



AtOne AGRI
HR & Compliance Solutions

CONTRACTOR MANAGEMENT IN AUSTRALIAN AGRICULTURE:

What is the Minimum You
Need to Do?

PART 3



Contractor Management In Australian Agriculture:

What is the Minimum You Need to Do?

What This Article Is About

The purpose of this article is to give Agribusiness Owners, Company Directors and Managers a clear and practical overview of **Contractor Management compliance risks**, the potential financial and personal consequences if issues exist, and the minimum actions required to remain compliant.

Contractors are a critical part of Australian agriculture. From harvesting crews and spraying contractors to mechanics, agronomists and labour hire providers, most farms rely on external businesses to keep operations moving. But Contractor use comes with real legal risk.

Many growers assume that if a worker is "not on the payroll", responsibility sits entirely with the Contractor. In reality, Australian law places **clear, non delegable duties** on farm businesses that engage Contractors particularly around safety, labour practices and site control.

This article sets out the **minimum level of compliance** you must meet when engaging Contractors. Not best practice. Not over engineered systems. Just what you must get right.

Are They Actually A Contractor?

Before looking at management obligations, the first compliance question is classification. Misclassifying a worker as a Contractor (sham contracting) is unlawful under the Fair Work Act (Fair Work Act 2009 (Cth) ss 357-359).

At a minimum, you must consider:

- Who controls how and when the work is done
- Whether the worker can subcontract or delegate
- Who supplies tools and equipment
- Whether the worker carries commercial risk
- Whether they work for multiple clients

Minimum requirement: You must take reasonable steps to ensure anyone engaged as a contractor is genuinely operating an independent business (Fair Work Act 2009 (Cth) s 12 definitions; ss 357–359 sham contracting provisions).

WHS Duties Regardless of Who Employs the Worker

Under Australian WHS laws, farm businesses are PCBUs. You cannot contract out of your safety duties.

Even when work is performed by Contractors, you must:

- Provide a safe work environment.
- Identify and control foreseeable risks.
- Coordinate activities with other duty holders.
- Ensure contractor work does not expose others to harm.

You are not required to manage the Contractor's entire WHS system, but you are responsible for how their work interacts with your workplace. At a minimum you need to ensure that they have managed the risks associated with the work they will be performing on farm and have implemented controls (Inductions, SWPs, JSAs, Toolbox Talks).

Legislative references: Model Work Health and Safety Act s 19 (primary duty of care); s 46 (duty to consult, cooperate and coordinate); ss 47–49 (consultation requirements). State equivalents apply in each jurisdiction.

Written Agreements: Basic but Necessary

Handshake arrangements are not illegal, but they are risky.

At a minimum, a Contractor agreement should:

- Identify the contracting business.
- Define the work scope.
- Confirm responsibility for tax and super.
- Address WHS cooperation.
- Require appropriate insurances.
- Set payment terms.
- Meet Fair Work standards (where workers are employed).

Complex legal drafting is not required, but clarity is.

Identification, Site Control & Wage Transparency

This is one of the most resisted and most misunderstood areas of Contractor compliance.

Farms commonly face two forms of pushback:

- “You can’t identify our workers, they’re not your employees”.
- “We can’t provide payroll information because of privacy laws”.

When taken together, these objections undermine site control. From a legal perspective, **both positions are flawed**.

Knowing Who Is on Your Farm Is a Legal Requirement

Legislative references: Model Work Health and Safety Act s 19 (primary duty of care to manage risks at the workplace); s 46 (duty to consult, cooperate and coordinate with other duty holders). State equivalents apply.

Under WHS laws, you must be able to demonstrate control of your workplace. This means being able to answer basic questions:

- Who is currently on site?
- Who authorised them?
- Are they inducted and competent?
- Can they be identified if an incident occurs?

If you cannot identify individuals on your farm, you cannot demonstrate that risks are being managed.

Minimum requirement: You must have a system that allows you to identify each individual attending your farm under a contractor arrangement.

Identification does not require sensitive personal data.

At a minimum, this includes:

- Full name.
- Contracting business.
- Authorisation to be on site.
- Date(s) of attendance.
- Induction or safety acknowledgement.

The format does not matter. The ability to identify does.

Myth busting: Identification & Payroll Transparency Are Lawful

Two persistent myths often surface when farms seek to establish site control and wage compliance:

- “You can’t identify our workers, they’re not your employees.”
- “We can’t share payroll information due to privacy laws.”

When taken at face value, these claims suggest farms must choose between safety obligations and privacy law. In reality, Australian law requires neither choice, the two operate together.

Myth 1: Farms Cannot Identify Contractor Workers

This is incorrect.

Under WHS laws, farms must be able to demonstrate control of their workplace. That requires being able to identify who is on site at any given time and who authorised their presence.

Identification does not mean collecting sensitive personal data. At a minimum, lawful identification includes:

- Full name of the worker.
- The contracting business they are linked to.
- Confirmation they are authorised to attend.
- Dates of attendance.
- Induction or safety acknowledgement.

If individuals cannot be identified, a farm cannot demonstrate that risks are being managed or duty holders coordinated. Saying “they’re the Contractor’s people” provides no legal protection after an incident.

Myth 2: Privacy Law Prevents Payroll Transparency

This is also incorrect.

Privacy law regulates **how** information is shared, **not** whether all information can be shared at all. It does not prevent proportionate, relevant disclosures made for legal compliance and risk management purposes.

Farms and agribusinesses are not seeking:

- Tax File Numbers.
- Bank account details.
- Home addresses.
- Full employment files.

What farms and agribusinesses are lawfully entitled to request is **sufficient evidence to satisfy themselves that Fair Work minimum standards are being met**, particularly where labour is supplied to their business.

This may include:

- Confirmation of the applicable Award or Agreement.
- Pay rates being applied (hourly or piece rates).
- Confirmation that superannuation is paid.
- Redacted or anonymised payslips.
- Payroll summaries.
- Compliance declarations supported by sample evidence.

None of this breaches privacy laws, when handled appropriately.

Why Farms Are Entitled & Expected to Ask

Under the Fair Work Act, host businesses can be exposed through accessorial liability if they:

- Know about underpayments.
- Benefit from underpayments.
- Ignore red flags or complaints.

Because of this, requesting reasonable payroll verification is legitimate due diligence, not interference in a Contractor's employment relationships. A contractor who refuses any wage transparency is not protecting privacy; they are transferring risk.

A Defensible Minimum Position

A lawful, practical position for farms is:

"We do not seek unnecessary personal information. We require sufficient evidence to confirm Fair Work minimum standards are met. Redacted or summary information is acceptable."

Subcontractors of Contractors

Subcontractors are common in agriculture and their presence does not remove your obligations.

If Subcontractors step onto your farm or operation:

- They are part of your workplace.
- WHS duties apply.
- Site control requirements apply.

Minimum Standards for Subcontractors

At a minimum you must:

- Know Subcontractors are attending.
- Authorise their presence.
- Identify individuals on site.
- Ensure they are inducted and receive site safety information.
- Ensure they are competent to perform works on site.
- Coordinate their work with others.
- Maintain records of attendance.

You are not required to audit Subcontractor payrolls by default. However, Fair Work risk arises if you **know or reasonably should know** that Subcontractor workers are being underpaid and continue to benefit from that labour.

Distance in the contracting chain reduces exposure, but knowledge removes that protection.

Insurance Verification

At a minimum, you must:

- Obtain current Certificates of Currency.
- Confirm coverage matches the work being performed.
- Retain copies on file.

Uninsured contracting arrangements **expose host farms and agribusinesses to significant liability**.

Legislative references: Model Work Health and Safety Act ss 17–19 (meaning of workplace and workers; primary duty of care of a PCBU); s 46 (duty to consult, cooperate and coordinate with other duty holders). State equivalents apply.

The Bottom Line

Minimum contractor compliance in Australian agriculture is about **visibility, control and evidence**.

You must:

- Correctly classify workers.
- Manage shared safety risks.
- Know who is on your farm.
- Set wage compliance expectations.
- Verify insurance.
- Act when red flags appear.

You do not need complex systems, but you do need structure and consistency.

If your farm or agribusiness operation relies on informal arrangements and assumptions, it may already be carrying avoidable regulatory risk.

Contractor Management & Record Keeping Checklist

This checklist reflects the **minimum practical steps** a farm business should be able to demonstrate if engaging Contractors or labour providers.

Contractor Engagement & Classification

- Contractor is a genuine business entity (ABN verified).
- Worker classification has been considered (employee vs contractor).
- Risk of sham contracting assessed.
- Contractor can subcontract or delegate (where applicable).
- Contractor provides their own tools/equipment (where relevant).

Written Agreement

- Written Contractor or service agreement in place (even if basic).
- Scope of work clearly defined.
- Responsibility for tax and super addressed.
- WHS cooperation and site rules acknowledged.
- Fair Work wage standards agreed.
- Insurance requirements specified.

Identification & Site Control

- Contractor has advised who will attend site.
- Each individual worker is identifiable by name.
- Workers are authorised before attending site.
- Dates of attendance are recorded.
- System exists to know who is on site at any time.

Inductions & Safety Information

- Contractor workers receive site-specific safety information.
- Key hazards explained (plant, vehicles, chemicals, biosecurity etc.).
- Site rules communicated.
- Induction or briefing acknowledged (sign-off or digital record).

Wage Compliance (Primary Contractors)

- Expectation set that Fair Work minimum standards apply.
- Award, Agreement or pay structure confirmed.
- Proportionate wage verification requested (where labour is supplied).
- Redacted or summary payroll evidence accepted.

Privacy-Appropriate Handling of Information

- Payroll material provided in redacted or aggregated form.
- Information accessed only by authorised persons.
- Records stored securely.

Subcontractors

- Contractor required to advise if subcontractors will attend.
- Subcontractors authorised before attending site.
- Subcontractor workers identified on site.
- Safety information provided or confirmed.

Insurance Verification

- Public Liability insurance certificate obtained.
- Workers Compensation coverage confirmed (where applicable).
- Coverage is current and appropriate for the work.
- Certificates retained on file.

Records & Evidence

- ✓ Contractor details recorded and agreements retained.
- ✓ Worker attendance, induction records and safety briefings retained.
- ✓ Invoices and payment records retained.

This Article is Part of the Minimum Compliance Series

This article is one of a three-part **Minimum Compliance Series for Australian Agriculture**, designed to clearly explain the **baseline legal requirements** agribusinesses should meet.

Each article focuses on a specific area of regulatory risk where informal practices most commonly expose farms and agribusinesses to enforcement action:

- **WHS & Risk Compliance in Australian Agriculture.**
- **Wage Compliance in Australian Agriculture.**
- **Contractor Management Compliance in Australian Agriculture.**

The purpose of this series is not to promote unnecessary complexity. It is to help agribusiness operators understand **where the legal line sits**, and what regulators expect to see evidence of if that line is tested.

In an industry where practical realities often drive informal arrangements, **clarity, consistency and defensible records** are what separate compliant businesses from exposed ones.

Final Thoughts

How AtOne AGRI Supports Farmers & Agribusinesses

AtOne AGRI supports farmers and agribusiness operators **by helping them meet minimum compliance requirements in a practical, agriculture focused way**. The emphasis is on visibility, consistency and defensible records, supporting agribusinesses to demonstrate compliance across Safety, Wages and Contractor Management without unnecessary complexity.

That is where AtOne AGRI offers protection and peace of mind for Agribusiness Owners, Directors and Managers.