

Welcome to Workplace Horizon's newsletter for February 2026, to SA Dairyfarmers members. We trust you find the information useful.



Workplace rules reshape farm operations

(This article has been sourced from Workplace Express, 9 January 2026)

A series of regulatory changes are testing how prepared farm operators are for closer oversight.

Australia's agriculture sector is confronting a rapidly changing regulatory environment as new employment laws and tougher enforcement reshape workplace compliance requirements heading into 2026.

Criminal penalties target wage theft

New wage theft laws took effect on 1 January 2025, making intentional underpayment of wages a criminal offence under the Fair Work Act 2009. Companies face fines of up to \$8.25 million or three times the underpayment amount, while individuals risk up to 10 years' imprisonment or fines of up to \$1.65 million.

The laws cover minimum rates, overtime, penalty rates, allowances, and leave entitlements. King & Wood Mallesons partner Ruth Rosedale, senior consultant Brett Feltham, and senior associate Darcy Harwood, noted in a December 2025 analysis that the [Alleged Falsified Pay Records HRD Australia 27 Jan 2026](#) indicated the laws could apply where non-compliance is detected but not remediated with appropriate urgency.

Horticulture sector under microscope

The Fair Work Ombudsman released its Horticulture Compliance Report in June 2025, summarising findings from a three-year campaign across 15 regional locations. The regulator conducted 360 site visits and commenced more than 500 investigations.

Labour hire providers were responsible for 68% of non-compliance cases. The report identified poor record-keeping, incorrect payslips, and unmet piecework requirements as major concerns. The Fair Work Ombudsman found growers generally understood their obligations but lacked appropriate governance arrangements, particularly when engaging labour hire providers.

Following the report, the ombudsman announced targeted inspections of labour hire providers in horticulture, including joint activities with the Australian Taxation Office and state labour hire licensing regulators.

Labour hire arrangements face new rules

The agriculture sector has seen increased applications for regulated labour hire arrangement orders, introduced under the Closing Loopholes legislation. These orders require third-party labour providers to pay workers rates matching enterprise agreements that would apply if workers were directly employed by host employers.

The Australasian Meat Industry Employees Union has successfully obtained more than a dozen orders covering meat processing workers. The union's success may encourage broader coverage unions to pursue similar orders for agriculture workers, given the sector's heavy reliance on labour hire arrangements.

Safety risks expand beyond physical hazards

SafeWork Australia recognises agriculture as one of the most dangerous industries, combining hazards including plant and equipment, chemicals and outdoor work. However, attention has expanded to psychosocial risks such as low job control, remote work, long hours, and job insecurity.

The Work Health and Safety Code of Practice provides guidance for duty holders. WorkSafe Western Australia published [First steps to farm safety: Guide](#) [First steps to farm safety - WorkSafe - LGIRS](#) following its 2023 Agricultural Industry Inquiry.

Rosedale, Feltham, and Harwood recommended agribusinesses establish compliance programs focused on governance, systems, and culture to navigate the heightened regulatory environment.



A Quick Check-In: Employment Contracts

Running a farm is complex enough without preventable employment disputes draining time, money, and energy. Despite, this many primary producers still rely on handshake agreements or informal arrangements when hiring employees. While this approach may feel practical or traditional, it exposes your business to significant legal and financial risk.

A few questions worth asking:

- **When did you last review the employment contracts you issue to new employees?**
Employment laws shift, and what was compliant a few years ago may not be today.
- **Are your contracts up to date with the Fair Work Act 2009 (FWA), the National Employment Standards (NES), and the relevant Modern Award (Award)?**
These set the minimum conditions for your employees, including hours, leave, pay and annualised wages.
- **Or is the real question... are you providing written employment contracts at all?**
Many farm businesses still rely on verbal agreements, which can leave both parties exposed if something goes wrong.

A clearly written employment contract is one of the simplest and most powerful tools you can use to protect your operation, set expectations, help to avoid disputes and build strong working relationships, especially in a busy livestock operation where roles can shift with the seasons

Why have a written employment contract?

A well-drafted employment contract provides:

Clarity of expectations

- Defines duties, hours, pay rates, and entitlements
- Outlines seasonal variations, overtime, and roster patterns
- Reduces misunderstandings that can escalate into disputes

Legal protection

- Demonstrates compliance with the FWA, Awards, and work health and safety obligations.
- Helps defend the business if a claim is made (e.g. underpayment, unfair dismissal, general protections).
- Ensures both parties understand rights and responsibilities from day one.

Pay and conditions certainty

- Specifies Award coverage, classification level, and penalty rates.
- Clarifies accommodation, meals, vehicle use, or other benefits.
- Helps avoid accidental breaches that can lead to costly back-pay orders.

Protection of business assets

- Allows inclusion of confidentiality clauses.
- Protects intellectual property, client lists, and farm management data.
- Sets rules around equipment use and damage.

Ending employment obligations

- Outlines notice periods, termination procedures, and final pay.
- Reduces the risk of unfair dismissal/general protections claims.
- Ensures a professional and predictable process.

What should be included in an employment contract?

The FWA, NES and Awards outline essential employment contract elements:

- Employer and employee details
- Position title and duties and responsibilities
- Reporting structure
- Commencement date
- Employment Status (part-time, full-time, casual, seasonal)
- Award and classification
- Pay rates and allowances and pay frequency
- Standard hours and rostering
- Leave entitlements
- Accommodation or benefits
- Work Health & Safety obligations
 - Policies (vehicles, machinery, biosecurity, alcohol/drugs/smoking)
 - Confidentiality and privacy
- Termination and notice periods

Key Considerations

- Employment contracts cannot offer less than the minimum entitlements in the NES.
- If an award or enterprise agreement applies, the contract must still meet the minimum NES.

The Bottom Line

- Written employment contracts aren't bureaucracy, they're business protection.
- They reduce risk, improve communication, and support a more professional, compliant, and productive workplace.
- A clear and compliant employment contract today can prevent costly disputes tomorrow.

Workplace Horizons can assist you to develop employment contracts.



Abandonment of Employment

Put simply, abandonment of employment occurs when an employee's conduct clearly demonstrates an intention not to be bound by their employment contract. It's not, however, necessarily straightforward for an employer to show that this has occurred, so care needs to be taken. There are two key elements:

- The employer needs to demonstrate that an employee has not presented for work for a specified period of time.

This too can be tricky, as there's no fixed rule for how long this is. It has to be for a 'reasonable' period and generally that would be at least three (3) days.

- The employee has failed to respond to repeated attempts by the employer to contact them during their absence.

The employer needs to have evidence showing a number of attempts, over a period of time, they've tried to make contact and, importantly, given a deadline in which to respond and what the consequence of not responding will be.

It's not enough for the employer to sit back and wait for a few days and it's essential that records are kept, e.g. emails, text or a correspondence sent via courier or mail.

How should employers respond to job abandonment?

If an employee is absent from work without explanation, employers should take a careful, staged approach to investigate the issue, as there are many legitimate reasons an employee may not respond immediately, including illness or injury, or an emergency situation:

- Initial contact should be more of a 'welfare check', such as '*you haven't advised why you're not at work today; is everything OK?*'. A similar follow-up the next day, if no response, should be made. Use all available methods to get in touch (SMS, email etc) or if an emergency contact is known, make contact with that person.
- If there's been no response after a few days (and several contact attempts) the employer should send a much more direct message such as "*We've attempted to contact you on XX occasions and have received no response from you. You've now been absent from work without explanation for XX days and, if you don't contact us or present for work on XX date, we will assume you no longer wish to work here and have abandoned your employment.*"

Whilst this might seem tedious, it's essential for employers to not jump to conclusions and provide absent employees the opportunity to provide an explanation re their absence; and to consider that explanation before determining an outcome regarding the employee's ongoing employment. Otherwise, it can backfire badly, and result in an unfair dismissal claim.



Warning Issued re Unpaid Super

The ATO has revealed almost \$1.1 billion in unpaid super was returned to nearly 1 million Australians during 2024-25 and in that financial year, \$209 million in penalties was raised.

ATO Deputy Commissioner Ben Kelly warned that *“Paying correct super entitlements on time is not optional.”*

There are about 942,500 employers who employ 14.9 million workers eligible for super. Kelly further stated *“Employers are required to pay superannuation for their eligible workers in full, on time and to the right fund.”* and

“The introduction of Payday Super (effective from 1 July 2026) will allow the ATO to detect unpaid super earlier and take action to help a business get back on track and stay on track.”

Kelly warned *“For those businesses [that] don’t want to pay, the ATO will be able to take action faster to protect their employees’ super entitlements.”*

During 2024/25 the ATO:

- Issued 120,000 employer reminders
- 73,600 employer prompts
- Conducted 15,350 audits
- Issued 19,750 Director penalty notices
- Initiated 2,800 legal actions against non-compliant employers

raising a total of \$795 million in Super Guarantee Charge.



A number of legislative changes are locked in for this year and others will be under review.

Change to Paid Parental Leave

From 1 July this year, eligible parents will be able to access up to 26 weeks of government-funded PPL (six months based on a standard five-day week), an increase from 24 weeks in 2025 and 22 weeks in 2024.

The amount of leave reserved for each parent in a couple will also increase from three weeks to four weeks on a use-it-or-lose-it basis from July 2026. Single parents will receive the full 26 weeks.

Employment Law Reviews

There are several upcoming reviews of Australia’s employment laws that could have significant impact across all sectors.

- The Closing Loopholes legislation [Closing Loopholes](#) and the National Employment Standards (NES) [National Employment Standards](#) will be studied to see if they are still meeting the needs of employees, employers, and the broader economy.
- The House of Representatives Standing Committee on Employment, Workplace Relations, Skills and Training is conducting the review and is currently inviting submissions to inform its recommendations to the government.
- The NES have not been reviewed in total since their introduction in 2009 and the landscape has changed significantly. Potential changes already under consideration include:
 - An increase in minimum annual leave from 20 to 25 days per annum.

- Stronger redundancy entitlements, including higher payouts, removal of small business exemptions, and changes reflecting technology-driven job losses, such as AI.
- Reducing maximum weekly hours (currently 38 hours per week).
- Assessment of the effectiveness of the 2022 Paid Family and Domestic Violence Leave Act.
- The Senate will inquire into recently introduced Greens legislation to provide a right to work from home where it is "practical and reasonable", with a report due by March 2026.
- As reported in our October 2025 newsletter, the Fair Work Commission (FWC) will also be considering whether to lift pay rates for young workers in the retail, fast food and pharmacy sectors (junior rates), which could potentially have a flow on affect to all awards.
- Interestingly, a FWC review of the 'Right to Disconnect' provisions has been put on hold due to a lack of cases lodged with the Commission.



Australian Bureau of Statistics (ABS) Employment Statistics - December 2025

The ABS has released end of year employment statistics for 2025, summarised below.

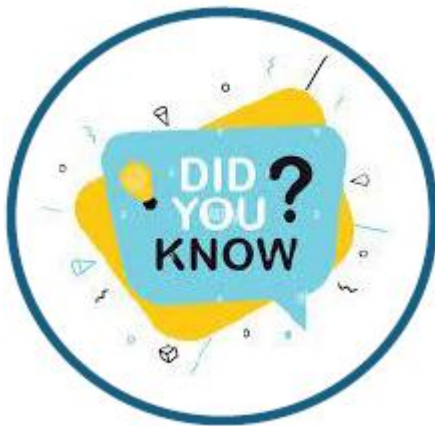
- Australia's jobless rate dipped to 4.1% in December, with record hours worked and a surge in youth employment capping off a solid end to 2025.
- Seasonally adjusted employment rose by 65,200 people over the month, taking the total number of employed Australians to 14,684,100. Full-time jobs accounted for the bulk of the gains, climbing by 54,800, while part-time employment increased by 10,400.
- The number of unemployed people fell by 29,800 to 628,600 in December, pushing the seasonally adjusted unemployment rate down from 4.3% in November to 4.1%. The participation rate was also higher, rising 0.1 percentage points to 66.7%, indicating more people were active in the labour market rather than dropping out.
- The December figures show jobs growth was stronger for men than women. Male employment rose by 49,000 over the month, while female employment increased by 17,000.
- Seasonally adjusted monthly hours worked in all jobs rose 0.4% to 2,001 million hours in December – the first time hours have exceeded 2 billion in a single month.
- The seasonally adjusted underemployment rate, which captures people who have a job but want and are available for more hours, dropped 0.5 percentage points to 5.7% in December:
 - Younger workers recorded some of the biggest improvements. The underemployment rate for 15–19-year-olds fell 2.1 percentage points to 17.4%, suggesting that more teenage workers were able to secure additional hours.
 - Across all ages, the male underemployment rate fell by 0.8 percentage points to 4.6%, while the female rate edged down 0.1 percentage points to 6.9%.
- The broader underutilisation rate – which combines unemployment and underemployment – declined 0.7 percentage points to 9.8% in December, reflecting both lower joblessness and fewer people wanting more hours.
- Trend figures show both full-time and part-time employment continued to grow in December:
 - Full-time employment increased by 13,300 to 10,108,000 people, while part-time employment rose by 11,500 to 4,578,100. The part-time share of total employment remained at 31.2%.
 - Participation in the labour market remains high by historical standards, with the trend participation rate at 70.7% for men and 63.0% for women in December.

For employers and workers, the December results suggest Australia's labour market finished 2025 in relatively solid shape, with unemployment edging down, hours worked at record levels and signs that young people particularly, are finding it easier to secure work and extra hours.

Casual Employment, Working from Home and Digital Platform Workers

The ABS also released data showing that casual employment continues a long-term decline, while the incidence of working from home has stabilised at just over a third of the workforce:

- About 19% of workers consider themselves casuals in their main job, down from about 23% in 2016 and 20% in 2020.
- Women (21%) are more likely to be casual than men (18%).
- The proportion of people usually working from home has "remained steady at 36%", after rising to about 40% during the pandemic.
- The most common configuration is to WFH one to two days a week.
- Some 59% of managers and professionals usually worked from home and 21% of other occupations, while those who WFH are more likely to perform overtime (42% v 26%) and have an agreement to work flexible hours (47% v 22%).
- Digital Platform worker numbers increased by 11% to almost 180,000, with food or goods delivery (50%) and providing personal transport (39%) as the dominant activities.
- Digital Platform workers still accounted for less than 1% of the workforce.



- The farm gate value of SA's dairy industry is about \$345 million annually.
- SA contributes around 5.8% of Australia's total milk production.
- The average dairy cow chews at least 50 times per minute, adding up to 40,000 jaw movements a day.

If you have any questions regarding this newsletter or we can assist with your 'people needs' please don't hesitate to contact us.

We look forward to working with you.

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