

# A Thousand Hours for Free? Ending Unpaid Placements in Social Work Education

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A Policy Proposal by Per Capita for the  
Australian Council of Heads of Social Work Education

*March 2024*





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# Background

There is a growing body of research highlighting the issues students face in completing degrees in social work. The requirement to undertake 1000 hours of unpaid field education – equivalent to six months' full time work – is contributing to a low completion rate despite the demand for social workers increasing.<sup>1</sup>

In its White Paper, *Working Futures*, the Federal Government acknowledged this problem, noting that:

*The requirement to undertake unpaid practicum placements discourages many student in care and teaching professions from enrolling and completing courses. **The government will undertake scoping work on approaches to mitigate financial hardship placed on tertiary students completing unpaid mandatory practicum placements as part of studies in care and teaching professions.*** (p.206) (Our emphasis).

It is critical that government consideration of the appropriate policy response is informed by pedagogical expertise within the social work education sector and representatives of the social work workforce, and not left entirely to bureaucratic processes removed from the experience of social work students, employers and the communities they serve.

The Australian Council of Heads of Social Work Education (ACHSWE) commissioned Per Capita to analyse various options to recompense social work students for the hours of mandatory workplace payments at an equivalent rate to the minimum wage. This proposal has been informed by modelling and analysis, as outlined in the Appendix on methodology<sup>2</sup>.

It is hoped this proposal will be carefully considered by the Government as it undertakes the necessary scoping work to mitigate the often severe financial hardship experienced by students in this most critical field of social assistance and care.



<sup>1</sup> Christine Morley et al, *Reimagining Field Education: Report from the Summit* (Report, Australian Council of Heads of Social Work Education, 29 March 2023).

Morley, C., Hodge, L., Clarke, J., McIntyre, H., Mays, J., Briese, J. and Kostecky, T., 'This unpaid placement makes you poor': Australian social work students' experiences of the financial burden of field education, *The International Journal of Social Work Education*, January 2023.

O'Keefe, P., Haralambous, B., Egan, R., Heales, E., Baskarathas, S., Thompson, S., Jerono, C., *Reimagining Social Work Placements in the Covid-19 Pandemic*, *The British Journal of Social Work*, Volume 53, Issue 1, January 2023.

<sup>2</sup> Dawson, E, *A thousand hours for free? Ending unpaid student placements in social work education*, Per Capita, December 2023.

# Preferred option

## Earn as you learn on the job work-based placement via government-funded stipend

Under this model, social work students would receive a stipend from the employer-host of each placement at the minimum wage, currently \$23.23 per hour. This would most appropriately operate as a wage subsidy paid to host organisations, similar to other government programs that support businesses to hire staff that would otherwise not be employed<sup>3</sup>. It would be subject to superannuation, adding \$2.55 per hour at the current superannuation guarantee rate of 11%, rising to an additional \$2.79 per hour by 2025.

To ensure the monies are paid directly to eligible students and do not put the host organisation at risk of being expected to create an ongoing, paid position beyond the duration of the placement, the payment would be best made as a **stipend**, rather than a salary.

### Benefits of preferred model

While this model requires some administrative involvement by host organisations and educational institutions, it has significant benefits, in that:

- It has the best balance of advantages over disadvantages in that this model is the most equitable and inclusive of the diverse circumstances of social work students, especially those from backgrounds traditionally underrepresented in Higher Education.
- It is the most legislatively simple and effective model;
- It would ensure that the payment is a legitimate workplace entitlement;
- Eligible students would be covered by the Fair Work Act provisions protecting employees during their placements;
- It would be equivalent to lost income from earned work up to the rate of the minimum wage;
- It would be inclusive of international students, as the regulations for wage subsidies can be designed according to specific program criteria without creating legislative risk;
- It would be paid for by the Federal Government and not transferred to States and Territories; and
- As a stipend, it would avoid the implication or expectation of an ongoing paid position, and would obviate the need for paid leave entitlements.

As such, this model achieves what we consider to be the more important elements of the payment: inclusivity, workplace linkage and recognition of skills, and equivalence to the minimum wage.

<sup>3</sup> See <https://business.gov.au/grants-and-programs/Wage-subsidies>

If this proposal were to be pursued by Government, careful attention would be needed to ensure there is no overlap or conflict with existing State and Territory Government programs such as Inclusion Scholarships for Social Work Placements that are available in Victoria,<sup>4</sup> or new educational opportunities such as the Social Work Earn and Learn Masters Program.<sup>5</sup>

This could be managed through transitional arrangements in which the federal stipend program is rolled out in stages, allowing students who already have support from state-based programs to complete those qualifications without the disruption of being forced into a new arrangement with the Commonwealth.

The States and Territories may balk at rescinding these programs, and resist handing control of educational placements in part to the Federal Government. These are issues that would need to be addressed with any policy that would result in the Commonwealth providing payments for student placements on a national basis.

## Cost to Government

The annual cost of this model for a standard annual workplace placement of 500 hours for up to 7,000 students is up to \$91Million per annum. Note that this does not include additional costs for host organisations such as payroll tax, work cover and other overheads but, as most host-organisations are not-for-profit, many of these overheads may not apply.

4 <https://www.dffh.vic.gov.au/inclusion-scholarships-social-work-placements>

5 <https://www.dffh.vic.gov.au/switch-to-social-work>



# References

Morley,C., Ryan, V., Hodge,L., Higgins, M., Briskman, L., Marcus, M., Hil, N., Martin, R., (2024) Australian Students' Educators'. and Practitioners' Experiences of Modified Standards for Field Education During the COVID-19 Pandemic, Australian Social Work. DOI 10.1080/0312407X.2024.2317706

Morley, C., Ryan, V., Hodge,L., Higgins, M., Briskman, L., Martin, R., (2023) Re-Envisioning Field Education in Australian Social Work to Combat Placement Poverty: Students', Educators' and Practitioners' Perceptions, The British Journal of Social Work, 2023;, bcad229, <https://doi.org/10.1093/bjsw/bcad229>

Morley, C., Hodge, L., Clarke, J., McIntyre, H., Mays, J., Briese, J. and Kostecki, T., 'This unpaid placement makes you poor': Australian social work students' experiences of the financial burden of field education, The International Journal of Social Work Education, January 2023.

O'Keefe, P., Haralambous, B., Egan, R., Heales, E., Baskarathas, S., Thompson, S., Jerono, C., Reimagining Social Work Placements in the Covid-19 Pandemic, The British Journal of Social Work, Volume 53, Issue 1, January 2023.



# Appendix 1: Methodology

ACHSWE commissioned Per Capita to analyse several proposed models that may be implemented to fund social work placements to compensate students for required placement hours at a rate equivalent to the minimum wage, which is necessary in order to retain students and ensure there are enough qualified social workers in Australia to meet the current and future needs of the community.

## These models include:

1. **A similar model to the implementation of paid parental leave;**
2. **Earn as you learn on the job work-based placement;**
3. **An apprenticeship model;**
4. **Amendments to fair work legislation to make unpaid placements unlawful; and**
5. **A model in which funding is tied to the student.**

## Principles of the preferred model

ACHSWE determined that the following criteria should apply:

1. Models can't be administratively burdensome for organisations or universities;
2. Payments must be inclusive, IE: not means tested and available to international students;
3. Payments must be the responsibility of the Commonwealth Government, not transferred to State or Territory Governments;
4. Payments must not fall on organisations in sector as many are non-government or community organisations, often not-for-profits.
5. Payments received by students must be equivalent to the minimum wage.

Per Capita investigated the various proposed models listed above according to these core principles to provide evidence of the most appropriate and effective model for paid student placements and its indicative cost to the Accord as it finalises its recommendations to Government.

## Research methodology

To understand the risks and benefits of each option, Per Capita undertook multifaceted research and desktop modelling, including:

- Reviewing the evidence of social harm and the relationship of unpaid placements with student non-completion in Australia;
- Reviewing international models of providing income support to students of social work and other social care and assistance studies in comparable international jurisdictions;
- Looking into existing income supports for social work students in Australia;
- Examining relevant Australian regulation and legislation to determine any potential implications of implementing any model; and
- Calculating the cost of each option to the Federal Government, as far as possible\*.

**\* Modelling is based on the evidence-informed assumption that up to 7,000 social work students will undertake paid placements in any one year, for the standard annual placement of 500 hours.**



# Appendix 2: Analysis of options

## 1. A similar model to the implementation of paid parental leave.

Under this model, social work students would receive a tax-free, temporary payment directly from the Federal Government at a rate equivalent to the after-tax minimum wage (approximately \$20.50 per hour) for a standard annual workplace placement of 500 hours.

### Advantages

This model would achieve most of the important elements of the ACHSWE's core requirements for student placement payments, in that it:

- Would be administered by the federal government without the need for involvement of educational institutions or workplaces other than confirming student registration and placement details;
- Could be administered through existing infrastructure at Centrelink, reducing overhead costs to the Government;
- Would be equivalent to lost income from earned work up to the rate of the minimum wage.

As such, it meets criteria 1, 3, 4 and 5 above.

### Disadvantages

This model would not meet criteria 2, in that it would not be universal nor available to international students.

International students are not eligible for federal government income support and it is highly unlikely that legislators would make an exemption to this rule for a specific cohort of students, due to the risk of this being "gamed" by unscrupulous actors and the legal precedent it would set.

Further, income support payments administered through Centrelink are means tested, not universal. This applies to all payments, including paid parental leave, which cuts out for households at a certain income threshold (currently \$150,000 pa). Again, it is highly unlikely that an exception would be made to this rule, due to the likelihood that it would lead to legal challenges to the means testing of other payments.

### Cost to Government

The annual cost of this model for a standard annual workplace placement of 500 hours for up to 7,000 students is up to \$72 Million per annum.

## 2. Earn as you learn on the job work-based placement

Under this model, social work students would receive a salary from the employer-host of each placement at the minimum wage, currently \$23.23 per hour. This would most appropriately operate as a wage subsidy paid to host organisations, similar to other government programs that support businesses to hire staff that would otherwise not be employed<sup>6</sup>. It would be subject to superannuation, adding \$2.55 per hour at the current superannuation guarantee rate of 11%, rising to an additional \$2.79 per hour by 2025.

To ensure the monies are paid directly to eligible students and do not put the host organisation at risk of being expected to create an ongoing, paid position beyond the duration of the placement, the payment would be best made as a stipend, rather than a salary, as this would avoid additional costs for paid sick leave and annual leave and reduce administrative overheads for host organisations.

### Advantages

This model would achieve some elements of the ACHSWE's core requirements for student placement payments, in that it:

- Would be equivalent to lost income from earned work up to the rate of the minimum wage;
- Could be universal and include international students, as the regulations for wage subsidies

can be designed according to specific program criteria without creating legislative risk;

- Would be paid for by the Federal Government and not transferred to States and Territories.

As such, it meets criteria 2, 3 and 5 above.

As recipients of a workplace stipend, WIL students should also be covered by the Fair Work Act provisions protecting employees.

### Disadvantages

This model would not meet criteria 1 and 4, in that it would involve some administrative duties for educational institutions and employers. There is no precedent for government providing an administrative fee on top of wage subsidies to eligible employers, so this cost is likely to fall on the host organisation.

However, the cost would be minimal and would allow host organisations to properly recompense students for their work without bearing the cost of the stipend themselves.

### Cost to Government

The annual cost of this model for a standard annual workplace placement of 500 hours for up to 7,000 students is up to \$91 Million per annum. Note that this does not include additional costs for host organisations such as payroll tax, work cover and other overheads.

<sup>6</sup> See <https://business.gov.au/grants-and-programs/Wage-subsidies>

### 3. An apprenticeship model

Under this model, social work students would be treated as trainees directly employed by host organisations for the duration of their required placements. The federal government would add social work student placements to the eligible trainee categories of the Australian Apprenticeship program, and fund host organisations the gross minimum trainee wage for the total hours of the placement, which is approximately \$21.30 per hour<sup>7</sup>. As a salary, it would be subject to superannuation, adding \$2.34 per hour at the current superannuation guarantee rate of 11%, rising to an additional \$2.56 per hour by 2025.

#### Advantages

This model would achieve only one element of the ACHSWE's core requirements for student placement payments, in that it:

- Could be paid for by the Federal Government and not transferred to States and Territories.

As such, it meets only criteria 3 above.

An additional benefit is that trainees are covered by the employee protections in the Fair Work Act.

#### Disadvantages

This model again would not meet criteria 1, 2, 4 or 5.

It would involve administrative burdens for educational institutions and employers, failing criteria 1 and 4.

It would not meet criterion 5, as apprentices are paid less than the minimum wage.

It would not meet criteria 2, as international students aren't able to complete an apprenticeship or traineeship under the Australian Government's Australian Apprenticeship program, and the program's guidelines are highly unlikely to be changed for one industry cohort.

Further, it would be difficult to fit a standard apprenticeship model to social work placements. Unlike nurses and teachers, social work students must undertake placements in a variety of settings to fulfil the requirements of their professional qualifications, whereas apprenticeships are held with one single employer.

#### Cost to Government

The annual cost of this model for a standard annual workplace placement of 500 hours for up to 7,000 students is up to \$83.5 Million per annum. Note that this does not include additional costs for host organisations such as payroll tax, work cover and other overheads.

<sup>7</sup> See <https://www.fairwork.gov.au/pay-and-wages/minimum-wages/apprentice-and-trainee-pay-rates>.

Note that trainee wages vary according to a number of factors, including industrial sector, age of trainee and years of prior education. Our calculation is based on the closest current trainee wage, under the Social, Community, Home Care and Disability Services Industry Award.

## 4. Amendments to fair work legislation to make unpaid placements unlawful

Rather than calling for direct government funding of social work student placements, this model simply outlaws the existence of unpaid placements under Australian workplace laws.

The relevant legislation is the *Fair Work Act 2009* (FWA).<sup>8</sup>

This is both the least effective and most unlikely option to be implemented of those identified by ACHSWE.

Research published by Universities Australia in 2019<sup>9</sup> show that, in 2017, 37.4% of students enrolled in Australian universities did some unpaid workplace integrated learning activity. Some did more than one placement, bringing the total number of WIL activities in 2017 to 555,403 - 43% of which (238,823) were placements. With approximately 7,000 social work students undertaking placements annually, this represents just 2.93% of all student placements in Australia each year.

If vocational training unpaid was made unlawful under the FWA, the impact on students and employers across different industries and

disciplines would be enormous, and would come at a massive cost (unquantifiable in the scope of this research).

It is important to note that unpaid placements in fields such as law and medicine, and other so-called "highly skilled" professions, are not as burdensome as those in social care and assistance fields, as the future income in many such fields will increase faster and to a much higher maximum salary than does social work.

Legislators are highly unlikely to amend the FWA to create a carve out in Section 12 to make unpaid placements unlawful only in certain industries or courses, as this would inevitably lead to future legal action by actors in sectors not included in the carve out, and/or gaming of the system. It would also act as a behavioural "nudge" that could influence student decisions.

### Cost to Government

The cost of this model is unquantifiable, as the likely consequences of making unpaid placements unlawful in the FWA would have a massive impact on hundreds of industry sectors, all of which would be almost certain to demand direct government compensation for the cost of student income payments. The cost would be in the billions of dollars.

<sup>8</sup> <https://www.legislation.gov.au/Details/C2017C00323>

<sup>9</sup> <https://universitiesaustralia.edu.au/wp-content/uploads/2022/03/WIL-in-universities-final-report-April-2019.pdf>

## 5. A model in which funding is tied to the student

ACHSWE suggested that this model might operate like the National Disability Insurance Scheme, with payments tailored to and under the control of individual students.

However, we find that there are few features of a social insurance scheme such as the NDIS that can be applied to student placement payments. Social insurance schemes provide compensation for discrete conditions or occurrences that create disadvantage, they are not a form of payment for work.

Rather, a model tied directly to students would likely operate more like the Paid Parental Leave model as outlined in Option 1. That is, students would receive a tax-free, temporary payment directly from the Federal Government at a rate equivalent to the after-tax minimum wage (approximately \$20.50 per hour) for a standard annual workplace placement of 500 hours.

As such, our analysis of this model is the same as that for Option 1.

### Advantages

This model would achieve most of the important elements of the ACHSWE's core requirements for student placement payments, in that it:

- Would be administered by the federal government without the need for involvement of educational institutions or workplaces other than confirming student registration and placement details;

- Could be administered through existing infrastructure at Centrelink, reducing overhead costs to the Government;
- Would be equivalent to lost income from earned work up to the rate of the minimum wage.

As such, it meets criteria 1, 3, 4 and 5 above.

### Disadvantages

This model would not meet criteria 2, in that it would not be universal nor available to international students.

International students are not eligible for federal government income support and it is highly unlikely that legislators would make an exemption to this rule for a specific cohort of students, due to the risk of this being "gamed" by unscrupulous actors and the legal precedent it would set.

Further, income support payments administered through Centrelink are means tested, not universal. This applies to all payments, including paid parental leave, which cuts out for households at a certain income threshold (currently \$150,000 pa). Again, it is highly unlikely that an exception would be made to this rule, due to the likelihood that it would lead to legal challenges to the means testing of other payments.

### Cost to Government

The annual cost of this model for a standard annual workplace placement of 500 hours for up to 7,000 students is up to \$72 Million per annum.

## Summary of analysis of options

	Not administratively burdensome	Universal payments	Federal government funded payments	Organisations quarantined from payments	Equivalent to minimum wage	Cost to government	Score
A similar model to the implementation of paid parental leave	✓	✗	✓	✓	✓	Up to A\$72Million per annum.	4
Earn as you learn on the job work-based placement	✗	✓	✓	✗	✓	Up to A\$91Million per annum.	3
An apprenticeship model	✗	✗	✓	✗	✗	Up to A\$83.5Million per annum.	1
Amendments to the Fair Work Act 2009(Cth) to make unpaid placements unlawful	✗	✓	✗	✗	✓	Unquantifiable	2
A model in which funding is tied to the student	✓	N/A	✓	✓	✓	Up to A\$72Million per annum.	4



