

Print whole section

Suspected farm worker exploitation under investigation in Gatton

The ATO, Fair Work Ombudsman (FWO) and Department of Home Affairs conducted surprise visits at 7 locations.

Published 28 November 2024

This is a joint media release from the Australian Taxation Office (ATO), Fair Work Ombudsman (FWO) and Department of Home Affairs.

The Australian Taxation Office (ATO), Fair Work Ombudsman (FWO) and Department of Home Affairs have joined forces under the Shadow Economy Taskforce to investigate labour hire providers suspected of unlawful conduct in the agriculture industry through surprise visits in the Gatton region in Southeast Queensland.

On 26 November, the 3 regulators visited 7 locations, including farms that produce broccoli, onions, pumpkins and shallots, as part of Operation Topaz.

The ATO, FWO and Department of Home Affairs are investigating farmers and labour hire providers to ensure they are complying with relevant tax, super, workplace and immigration laws, including whether:

- super guarantee is being paid to eligible employees
- employers are correctly withholding tax from payments made to workers and paying those amounts to the ATO
- employers are paying workers their correct wages and entitlements, keeping accurate records and issuing lawful pay slips
- workers are being correctly engaged as employees or contractors

• employers and migrant workers are complying with their responsibilities and obligations under the Migration Act.

Inspectors and officers on site spoke to workers, managers and employers, requesting a range of records, with investigations ongoing.

ATO Assistant Commissioner Tony Goding said the ATO takes noncompliance with tax and super seriously.

'The **shadow economy** involves activities such as paying workers cash-in-hand to avoid obligations, paying wages below award rates and not paying workers' other entitlements. Businesses that engage in the shadow economy are deliberately undercutting their competitors, gaining an unfair advantage in their industry and stealing from their employees' futures.'

Employers that do not meet their obligations face firmer and faster action.

If farmers are using a labour hire business to engage workers, they need to ensure they are protecting their workers' welfare and that labour hire operators are not just lining their own pockets.

'The ATO has zero tolerance for employers who are not doing the right thing. We're committed to ensuring dodgy practices in the labour hire and agriculture industries are a thing of the past and this week's action in Gatton proves it,' Mr Goding said.

The ATO has a range of methods including sophisticated data analytics to uncover shadow economy activities in the community. Partner agencies in the Shadow Economy Taskforce regularly share intelligence and community tip-offs. Combined, these helped shine the light on worker exploitation uncovered as part of Operation Topaz.

'If you think a business is ripping off the tax and super system or their workers, you can report it. Making a tip-off to the ATO only takes a few minutes and you can remain anonymous.'

To find out how to report suspected tax evasion or shadow economy activity visit www.ato.gov.au/tipoff.

The ATO recognises most employers are honest and will do the right thing, and supports employers to meet their obligations. For more information, visit **Obligations when people work for you**.

Fair Work Ombudsman Anna Booth said, 'We're pleased to be joining forces with our ATO and Home Affairs colleagues to enhance our

regulatory coverage and hold employers to account in the agriculture sector, a priority area for us.

'In recent years, we have found that non-compliance in the agriculture sector has been disproportionately higher among labour hire employers. These Operation Topaz investigations are part of our efforts to ensure those who are doing the wrong thing are being found out and held to account.

'Farm workers with concerns about their pay or entitlements are urged to come forward to <u>directly seek our assistance</u> \square . They can report issues <u>anonymously</u> \square if they prefer.

'We also want to let agriculture sector employers know that they have a responsibility to ensure they are not engaging dodgy labour hire providers – if the cost of the contract is 'too good to be true' then it is probably unlawful, and employers have no excuse when they can use the free tools and resources available in our <u>Horticulture Showcase</u> ☑,' Ms Booth said.

Department of Home Affairs Commander Field Operations and Sponsor Monitoring Ben Biddington said Australia would not tolerate exploitation and abuse of its visa programs and was committed to protecting migrant workers.

'Home Affairs immigration compliance officers work with agencies such as the ATO and FWO, visiting the regions to speak to employers and employees as part of Australia's commitment to tackling criminal exploitation and misuse of its visa system.'

'As part of that commitment, the officers undertake compliance and enforcement operations under immigration law to stop the exploitation of migrant workers.'

'It is a criminal offence to employ, refer, coerce or contract a noncitizen who doesn't have the right to work in Australia. Employers face penalties for allowing illegal work.'

'Migrant workers play a key part in the economy, particularly in remote and regional communities. There is no place in Australia for employers who exploit them.'

'At the same time, it's never been easier for employers to do the right thing: they are able to check the work rights of prospective employees by using Home Affairs' <u>Visa Entitlement Verification Online</u> **Z** system

to ensure they do not inadvertently allow illegal work,' Commander Biddington said.

Notes to journalists

- Operation Topaz footage and still photography are available for download from the ATO media centre.
 - Image 1
 - Image 2
 - Image 3
 - Image 4
 - Image 5
 - Image 6
 - Image 7
 - <u>Video 1</u>
 - <u>Video 2</u>
- A high-resolution headshot of ATO Assistant Commissioner Tony Goding is available from the ATO media centre.
- A high-resolution headshot of <u>Fair Work Ombudsman Anna Booth</u>
 ☑ is available from the Fair Work Ombudsman Newsroom.
- Media grabs of ATO Assistant Commissioner Tony Goding discussing **Operation Topaz** are available from the ATO media centre.
- Media grabs of ATO Assistant Commissioner Tony Goding discussing the **shadow economy** are available from the ATO media centre.
- Interviews are available with the Chair of the Shadow Economy Taskforce ATO Assistant Commissioner Tony Goding on request to the ATO Media Unit.
- ATO file footage is available for download and use in news bulletins from the ATO media centre.

QC 103468

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).