



THOMAS FOODS TAMWORTH BLACK MARKET LABOUR INVESTIGATION

AMIEU NEWCASTLE & NORTHERN NSW BRANCH

Summary

Thomas Foods in Tamworth is one of Australia's largest red meat processing operations - and AMIEU research shows that up to 80% of its workforce are migrant workers on working holiday visas.

These workers are caught up in an intricate grey market operation which spans Australia, China, Taiwan, Korea and other Asian countries. **Thomas Foods**, the **Tamworth Regional Council**, and **unscrupulous labour hire agents** work together to create an endless supply of disposable,

exploitable workers. The AMIEU has been working to expose and combat this behaviour in the Australian meat processing industry for years.

Our work has seen companies like Baiada Poultry forced to clean up their act, seen dozens of dodgy labour hire firms liquidated, and assisted with the recovery of hundreds of thousands of dollars in unpaid wages for exploited workers. This rotten industry has now spread to Tamworth.

How the black market labour industry works

1

Thomas Foods engages a labour hire firm

Thomas Foods International in Tamworth (TFI) needs more workers. They have a standing arrangement with several labour hire companies, who promise TFI they can bring in workers to meet the demand.

2

Labour hire agent recruits backpacker

Responding to job advertisements promising a "good, secure Australian job", a backpacker applies to work for a labour hire company who will then provide their services to Thomas Foods in Tamworth.

3

Backpacker arrives in Australia and is put to work

The visa secured, the backpacker arrives and is picked up at the airport by the labour hire agent. They are immediately taken to one of the sharehouses belonging to the labour hire agent's associate.

4

Backpacker is crammed into illegal share housing

The backpacker is told they can get more work at TFI if they rent a house and pay a \$500 bond to an associate of the labour hire agent. Female backpackers are sometimes pressured or coerced into providing sexual favours both in and outside the workplace.

5

Workers are churned over at horrific rates

Disillusioned and shocked by the reality of their "Australian holiday", backpackers are worked to the bone. Many quit when they are injured, then denied further work. Some lose shifts for asking questions.

6

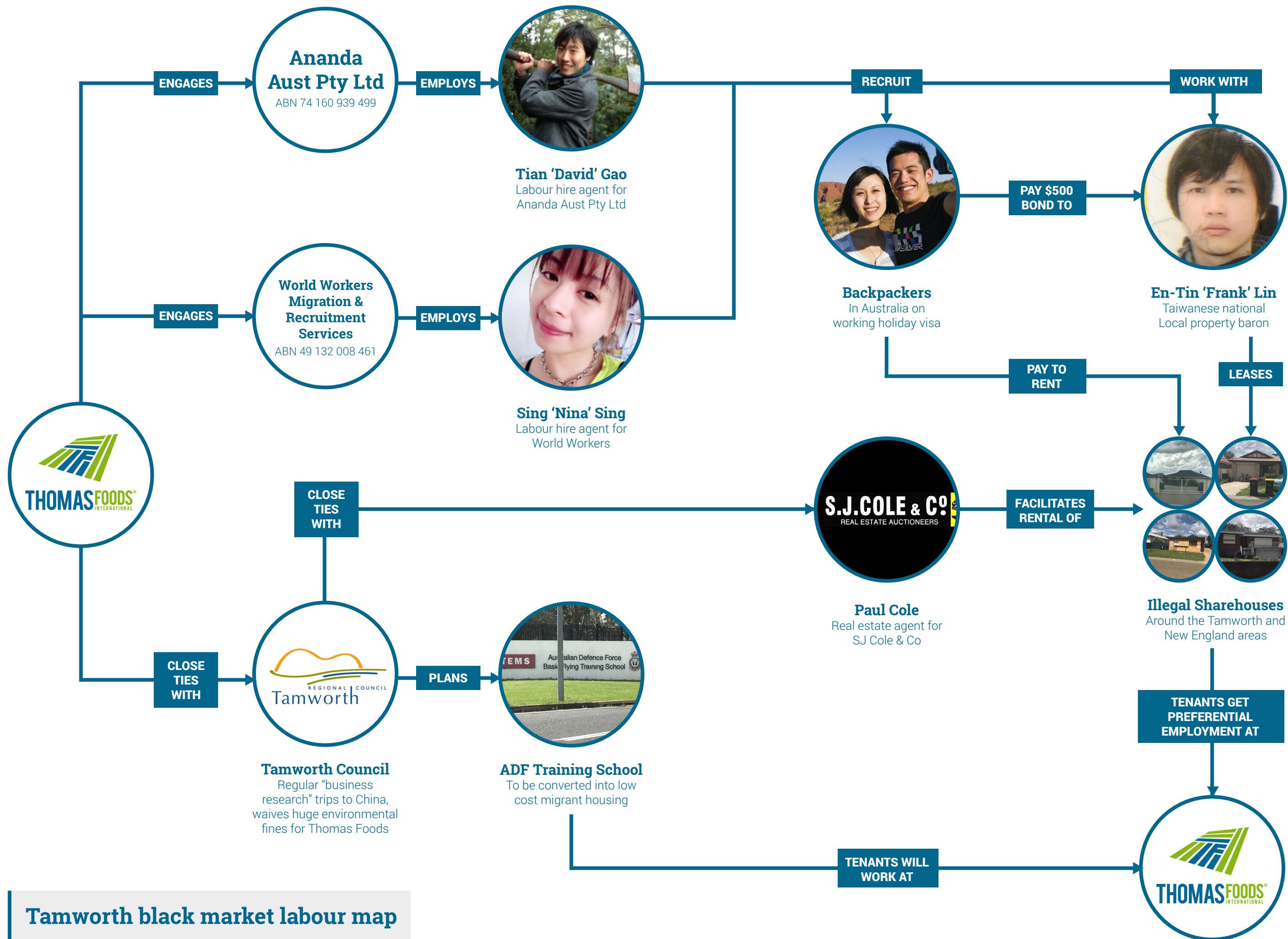
Thomas Foods builds a close relationship with Tamworth Regional Council

Tamworth Regional Council members fly over to China at the ratepayers expense to conduct "research" into improving arrangements for backpacker workers, to assist TFI's "staffing requirements".

7

Thomas Foods enjoys cheap, disposable labour

By outsourcing this activity to a labour hire company and refusing to ask any questions, Thomas Foods believes it has washed its hands of any legal responsibility for this black market workforce.

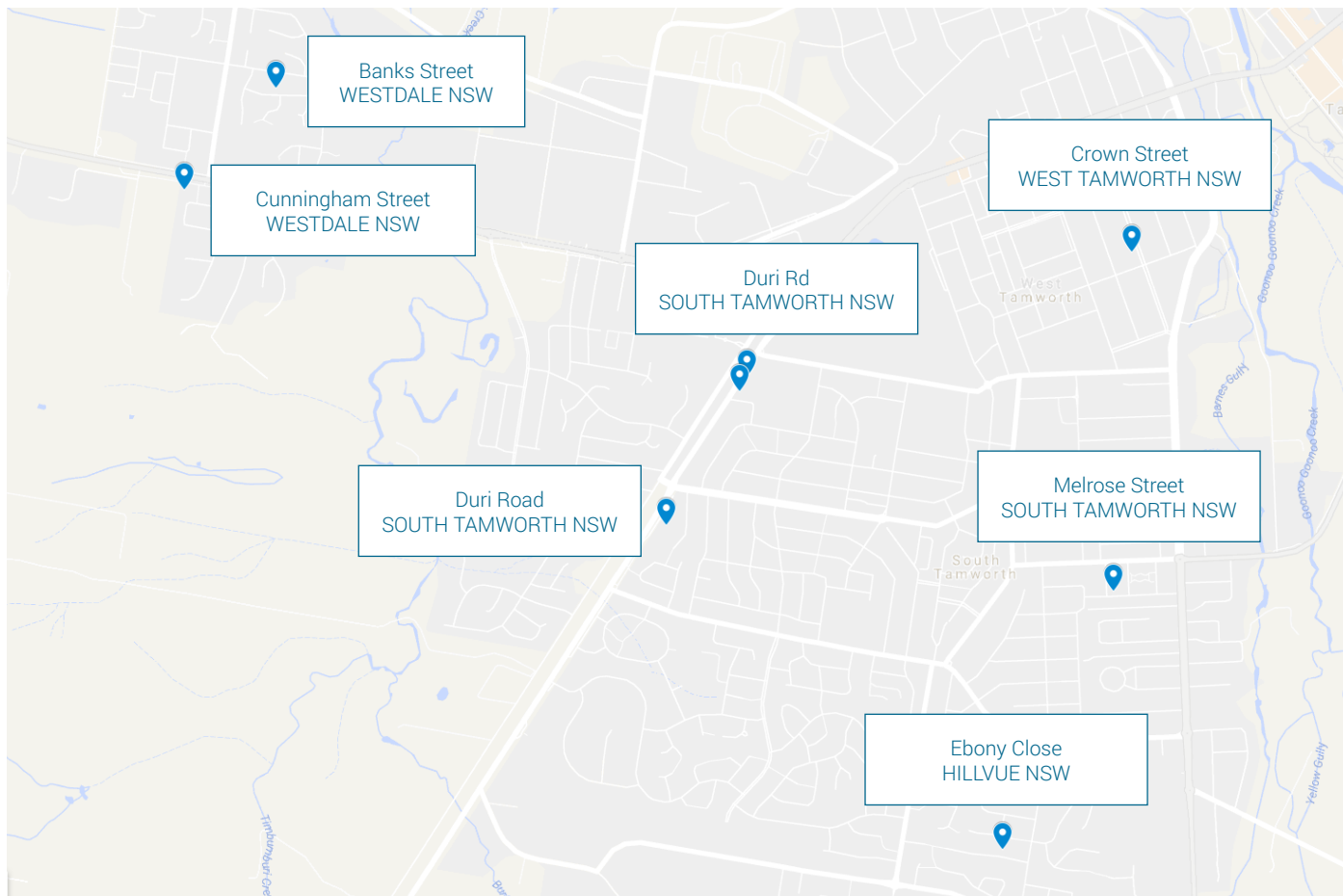


Tamworth black market labour map

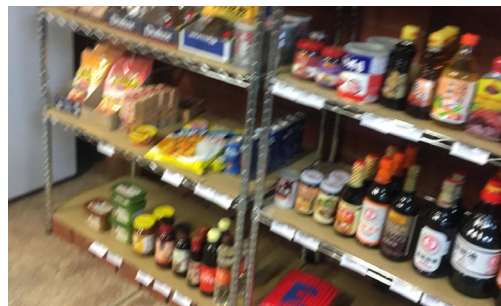
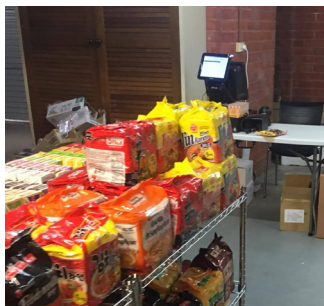
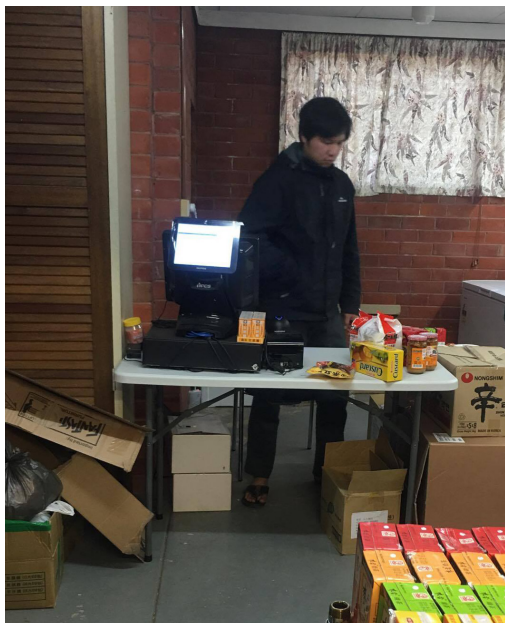
Where are they staying?

Through a combination of material provided and on-the-ground investigation the AMIEU has been able to confirm the below properties are being used as illegal share houses by En-Tin Lin. Workers live and sleep in cramped, painful conditions. **Toilets overflow, backyards are filled with rubbish, cockroaches and other vermin are everywhere.**

There are anywhere from 10-15 people in each house, which provides En-Tin Lin with significant untaxed income. The AMIEU believes that many other properties in the area exist and are yet to be discovered.

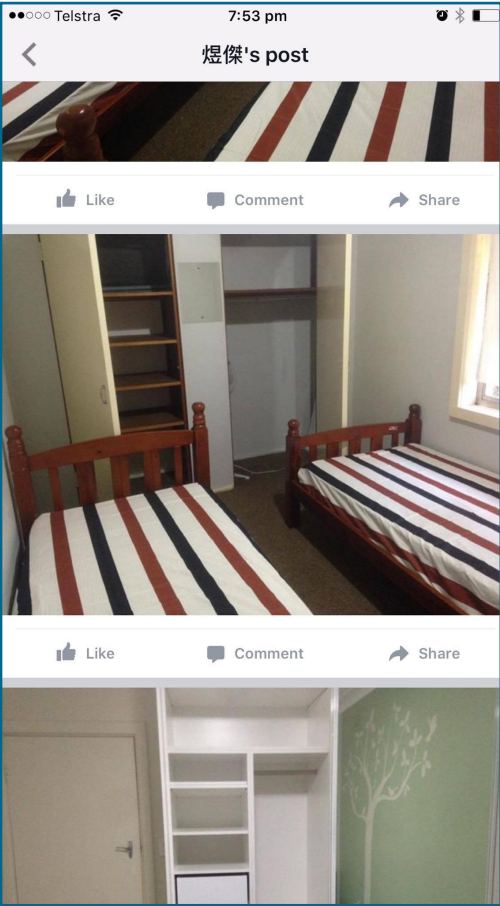
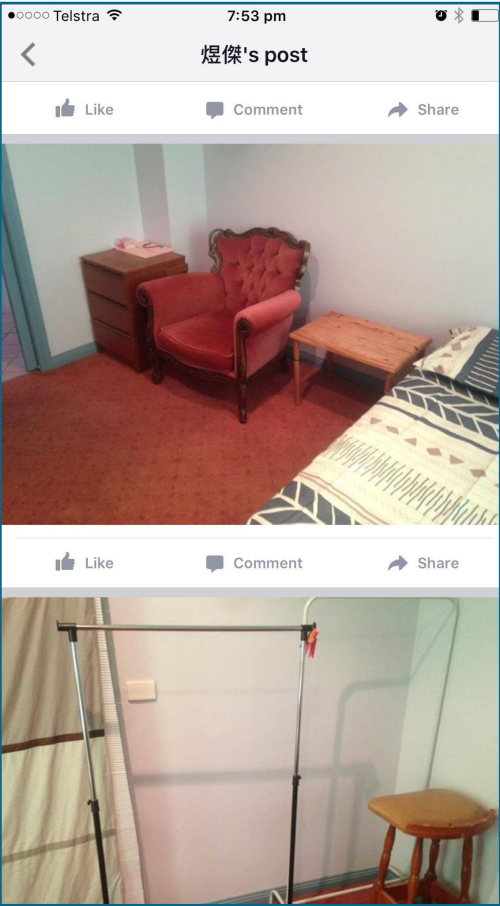
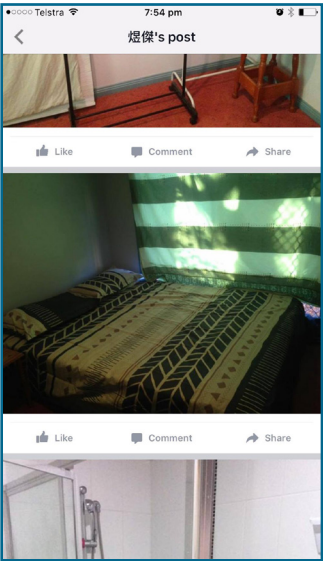
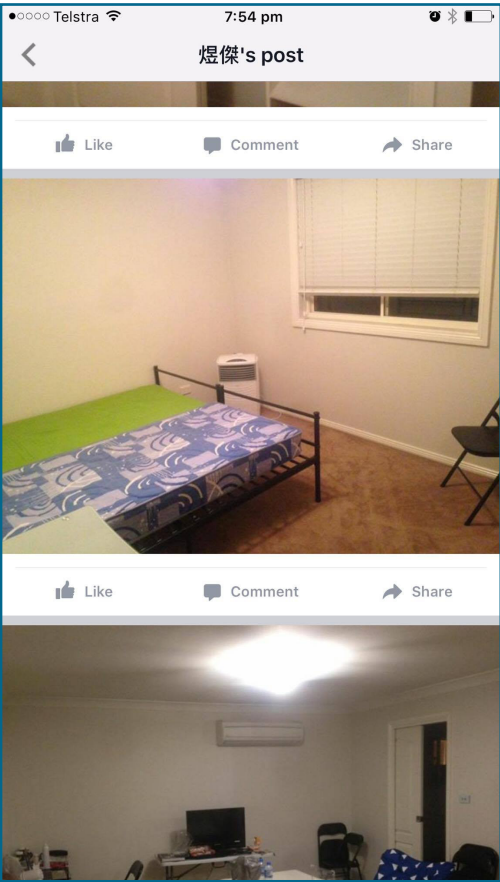
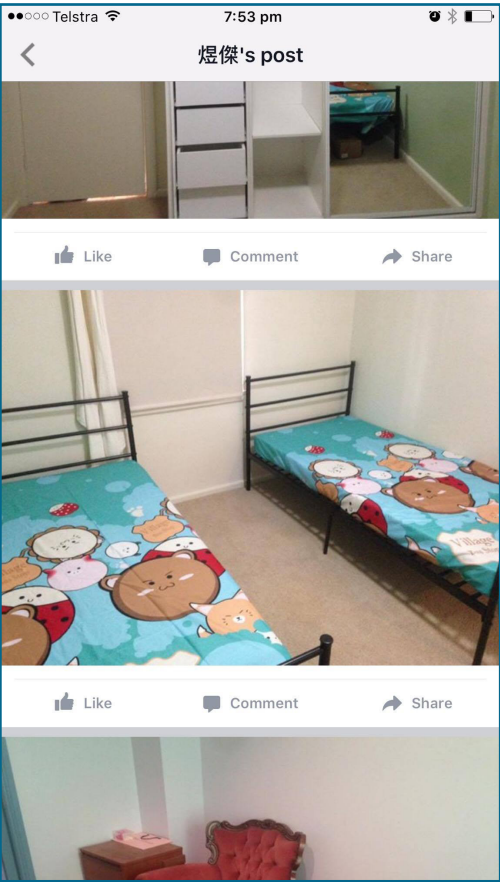


The below property in West Tamworth is being used as a grocery store where En-Tin Lin sells supplies to backpackers who are illegally renting from him. In the photos below, Lin can be seen operating the cash register at this store.



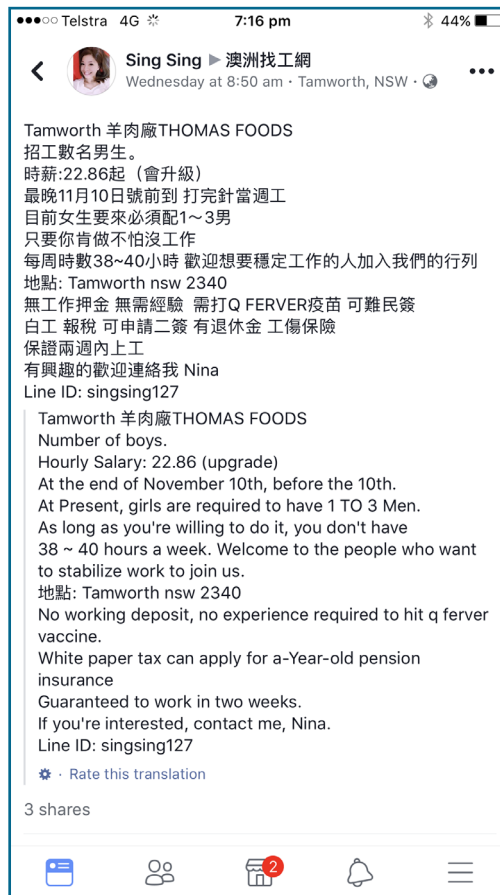
Sharehouse conditions

The pictures below are taken from Facebook posts in private communities advertising Frank's sharehouses.



The underground network

Thomas Foods Tamworth jobs are advertised by labour hire agents through private social media channels like Facebook, LINE and WeChat. Frank also advertises for tenants in the same channels, and publicly disciplines offenders.



Testimony from workers



Backpacker A
ex-Thomas Foods
Tamworth labour
hire employee

VERIFIED BY THE AMIEU
STAYING ANONYMOUS FOR
FEAR OF REPRISAL

"People who live in Frank's houses must pay a \$500 'bond' in order to ensure that they start work as soon as possible, and Frank keeps this money. I believe this \$500 bond actually is a referral fee for the labour hire agent, David.

Frank says to get back this \$500 bond you must live in his house over 6 months, but the quality of the houses are extremely poor, and the house is shared with 15-16 people. With so many people living in one house, the living standards cannot be maintained. Some people could not accept such a poor living standard and finally moved away, but they have not been able to get their \$500 bond back.

There are a lot of people who are sacked by the factory so had to leave, and none of them got back their bonds. Everyone knows this but because of the difficulty of finding jobs and rooms, they have to follow the rules.

This year in February, a new agent came in called Nina, who also cooperates with Frank. As the labour hire agents, they control the jobs in Thomas Foods International.

There are some backpackers who rented their own house without living in Frank's houses. One had to wait over

a month after contacting the labour hire agent. However other people who just recently arrived but living in Frank's houses can start work immediately.

Thomas Foods is a male dominated site, so the problem is greater for girls. At the end, almost all girls have no choice but to live in Frank's houses so they can start work as soon as possible. There is no room for them to choose and say no if they really want to get a job in Thomas Foods.

Frank has an Asian grocery shop in his own garage. Everyone that lives in his houses needs to give him a call or notice before entering the "shop" to buy daily needs. We found out that Frank hardly pays for any tax, and doesn't have a license for the shop. All the money goes straight into his own pocket.

For the backpackers it is very convenient but also risky as everything they own is controlled by the same person. No one knows what will happen in the future.

There are a lot of similar cases happening everyday, but no-one has the courage to speak out. This kind of gangster activity cannot be allowed to continue any longer."



Backpacker B
ex-Thomas Foods
Tamworth labour
hire employee

VERIFIED BY THE AMIEU
STAYING ANONYMOUS FOR
FEAR OF REPRISAL

"I came from Taiwan on a 417 backpacker visa and worked at Thomas Foods International this year. I rented a room from Frank and lived in his house for three months. I had to do this to help my girlfriend get a job at Thomas Foods Australia as well.

I was told that all girls have to live in Frank's houses if they want to work in TFI. Almost all the female backpackers at TFI are living at Frank's houses. My girlfriend had to pay Frank a \$500 bond but the living conditions were so bad we had to leave. Frank would not give us our bond back.

Everyone knows that Frank is cooperating with the labour hire agent, David. Every backpacker who works at

TFI know this. They don't want to live at Frank's houses but they have no choice.

My girlfriend had to wait a month before she could start work at TFI but another girl who was interviewed on the same day got a job instantly. This was Frank's way of punishing me for saying bad things about him.

I believe David actually owns some of the houses that Frank rents to the backpackers. I am certain he is profiting from the \$500 bond that we all have to pay Frank."



Backpackers C, D
ex-Thomas Foods
Tamworth labour
hire employees

VERIFIED BY THE AMIEU
STAYING ANONYMOUS FOR
FEAR OF REPRISAL

"All of Frank's houses have a \$500 bond. You need to pay it first before you can get any work.

He has 20 houses all around the area. The people who rent houses from Frank get the jobs easier and quicker.

Any girls who want to work at TFI must live in Frank's house. Girls have to do it.

The \$500 bond gets returned if you can't get a job in the factory, but once you have been doing the job for 6 months you won't be able to get the bond back from Frank."

Backpacker C

"When I first arrived in Tamworth I was living in a share house not being managed by Frank. Frank told me that if I wanted a job in TFI I would need to live in one of his houses and pay him a \$500 bond - and that I would need to get 3 men to come work with me at the factory as well.

I did not pay his bond. I waited a month but did not get work. I approached David and he told me it would be very hard for a girl like me to get work at TFI if I was not paying the bond or living in one of Frank's houses.

Frank has threatened girls like me who are not living in his houses. He says they will be sacked and their friends won't be able to get jobs either."

Backpacker D



Backpackers E, F, G
ex-Thomas Foods
Tamworth labour
hire employees

VERIFIED BY THE AMIEU
STAYING ANONYMOUS FOR
FEAR OF REPRISAL

SPEAKING OUT ABOUT
THE CULTURE OF SEXUAL
HARASSMENT WHICH
WOMEN BACKPACKERS ARE
EXPOSED TO AT THOMAS
FOODS INTERNATIONAL

"I'm a labour hire worker in TFI in the mutton section. There was a (local Australian) supervisor there who took advantage of young girls, particular young girls from Taiwan on 417 visas. I personally know of one girl who has worked with him, she was offered a pay rise if she would agree to have sex with him.

I also know of another backpacker girl who introduced her friend to him with the intent that her friend would become his sexual partner.

Days later, this backpacker found her wages had gone up as a reward for setting this supervisor up with her friend. I saw her payslips. She was getting wages which are not possible for a backpacker to earn."

Backpacker E

"There is a supervisor at Thomas Foods in Tamworth who was always harassing me and other girls.

We know that TFI management knew about it but they did nothing. Another supervisor covered for him to try and stop HR from finding out. Even the plant manager and his son knew but they did nothing.

Eventually the only reason this supervisor was sacked was because he messed with his timesheets. TFI did nothing about the sexual harassment."

Backpacker F

"When this supervisor was working there he would always harass me. He was always harassing me and other female workers.

He never stopped harassing us and asking if we would be his girlfriend and sleep with him. Everyone knows that he used his power to promote girls who slept with him. We all saw it.

When I complained to the manager about it he tried to get me fired. They did nothing. Eventually I had to resign due to the harassment. Nobody did anything.

Backpacker G

The Tamworth Regional Council connection

The Tamworth black labour market operates with what the AMIEU believes is the full knowledge and blessing of the Tamworth Regional Council.

Senior Tamworth Regional Council figures **Col Murray**, **Paul Bennett** and Tamworth Business Chamber President **Jye Segboer** attended a research trip to China in August 2017 with what we believe was the purpose of investigating the development of a migrant accommodation centre in Tamworth.

The old ADF Basic Flying Training School, located near the Tamworth airport, has been earmarked as the Council's preferred location for this migrant accommodation centre. The objective of this accommodation would be to make it easier for backpackers to come to Tamworth and work in the area.

Unconditional Support For Thomas Foods

Tamworth Regional Council is dedicated to supporting the work of Thomas Foods at every turn. Councillor Russell Webb sells his own lamb to Thomas Foods, making him financially invested in Thomas Foods ongoing development.

In November of 2017, the Council even went so far as to agree to waive months worth of environmental fines accrued by Thomas Foods Tamworth^[1].

Mayor Col Murray praised Thomas Foods as a "really good corporate citizen" and the "largest private employer" in town.

The AMIEU believes that up to 80% of Thomas Foods employees are backpackers on temporary 6-month visas, sourced through labour hire agencies and not directly employed by Thomas Foods.

Engaging a large number workers (without taking legal responsibility for them) means nothing if the people being engaged are not local citizens who can help to build a future for the town.

Shouldn't the Tamworth Regional Council be working to increase job and training opportunities for local kids, not making it easier for companies like Thomas Foods to avoid employing them?

Friends In High Places

Furthermore, the AMIEU understands that En-Tin 'Frank' Lin is being assisted in finding accommodation for his black market workforce by **Paul Cole** of real estate agents SJ Cole & Co.

Paul Cole is the son of former Tamworth Regional Council mayor Stan Cole and has strong connections within the local bureaucracy. It is the belief of the AMIEU that these connections have been used to prevent or deter inspections which would reveal the illegal share house operations.



Col Murray
Tamworth Regional
Council Mayor



Paul Bennett
Tamworth Regional
Council GM



Russell Webb
Tamworth Regional
Councillor



Jye Segboer
Tamworth Business
Chamber President



Paul Cole
SJ Cole & Co
Real Estate Agent

What does this mean for Tamworth and New England?

The work being performed by the black market labour force at Thomas Foods is work that would be traditionally considered 'entry level' or 'unskilled' meat work.

Such work has traditionally been open to young locals and been used as a stepping stone for them to receive training, skills, and move on to a career in the meat industry.

Unfortunately, this tradition has been thrown aside as the business model of companies like Thomas Foods International shifts to using workers are generally not aware of their rights and who can be readily exploited.

The youth unemployment rate in New England is currently an astonishing 19% - **double the national average!**

When questioned about their failure to employ local

workers, Thomas Foods COO David McKay explained that "Australians lack the work ethic" required. ^[2]

The AMIEU has conducted independent local labour market testing on the streets of Tamworth^[3]. Hundreds of local kids signed our petition saying they were looking for work and would be more than willing to do so at the local meat sheds.

By employing an overwhelming number of backpackers at their plants, Thomas Foods also helps to deprive the Australian Government of significant amount of tax dollars each year, which remains uncaptured due to high turnover and loose legislation.

This combination of factors leads inevitably towards social deterioration, increased drug use, small businesses shutting down, and people moving away. The AMIEU is dedicated to strengthening local job opportunities for Australia's regional kids.

More information

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SOURCES

[1] 'Tamworth Regional Council asked to waive Thomas Foods recent fees and fines', *The Land*, November 20 2017
<http://www.theland.com.au/story/5066306/cutting-slack-abattoir-asks-council-to-waive-fees-and-fines/>

[2] 'Thomas Foods International accused of abusing and bullying workers', *The Weekly Times*, July 22 2015
<http://www.weeklytimesnow.com.au/agribusiness/thomas-foods-international-accused-of-abusing-and-bullying-workers/news-story/45966afee088c6e91c52a4b7fe1083d1>

[3] 'Securing Jobs For Tamworth Locals', *AMIEU Newcastle & Northern*
<https://newcastle.amieu.asn.au/victories/jobs-for-locals/>

CREDITS

Report compiled by AMIEU Newcastle & Northern NSW staff with assistance from Tamworth locals and Thomas Foods workers.

Authorised by Grant Courtney, Secretary, AMIEU Newcastle & Northern NSW Branch.