

## **QUESTION TAKEN ON NOTICE**

**BUDGET ESTIMATES HEARING: 24 MAY 2011**

IMMIGRATION AND CITIZENSHIP PORTFOLIO

**(BE11/0126) Program 1.1: Visa and Migration**

Senator Cash asked:

Unlike the Standard Business Sponsorship, why does the Labour Agreement framework (for certain industry sectors) contain a 'sunset clause' which forces an Agreement holder to negotiate every year in advance their capacity to remain a party to the Agreement through Government 'Approved Occupations' and a pre-determined 'Nomination Ceiling'.

*Answer:*

The Labour Agreement program is available to employers who have a genuine need for overseas labour (i.e. where Australian workers are not available) that cannot be met through the standard migration programs. A Labour Agreement generally has a term of three years, with the number of workers able to be sponsored under the agreement set on an annual basis (known as a 'nomination ceiling').

To be approved for a Labour Agreement, an employer must demonstrate a need for workers that cannot be met from the Australian labour market. As labour market conditions change from year to year, the Department does not require an employer to predict at the outset how many workers they may require in the second and third years of the agreement. Instead, these numbers are set annually based on the need demonstrated by the employer.