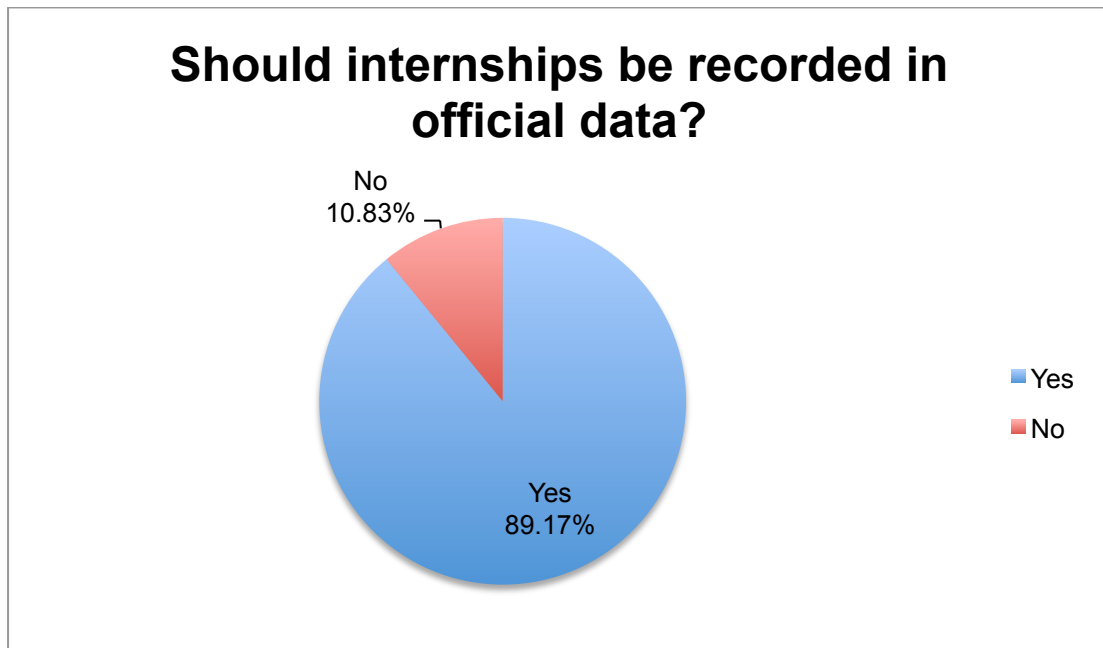
Of the 503 respondents, 79.72 per cent believe that all internships should be paid. 20.28 per cent did not believe that all internships should be paid.

## Should all internships be paid?



### 7. Internships in official employment data

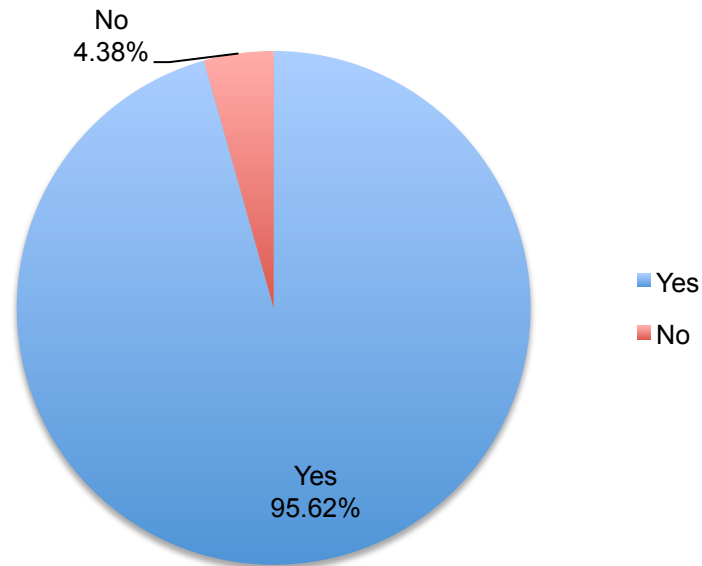
One of the greatest challenges in gauging the extent of internships in Australia is that there is no widespread or longitudinal data on these arrangements. 89.17 per cent of respondents believe that internships should be captured in official Australian Bureau of Statistics data. 10.83 per cent did not believe that they should be recorded in official statistics.



#### **8. Availability of information on internships**

The availability of information relating to internships is crucial in supporting employers to meet their legal obligations to interns and to ensure that interns themselves understand their rights while undertaking internships. In response to the question, "Would you like to see better information on internships available?", 95.62 per cent of respondents replied in the affirmative. 4.38 per cent did not think better information was needed.

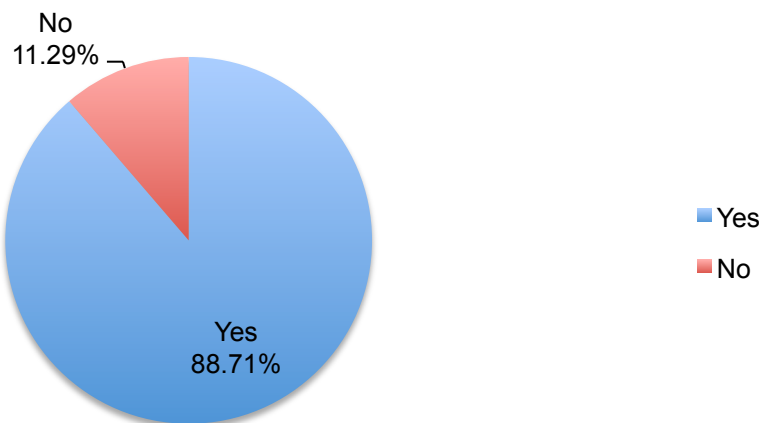
## Should more information on internships be available?



### 9. Oversight of internships by a dedicated body

88.71 per cent of respondents reported that they would like to see a dedicated body that had oversight and authority over internships in Australia. 11.29 per cent did not think that such a change is necessary.

## Should there be an internship regulator?



## 10. Parliamentary enquiry

With internships a seemingly significant issue across Australia, respondents were asked, "Provided with assistance, would you make a statement about your experience if there were a parliamentary enquiry into internships?" 58.53 per cent of respondents reported that they would make a statement on their internship experience. 41.47 per cent reported that they would not.

