



Vocational Placements Fact Sheet

Vocational placements provide students with the opportunity to apply the theory and skills they learned while studying in a professional workplace.

Under these arrangements students can gain the skills they need to transition successfully from study to work, while giving industry the opportunity to enrich student learning experiences and increase the number of work-ready graduates.

Vocational placements that meet the definition under the *Fair Work Act 2009* (the FW Act) are lawfully unpaid. Students completing vocational placements are not considered to be employees and therefore are not entitled to the minimum wage nor other entitlements provided under the FW Act.

What is a vocational placement?

Under the FW Act, a vocational placement is lawfully unpaid if it meets **all** the following criteria:

1. **There must be a placement.** This can be arranged by the educational or training institution, or a student may initiate the placement with an individual business directly, in line with the requirements of their course.
2. **There must be no entitlement to pay for the work the student undertakes.** Where a student's contract with the host business or organisation entitles them to receive money for the work they perform, the vocational placement will likely have turned into an employment relationship. Similarly, work arrangements covered by industrial awards or agreements are not vocational placements.
3. **The placement must be done as a requirement of an education or training course.** The placement must be a required component of the course as a whole, or of an individual subject or module of the course. It doesn't matter whether that subject is compulsory or an elective chosen by the student.

4. **The placement must be one that is approved.** The institution delivering the course which provides for the placement must be authorised under an Australian, state or territory law or an administrative arrangement of the Commonwealth or a state or territory to do so. Courses offered at universities, TAFE colleges and schools (whether public or private) will all satisfy this requirement, as will bodies authorised to offer training courses under state or territory legislation.

When all of the above criteria are satisfied, hosts are not required to pay students entitlements under the FW Act. However, a host may elect to provide payment(s) at their discretion and under no obligation.

If the placement doesn't meet all of the above criteria, it won't be a vocational placement under the FW Act. However, this doesn't automatically mean that the person is an employee and entitled to payment. The next step is to determine whether or not the person is in an employment relationship.

For more information on determining whether or not an employment relationship exists see our Unpaid Work Fact Sheet.

Example 1

Katrina is in her 3rd year of a nursing degree. As part of her course, Katrina is required to complete a minimum of 4 weeks' work experience with a registered hospital in her state in order to graduate. Katrina approaches her local hospital as they have a pre-existing relationship with her university and have regular student placements. The placement is authorised by her university, and Katrina understands it is a learning exercise and that she won't be paid. As the arrangement meets the definition of a vocational placement under the FW Act, it can be unpaid.

