

## FREE GUIDE FOR AUSTRALIAN EMPLOYERS

# The employer's guide to labour agreements

If you have been told a role cannot be sponsored because it is not on the standard occupation list, you have been given the general rule — not the whole picture. Here is what labour agreements are, who they are for, and what you would be taking on.

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## What a labour agreement actually is

A labour agreement is a formal, negotiated arrangement between an employer (or an industry body) and the Australian Government that allows sponsorship of overseas workers where standard sponsorship does not fit. It is the mechanism that exists for exactly the situation most short-staffed businesses find themselves in: a genuine, provable shortage in a role the standard list does not cover.

## The main types

Company-specific agreements — negotiated for your business where you can demonstrate a genuine need that existing programs do not meet.

Industry labour agreements — pre-negotiated terms for sectors with recognised shortages, which are usually faster to access than starting from scratch.

Designated Area Migration Agreements (DAMAs) — regional agreements covering a defined area, often with a broad occupation list and concessions on English, age and salary.

On-hire arrangements — where a labour hire business sponsors workers placed with host employers.

## What they can unlock

Depending on the agreement, the concessions available may include occupations outside the standard list (including semi-skilled roles), adjusted English requirements, an age limit above the usual cut-off, and in some cases salary concessions. Many agreements also include a pathway to permanent residency, which is usually what turns a sponsored hire into a long-term one.

The honest headline: labour agreements are not a loophole and not a shortcut. They are a slower, more scrutinised channel that exists because the standard one does not fit every real shortage.

## What you would be taking on

This is the part worth understanding before you start, because it is binding. Sponsor obligations typically include paying at least the market salary rate for the role, meeting the agreement's terms on training and conditions, keeping prescribed records, notifying the Department of certain events, and not passing sponsorship-related costs to the worker. Obligations continue after the person starts, and non-compliance carries real consequences.

## Before you enquire, gather this

The specific roles you cannot fill — titles, duties, and how long each has been open.

Evidence of local recruitment effort: ads, dates, platforms, applicant numbers and outcomes.

What you currently pay for those roles, and the salary you could offer.

Your business structure, trading history, and whether you have sponsored before.

Your location — the postcode matters, because regional agreements are area-based.

Your realistic timeframe, and what the vacancy is costing you per month.

## Three things that decide whether this is worth it

1. Is the shortage genuine and evidenced? The whole case rests on it.
2. Can you carry the obligations? Sponsorship is an ongoing commitment, not a transaction.
3. Does the timeline work? These arrangements take months, not weeks. If you need someone next week, this is not the answer — and any adviser who tells you otherwise is not being straight with you.

Want to know if your roles qualify? Email the roles you cannot fill, with your business location, to [info@vedavisa.com.au](mailto:info@vedavisa.com.au) — you will get a straight, no-obligation reply on whether a labour agreement or DAMA is realistic for your business, including the obligations, before you commit to anything.

Veda Visa · Migration law qualified (Graduate Diploma in Australian Migration Law & Practice), OMARA registration in progress · Parramatta & Sydney CBD. This guide is general information only and is not personal migration advice. Agreement types, occupation lists, thresholds and obligations change — always confirm current requirements at [homeaffairs.gov.au](http://homeaffairs.gov.au).