MODERN SLAVERY

Article 3 of 4

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People & Compliance

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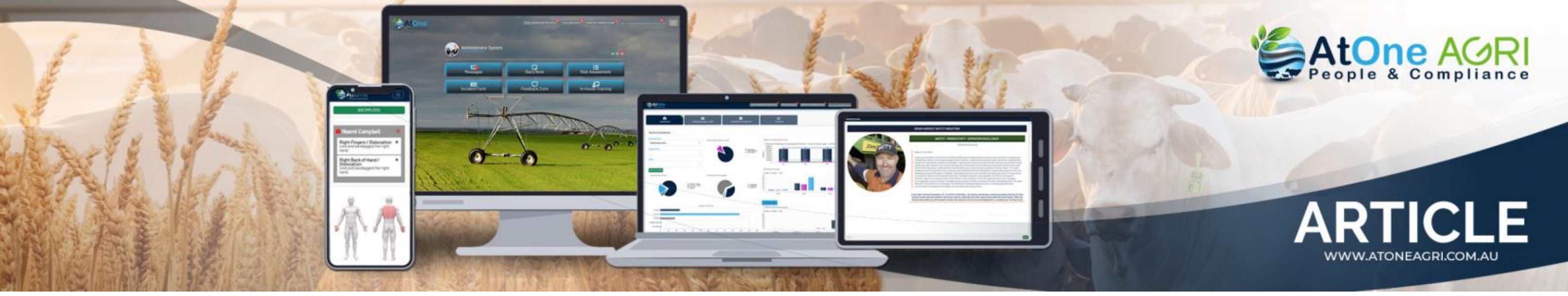


Modern Slavery Compliance

Mid-Size Agribusinesses: The Compliance Blind Spot

What Mid-Size Agribusinesses Need to Understand

Mid-size agribusinesses, generally those turning over between $10 million and $100 million annually, sit in a challenging position when it comes to modern slavery compliance.

At this scale, the business is no longer simple. Workforce structures often include a mix of labour hire, seasonal workers, migrant labour (including PALM scheme participants), and contractors spread across multiple sites. Supply chains are more developed, and relationships with major buyers, such as processors, exporters, and supermarkets carry real commercial weight.

However, despite this level of complexity, businesses below the $100 million threshold are not currently required to report under the Modern Slavery Act 2018 (Cth).

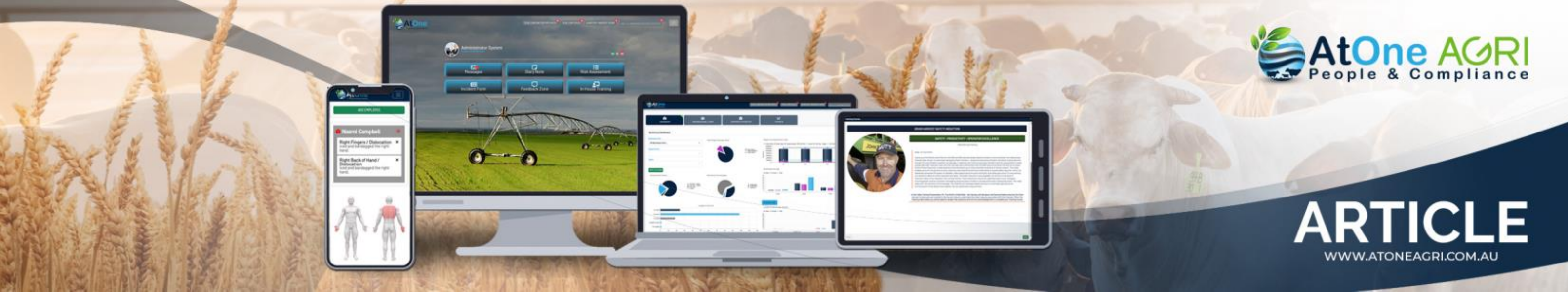
This creates what is often referred to as a "compliance gap." You are operating in an environment where the risks are genuine and increasing, but without the formal reporting obligation that forces large organisations to take structured action.

Your Compliance Position: More Exposed Than You Think

In practice, being below the reporting threshold does not mean being outside the compliance landscape.

Most mid-size agribusinesses are already dealing with multiple overlapping obligations and expectations. The Fair Work Ombudsman continues to actively target the agricultural sector. Labour hire licensing schemes apply across Victoria, Queensland, South Australia, and the ACT. At the same time, major buyers are extending their supply chain due diligence requirements further downstream, increasingly asking mid-size suppliers to demonstrate how risks are being managed.

Overlaying this is the likelihood of regulatory change. The Federal Government has already considered reforms to strengthen the Modern Slavery Act, including the potential for civil penalties and mandatory due diligence obligations. While not all recommendations have been adopted, the direction is clear and expectations are increasing, not easing.



For many businesses, the reality is that scrutiny is coming from several directions at once, without the benefit of dedicated compliance teams or internal legal resources to support you through the compliance journey.

What a Proportionate Response Actually Looks Like

A mid-size agribusiness does not need the same level of infrastructure as a large corporate. However, "proportionate" should not be confused with minimal.

The appropriate response at this level is one that reflects the actual risk profile of the business. For most operations in this category, that risk is material, particularly where labour hire and vulnerable worker cohorts are involved.

In practical terms, a sound compliance approach is built around a small number of core elements, implemented properly and consistently.

1. Start With a Clear Policy Position

Every business should have a Modern Slavery Policy, but at this level it does not need to be lengthy or overly legalistic.

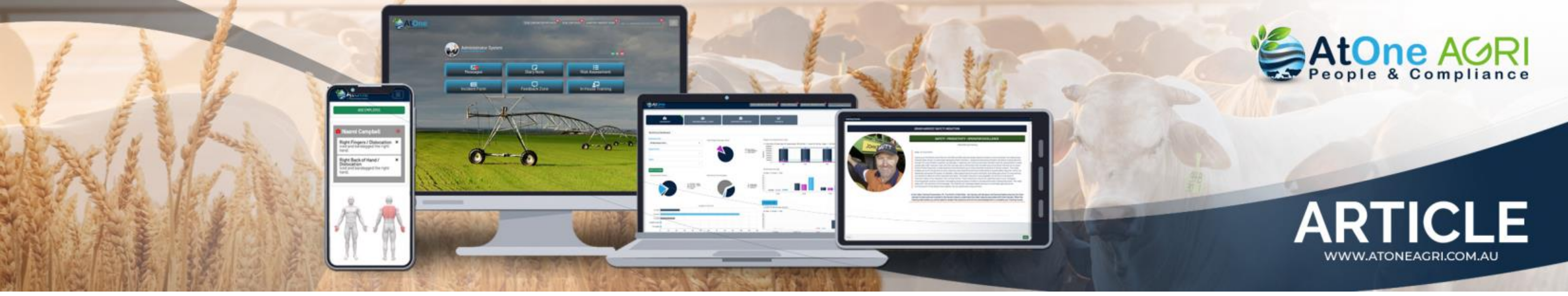
A concise document, typically one to two pages is sufficient, provided it clearly sets out the business's position, assigns responsibility for oversight, and outlines how issues will be managed if they arise. What matters most is that the policy reflects how the business actually operates and has genuine support from senior leadership.

2. Understand Where Your Workforce Risks Sit

For most agribusinesses, the highest level of risk sits within workforce arrangements rather than traditional supply chains.

This makes it critical to take a structured view of how labour is engaged across the business. Labour hire providers, seasonal and migrant workers, piece rate arrangements, and subcontracting models in areas such as harvesting, transport, and processing should all be reviewed in a consistent way.

The objective is not to create a theoretical risk profile, but to clearly identify where exposure is most likely to occur in day-to-day operations.



3. Take a Targeted Approach to Supply Chains

Supply chain mapping at this level should remain deliberate and practical.

There is no need to attempt full end-to-end traceability instead, the focus should be on major suppliers and those that are commercially significant or operate in higher-risk sectors or regions.

The areas of focus will vary depending on the type of enterprise. For example, cotton operations may concentrate on inputs such as seed, chemicals, and ginning services, while horticulture businesses may place greater emphasis on packaging and cold-chain logistics.

The aim is to establish reasonable visibility, not perfection.

4. Apply Structured Due Diligence Where It Matters Most

Due diligence efforts should be prioritised toward higher-risk suppliers, with particular attention given to labour hire providers. This involves more than a one-off check at the start of a relationship. Businesses should be verifying licensing where required, seeking evidence of compliance with workplace laws, and incorporating appropriate contractual protections. Just as importantly, these arrangements should be reviewed periodically to ensure that initial assurances remain valid.

This is an area where many otherwise well-run businesses are exposed, not through intent, but through a lack of consistent process.

5. Create a Safe Way for Concerns to Be Raised

An effective compliance framework depends on visibility, and visibility depends on workers feeling able to speak up. For mid-size operations, this does not require complex or expensive systems, however, it does require a clearly identified and trusted contact point, communicated in a way that workers understand. Where relevant, this should include language considerations for migrant workforces.

Equally important is ensuring that workers understand there will be no negative consequences for raising concerns, particularly where accommodation or ongoing employment may be linked to their role.

6. Integrate With Existing WHS Systems

In many businesses, modern slavery compliance is treated as separate from work health and safety but in practice, the two are closely connected.

Both frameworks are concerned with the treatment of workers, rely on similar information sources, and often involve the same contractors. Integrating the two allows businesses to strengthen oversight while avoiding unnecessary duplication.

For example:

- Labour hire due diligence can incorporate WHS history, including notifiable incidents and regulator action.
- Worker consultation processes used for safety can be extended to capture indicators of coercion or exploitation.
- Governance responsibility can also sit with the same senior leader, ensuring consistent messaging and accountability.

This integrated approach is often the most efficient way to build capability without adding complexity.

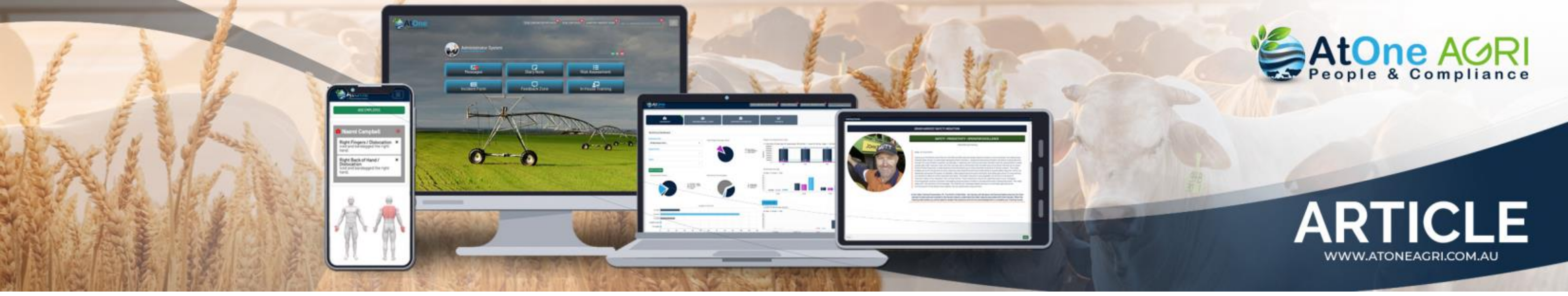
Labour Hire: The Critical Risk Area

Across the agricultural sector, the most significant compliance failures are consistently linked to labour hire arrangements, particularly where vulnerable workers are involved. As a result, labour hire due diligence represents the single most important control available to most mid-size agribusinesses.

A robust approach should include:

- Verification of licensing (where applicable).
- Assurance that workers are not paying recruitment fees.
- Clarity around accommodation arrangements.
- Visibility over any subcontracting layers, and
- An understanding of the provider's WHS track record.

Just as importantly, this oversight should be ongoing. A sound onboarding process is not sufficient if it is not supported by regular review.



Preparing For Likely Changes

The question of whether the reporting threshold will be lowered remains open.

The 2023 McMillan Review recommended reducing it to $50 million, and although this was not adopted in the Government's December 2024 response, the broader trajectory of reform is clear.

Both domestically and internationally, regulatory frameworks are moving toward greater accountability, lower thresholds, and more active enforcement.

For businesses already operating above $50 million in revenue, it is prudent to begin preparing as though reporting obligations may apply in the near future. Building capability in a measured way now is significantly more efficient than responding under time pressure later.

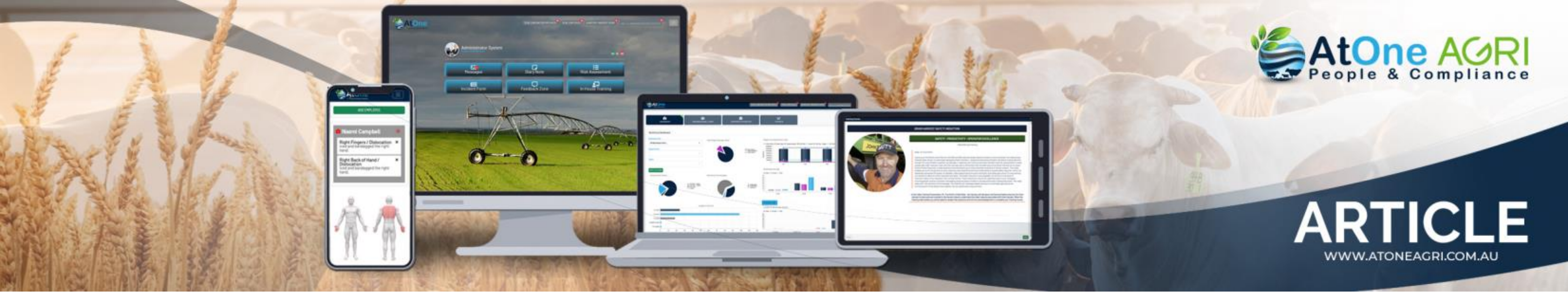
What This Means for Your Business

For most mid-size agribusinesses, modern slavery compliance does not require a complete overhaul of operations.

It does, however, require a shift toward greater visibility, particularly in workforce arrangements, and a more structured approach to managing risk. Businesses that take the time to put these foundations in place are better positioned not only from a compliance perspective, but also in meeting the expectations of buyers and supply chain partners.

Coming Up in Article 4

The final article in this series focuses on larger agribusinesses approaching or exceeding the $100 million reporting threshold. It will cover what a compliant Modern Slavery Statement looks like in practice, how to undertake meaningful risk assessments, and how to prepare for anticipated legislative changes.



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:

- Assessing workforce and supply chain risks.
- Strengthening labour hire and contractor arrangements.
- Establishing simple reporting and grievance processes.
- Integrating WHS and compliance systems.
- Preparing for buyer or audit requirements.

Book a free consultation to discuss your compliance risks.
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