MODERN SLAVERY

Article 2 of 4

AtOne AGRI
People & Compliance

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Modern Slavery Compliance

Family Farms & Operations Under $10M

What Smaller Farming Businesses Need to Know

Running a family farming operation is already demanding. Margins can be tight, conditions change quickly, and compliance requirements don't seem to get any simpler. It is understandable that **modern slavery legislation might feel like something that applies only to large corporates.**

However, for most farms, that is not the reality. If you engage seasonal workers, use labour hire, or supply into major retail or export markets, modern slavery expectations are already shaping your business environment, whether they are obvious or not.

This article focuses on what smaller operations **actually need to understand**, without overcomplicating it.

The Good News First: You Are Not Required to Report

Under the *Modern Slavery Act 2018 (Cth)*, only businesses with annual consolidated revenue above $100 million are required to lodge a Modern Slavery Statement. For most family farms, that formal reporting obligation does not apply.

That said, it is important not to confuse "no reporting requirement" with "no exposure." Even at a smaller scale, there are three areas where modern slavery risks still apply in a very real way.

These three significant areas of risk remain very much alive for small operations:

Criminal law

The Modern Slavery Act's criminal provisions apply to all businesses regardless of size. Exploitative labour practices can expose operators to serious criminal liability.

Buyer requirements

If you supply a major retailer or exporter, their modern slavery compliance programmes flow down to you through supplier codes of conduct and contracts.

Fair Work enforcement

The Fair Work Ombudsman actively targets agriculture for wage underpayment, with sustained enforcement activity right across rural Australia.

Where the Real Risk Sits: Your Workforce

For most smaller farming operations, the key risk area is not offshore supply chains. It is the workforce on the ground; those working in the paddock, the orchard, or the packing shed.

This is particularly relevant where businesses rely on working holiday makers, PALM scheme participants, or labour hire providers.

1. Working Holiday Makers

Working Holiday Maker visa holders are a cornerstone of the Australian agricultural workforce, and they are also among the most frequently exploited.

To obtain their second-year visa, Working Holiday Makers must complete 88 days of specified regional work; for a third-year visa, 179 days (six months) is required, creating a structural dependency on farm employers that unscrupulous operators have historically exploited.

Common problems include accommodation charges that result in below-award take-home pay, excessive hours without overtime, pressure to meet piece rates that are effectively unachievable, and inadequate workplace health and safety practices.

Even if you do not engage in these practices yourself, you need to be confident your labour hire company does not either.

2. PALM Scheme Workers

The Pacific Australia Labour Mobility (PALM) scheme brings workers from Pacific Island nations and Timor-Leste to fill seasonal labour shortages across Australian agriculture. PALM workers are particularly vulnerable to exploitation because of their unfamiliarity with Australian law, language barriers, distance from family support networks, and in some cases the cost of travel and recruitment fees they have incurred to participate.

If your farm uses PALM workers directly or through a labour hire company, you have heightened obligations. The NSW Anti-Slavery Commissioner has specifically identified PALM scheme workers in rural and regional areas as a priority concern.

3. Labour Hire Companies

Labour hire itself is not the issue as many businesses rely on it legitimately.

The risk comes from lack of visibility where labour hire providers operate through layered subcontracting or unclear recruitment practices. Issues can arise quickly, often without the host business realising until it becomes a problem.

A simple but effective step is to ask direct questions. Ask:

- Whether workers paid any recruitment fees?
- How is accommodation arranged and priced?
- Whether workers are genuinely free to leave their employment?

If these questions cannot be answered clearly, this is a red flag.

Your Biggest Risk: Supermarket & Buyer Requirements

If Woolworths, Coles, Aldi, IGA, or a major food service company is one of your buyers, or if you supply through a packer or distributor to these businesses, you are almost certainly subject to their modern slavery supplier requirements, even as a smaller farm.

Major retailers are required to prepare annual modern slavery statements covering their supply chains. To do this properly, they are increasingly requiring their direct and indirect suppliers to demonstrate compliance.

In practice, this means:

- Completing supplier questionnaires about your labour practices, workforce composition, and any use of labour hire.
- Providing evidence of your worker grievance mechanisms.
- Demonstrating that workers are paid correctly and have access to their entitlements.
- Confirming that accommodation arrangements (if any) are at arms-length and fair.
- In some cases, participating in third-party audits of your operation.

The commercial consequence of not being able to answer these questions satisfactorily is real. **Supplier delisting or loss of preferred supplier status is a significant financial risk** for any farm that relies on retail or export channels.

WHS & Modern Slavery: Closely Linked in Practice

For smaller farming operations, Work Health & Safety (WHS) and modern slavery are rarely thought of together, but they should be.

The workers most at risk of exploitation are also the workers least likely to report an unsafe condition, and for exactly the same reasons: visa dependency, accommodation dependency, language barriers, and fear of losing their placement.

A Working Holiday Maker approaching the required days of specified regional work needing to qualify for their next visa extension will often push through an injury rather than risk their

placement. A PALM scheme worker unfamiliar with Australian workplace law may not know they have the right to refuse unsafe work. These are not abstract concerns, they are patterns documented by the Fair Work Ombudsman and in Safe Work Australia investigations across Australian Agriculture.

For smaller farms, this means a few practical things.

1. **First**, your WHS consultation process whether a daily pre-start or a weekly toolbox talk, needs to be genuinely accessible to workers who may have limited English and who may not feel comfortable raising issues in front of a supervisor or labour hire company representative. A simple anonymous feedback mechanism or a named non-supervisor contact can make a significant difference.
2. **Second**, if you provide accommodation, it carries WHS obligations as well as modern slavery risk. Overcrowding, inadequate sanitation, insufficient shade and cooling, and fire safety are all WHS matters and they are also the conditions most commonly found in documented exploitation cases. An accommodation arrangement that fails WHS standards is a red flag on both counts.
3. **Third**, low incident reporting should not automatically be read as a clean bill of health. Where your workforce includes seasonal or migrant workers, very low reporting can indicate that workers do not feel safe raising concerns which is a risk indicator, not a reassurance.

A Practical Addition to Your WHS Process

Ask at pre-start meetings or toolbox talks: *'Is there anything about your work conditions, accommodation, or pay that you would like to raise?'* Delivered through a trusted supervisor or better, an independent person this simple question can surface concerns across both WHS and modern slavery that would otherwise remain hidden.

AtOne AGRI can help you design a WHS consultation process that works for a mixed and seasonally variable workforce and that doubles as an early warning system for exploitation.

A Practical Checklist

The following actions are achievable for any farming operation regardless of size. They address your actual risk exposure and provide you with a road map to compliance.

- Write down every category of worker you engage and how they are hired (direct, labour hire, PALM, Working Holiday Maker, contractor).
- Identify which workers live in accommodation you provide, control, or arrange and confirm what they pay relative to their wages.

- Confirm all workers are paid at or above the applicable Award rate, including piece-rate workers when effective hourly rates are calculated.
- Request your labour hire company's policy on ethical recruitment and worker accommodation.
- Ask your labour hire company whether workers paid any fee to secure their placement.
- Establish a simple, named point of contact for workers to raise concerns including WHS concerns and make sure workers actually know about it.
- Check that your WHS consultation process is accessible to workers with limited English and that workers know they can raise concerns without affecting their employment.
- Review your accommodation (if any) against basic WHS standards: fire safety, overcrowding, sanitation, and adequate cooling and shade.
- Review your supply agreements with major buyers for any modern slavery compliance clauses.
- Keep a basic record of these steps, date, what you reviewed, what you found, and any actions taken.

What About Export Markets?

If you export produce or supply to a packer or distributor who does, be aware that Australia's trading partners have their own modern slavery requirements that are, in some cases, stricter than Australia's.

- The UK Modern Slavery Act applies to businesses with UK turnover over GBP 36 million, a threshold well below Australia's $100M.
- The European Union's Corporate Sustainability Due Diligence Directive (CSDDD) creates mandatory supply chain due diligence obligations that will affect Australian exporters supplying EU-based companies.
- The United States has the Uyghur Forced Labor Prevention Act and other import controls that can block goods if forced labour cannot be ruled out in the supply chain.

A Note on Penalties & Enforcement

Currently, the Modern Slavery Act does not impose financial penalties on businesses below the reporting threshold for most compliance failures. However, this does not mean there is no enforcement exposure:

- The Fair Work Ombudsman has broad investigative powers and has demonstrated **a sustained focus on agriculture,** wage underpayment findings can result in back-pay orders, penalties, and enforceable undertakings.
- Criminal law provisions of the Modern Slavery Act **apply to all employers regardless of size** or location.

- As civil penalties are introduced (formal government consultation on a civil penalty framework concluded in 2025 and legislation is expected), the **risk calculus will change materially for all agribusinesses.**

The Low-Cost Window Is Closing

For smaller farming businesses, there is still an opportunity to address these issues in a straightforward and low-cost way.

Taking the time now to understand your workforce arrangements, check your labour hire providers, and put simple processes in place is far easier than responding to a buyer audit, regulatory inquiry, or workforce issue after the fact.

Most importantly, it places your business in a stronger position with both your workforce and your customers.

Coming Up in Article 3

The next article in this series looks at mid-size agribusinesses operating between $10 million and $100 million in revenue. This is the segment that sits in the "compliance gap" and faces increasing pressure from both buyers and regulators.

If your farming operation is growing toward this range, it is worth reading ahead.

Final Thoughts

How AtOne AGRI Can Support You

Modern slavery compliance does not need to be overwhelming, but it does need to reflect how your business actually operates. AtOne AGRI works with farming businesses to build practical, farm-ready systems that bring together HR, WHS, Contractor Management, and Modern Slavery compliance into a single, consistent approach.

We can help you:

- Assess your workforce and supply chain risks.
- Strengthen Labour Hire and Contractor arrangements.
- Build grievance and reporting mechanisms.
- Integrate WHS and Modern Slavery systems.
- Prepare for supermarket or export audits.

Develop or improve your Modern Slavery Statement.