



Cooking the books? Darwin food businesses under investigation

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

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This week the Australian Taxation Office (ATO) and Fair Work Ombudsman (FWO) joined forces to conduct a series of surprise visits to food sector and hospitality businesses in Darwin. The visits related to suspected shadow economy activities including worker exploitation and alcohol excise avoidance.

Between 26 and 28 August, the 2 regulators visited more than 30 businesses including fast food outlets, restaurants and cafés, as part of **Operation Sentinel**.

ATO Assistant Commissioner Tony Goding said the joint ATO and FWO actions in Darwin were driven by the Shadow Economy Taskforce, a joint-agency taskforce responsible for addressing and protecting the community from shadow economy behaviour.

‘We’ve visited more than 30 businesses this week in Darwin who were suspected of unlawfully taking advantage of their workers and / or avoiding their tax and super obligations,’ Mr Goding said.

The ATO, alongside FWO, acted on valuable information and tip-offs received from the community, including workers, to conduct the visits and remind the businesses under investigation of their tax (including excise), super and employer obligations. Investigations are continuing.

‘If you run a business, don’t think you can get away with exploiting your workers or ripping off the community, as we have a range of sophisticated methods to uncover shadow economy activities. We also

work closely with our partner agencies like the FWO to catch those doing the wrong thing.'

'Cooking the books by ripping off your workers and dodging your tax and super obligations doesn't pass the pub test. Businesses that engage in the shadow economy are deliberately undercutting their competitors, gaining an unfair advantage over honest businesses doing the right thing and stealing from their employees' futures. We will find out about it and take action.'

'There are serious consequences for non-compliance including fines and penalties for businesses that engage in shadow economy behaviours at the expense of their employees,' Mr Goding said.

The ATO and FWO are investigating businesses in and around Darwin suspected of:

- paying workers cash-in-hand to avoid legal obligations
- paying employees wages below award rates and not paying their other entitlements, including superannuation
- under reporting or omitting income
- compliance issues with reporting and record-keeping, including pay slips
- avoiding alcohol excise obligations.

Operation Sentinel has also put hospitality businesses who aren't complying with their excise obligations on notice.

'Some businesses who deal with alcoholic beverages evade their excise and GST obligations by operating outside the law. This allows them to undercut legitimate businesses, creating unfair competition and posing risks to public safety,' Mr Goding said.

Examples of this include businesses that:

- manufacture alcohol without permission
- underreport alcohol production
- sell alcohol that hasn't had duty properly paid on it
- set up their business to circumvent the \$350,000 yearly remission scheme limit.

To find out how to report suspected tax evasion or shadow economy activity, including worker exploitation and alcohol excise avoidance, visit www.ato.gov.au/tipoff.

‘When we receive information through a tip-off, we cross check the information and assess whether further action is required,’ Mr Goding said.

Fair Work Ombudsman Anna Booth said protecting workers’ rights and holding food sector employers to account is a priority for the FWO.

‘Improving compliance in the fast food, restaurants and cafés industry is a priority for us, including protecting the sector’s many visa holders and young workers who can be vulnerable.’













‘The Operation Sentinel investigations in Darwin are part of our efforts to ensure those who are doing the wrong thing are being found out and held to account.’

‘Fast food, restaurant and café workers with concerns about their pay or entitlements are urged to come forward to [directly seek our assistance](#) [↗](#). They can report issues [anonymously](#) [↗](#) if they prefer,’ Ms Booth said.

The FWO has [targeted information](#) [↗](#) to help employers and employees in the fast food, restaurants and cafés industry, and any franchisees, as well as tools such as the FWO’s [pay calculator](#) [↗](#) and [Small Business Showcase](#) [↗](#). [Visa holders](#) [↗](#) should also be aware that they have the same workplace rights as all other workers.

Notes to journalists

- When hiring employees for the first time, business.gov.au has developed an online resource, the [Employment Contract Tool](#) [↗](#), to help small business owners make a basic employment contract that complies with workplace laws for full-time, part-time and casual employees who are covered by an award.
- The ATO has information available to help business owners understand what their obligations are for each **worker they hire**.
- The ATO has information available to help businesses get it right from the start and understand their **excise obligations for alcohol**.
- Operation Sentinel footage and still photography are available for download from the ATO media centre:

- Landscape
 - [Image 1 \(JPG, 3.5MB\)](#) 
 - [Image 2 \(JPG, 3.64MB\)](#) 
 - [Image 3 \(JPG, 2.9MB\)](#) 
 - [Video 1 \(MP4, 61.1MB\)](#) 
 - [Video 2 \(MP4, 52.6MB\)](#) 
- Portrait
 - [Image 1 \(JPG, 572KB\)](#) 
 - [Image 2 \(JPG, 8.93MB\)](#) 
 - [Video 1 \(MP4, 43.3MB\)](#) 
 - [Video 2 \(MP3, 50.9MB\)](#) 
 - [Video 3 \(MP4, 59.1MB\)](#) 
- A high-resolution headshot of [ATO Assistant Commissioner Tony Goding \(JPG, 892KB\)](#)  is available for download from our media centre.
- A high-resolution headshot of [Fair Work Ombudsman Anna Booth](#)  is available from the Fair Work Ombudsman Newsroom.
- Media grabs of ATO Assistant Commissioner Tony Goding discussing **Operation Sentinel** 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 stock footage and images** are available for use in news bulletins from our media centre.

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