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# **EXPLOITATION OF LABOUR: BEING FORCED OR WILLINGNESS TO ACCEPT?**

### **Abstract:**

In 2015, it was revealed that 7-Eleven convenience stores, an American convenience store chain, in Australia did not pay their employees based on the national minimum wage rate. The Federal Circuit Court also fined a 7-Eleven convenience store's owner for underpayments more than \$340,290 after he was found that he had an outstanding payment to 12 staff for more than \$82,000 (Cartwright 2016). Fair Work Ombudsman (2017) mentioned that the penalties for falsifying financial records to conceal the underpayments and short-changing workers topped \$1 million in 2017. This wage scandal was the most significant Australian employment law scandal as those convenience stores owed their employees approximately between \$25 million and \$50 million (McCauley & AAP 2016). More interestingly, there was no record that those convenience stores' owners disregarded the employment law due to poor cash flow, they were instead motivated by the profits gained from the underpayments (Fair Work Ombudsman 2017).

The qualitative content analysis was then used to investigate further as to why international students were the main targeted group. The research outcome shows that international students in Sydney, Australia were the victims of the wage scandal because they were willing to work with underpayments. Many students indicated that due to the high living costs in Australia, particularly in Sydney, accepting employment with underpayments could help them have more savings from paying less tax to pay their tuition fees, and not to be in the breach of their visa conditions.

### **Keywords:**

Exploitation of labour, underpayments, international students, employment law, Australia

**JEL Classification:** J30