

Students in Australia Face Fierce Competitions for Limited Internship Opportunities



Employers in Australia acknowledge internships as an effective mechanism to measure students' aptitude for the organization, while universities recognize the benefits that relevant work experience gives to students. Nonetheless, relatively few internship opportunities exist in Australia compared to the USA. It demands our attention whether the program will expand to the level of some countries that are leading the industry, such as the United States.

Purpose for Employers is to Secure Full-time Employees, for Students is to Secure Employment

Ben Reeves, Chief Executive at AAGE (Australian Association of Graduate Employers), states that an internship program for Australian employers "is one of the mechanisms to recruit talent. Employers offer internships with the specific intention of converting some or all of their interns into graduate employees. Employers know that the best way of assessing whether a university student is suitable for a job is to employ them as an intern and give them real work to do. So more and more companies are offering internships."

While at the same time, according to "AAGE Intern Survey 2015"¹, the top reason students applied for an internship was for future employment opportunities, which resembles the situation in the US and UK.

Some Students Apply to As Many As 16 Internships

“A wide variety of industries take interns such as investment banks, retail banks, consulting, accounting, law, engineering, or oil and gas. However, opportunities are limited in our country because you need to have resources to supervise interns. Roughly 100,000 Australian students graduate each year ², but I am guessing a small proportion would have done a paid internship”, Mr. Reeves at AAGE estimates. “Our study revealed that students applied for six internships on average. Ten percent of the students applied for 16 or more. Unlike the US where an internship is almost a requirement for graduate employment, employers here cannot expect all graduates to have an internship experience.”

Since there are few internship opportunities available despite the awareness that it is an effective selection method for new graduates, employers do not put much emphasis on work experience. According to the survey “Graduate Outlook 2014” ³ conducted by Graduate Careers Australia (GCA) ⁴, the three most important selection criteria that employers used when recruiting graduates were communication skills (48.6%), academic skills (24.3%) and teamwork skills (22.4%). Work experience which includes internship experience was selected by only 19.6% of employers and came in the sixth place. Leadership skills was nominated by the same proportion of employers, which is another highly regarded factor in the United States.

About 60% of Employers Utilize Undergraduate Programs for Recruitment

“Graduate Outlook 2014” investigated the graduate intake by Australian employers in 2014. The results showed that: 31.5% of participating employers recruited more than 20 graduates; 55.5% recruited one to 20; and 13.0% did not recruit any graduates. The size of recruitment is not large when comparing it with Japan or the US, but the proportion of employers who hired more than 20 graduates has increased by almost 10% since 2012 when the rate was 22.2%.

In order to recruit candidates, 58.5% of employers used undergraduate programs ⁵ which includes internships. And, the proportion of new hires through undergraduate programs among the total graduate intake was relatively high, at 43.0%.

On the other hand, “AAGE Interns Survey 2015” found that a third (33%) of interns had received a full-time offer at the time of the survey, with another 58% still waiting to hear whether they would be offered a full-time position.

Energy/Resource-Related Companies are Popular Destination for Internships

Common majors among interns are banking and finance, accounting, economics, chemical/mechanical/electrical and other types of engineering (“AAGE Intern Survey 2015”). The list is presumably a reflection that the majority of employers that provide internship programs demand for students with these majors.

Additionally, common types of roles for interns were mechanical engineering, accounting/audit, chemical engineering, electrical/electronic engineering, and civil engineering. The results from the “AAGE Intern Survey 2015” are used to determine the best places to do an internship based upon feedback from interns who have actually worked at the employers concerned ⁶. The Top 10 employers are shown here.

Employers with Best Internship Programs	
	1 AustralianSuper (Superannuation/ Pension Fund)
	2 Newcrest Mining Limited (Mining)
	3 SA Power Networks (Electricity)
4	VicRoads (Road & Traffic Authority)
5	Ergon Energy (Electricity)
6	KordaMentha (Advisory and Investment)
7	Georgiou Group (Construction)
8	Chevron Australia Pty Ltd (Oil & Gas)
9	Shell (Oil & Gas)
10	Pitcher Partners Advisors Pty Ltd (Accounting & Auditing)

Source: AAGE Top Intern Programs 2015

Typical Internships are Paid and Last 8 to 10 weeks during Summer Break

An undergraduate degree in Australia normally takes three years. The school year begins in February and ends in December. The seasons in Australia are the opposite to the Northern Hemisphere, so Summer in Australia is December to February. Internships are typically held during the summer break for eight to ten weeks starting in December, between the second and third year of university. In “AAGE Intern Survey 2015”, the average length of an internship was nine weeks.

Internships in Australia are generally paid. About 66% of interns received a pro-rata salary of more than 50,000 Australian dollars, which is equivalent to 1,000 dollars per week (“AAGE Intern Survey 2015”). “Compensation for interns is much higher than minimum wage. You will have experience that can be put on your resume/CV. If you end up receiving a full-time offer on top of that, you go back to university for your final year with a guaranteed job on graduation. It is quite an advantage” said AAGE’s Mr. Reeves.

Employers are Pursuing for More Meaningful Internship Programs

“The recent trend is definitely making the internship more meaningful. What used to happen with some interns was that they just did photocopying, filing or making the coffee for eight weeks. Students are unlikely to want to join that company in such a case. So increasing numbers of employers are now trying to give their interns more relevant, meaningful and challenging tasks” (AAGE Ben Reeves).

Universities Increasingly Value Internships

“There are some universities that are starting to say that they want all of their students to take part in an internship or work placement during their degree studies. There is a growing realization among universities that performing actual work that is relevant to a student’s degree is very helpful to them. Some courses require an internship in order to graduate. Others do not require it but students get a credit for an internship. Or, you can do volunteer work and get a credit for it. Universities may help you find an opportunity” (AAGE Ben Reeves).

■ **AAGE** (Australian Association of Graduate Employers)

Founded in 1988, AAGE is a non-profit organization which comprises over 330 organizations that recruit and develop Australian graduates. Members include a variety of large and small employers from both private and public sectors.

Ben Reeves AAGE Chief Executive



After working as a chartered accountant at a leading accounting firm, Ben held a variety of roles in the HR field, including talent management and acquisition. He has been involved with the running of AAGE since 2003, and was appointed the Chief Executive in 2007.

This column has been posted to the website of Recruit Works Institute.

Footnotes:

1. A survey conducted between February and March, 2015 of 907 university students who participated in an internship in Australia or New Zealand.
2. According to GCA's "Employment and Salary Outcomes of Recent Higher Education Graduates" in 2014, 191,000 students obtained a Bachelor's degree in 2014. Among them, 61.2% responded being prepared to work fulltime, equating to 116,892.
3. An online survey conducted for employers between August and October, 2014. 234 respondents. 64.1% of participating employers were from the private sector, 29.1 from the public sector, and 6.8% were from the non-profit sector.
4. A private research institution that conducts various studies related to graduates' employment.
5. Including work experience placements, internships, vacation work, etc.
6. The Top 40 Intern Programs in Australia can be found via www.topinternprograms.com.au