



# Association for Good Government

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23 April 2026

Committee Secretary  
Senate Committee on Education and Employment  
Parliament House  
Canberra ACT 2600

Dear Committee Secretary

Subject: Submission to the Inquiry into Wage Theft and the Implications of Emerging Work-From-Home Policies

Please find enclosed a submission by the Association for Good Government for the Committee's consideration.

The submission is accompanied by an attached paper titled "Wage Theft's Hidden Architecture: How CPI, Speculation, and Land Monopoly Strip Value from Australian Workers." Together, these documents advance the proposition that the Committee's examination of wage theft should extend beyond conventional forms of employer non-compliance to include structural settings that diminish the real value of wages and transfer economic gains away from labour.

In particular, the Association submits that the exclusion of land values from standard inflation measures may obscure the extent to which workers' incomes are being eroded through rising rents, mortgage burdens, and other land-related costs. The attached paper argues that this omission has significant implications for the measurement of real wages, the assessment of living standards, and the framing of policy responses to wage stagnation.

The Association further submits that these issues are directly relevant to the development of work-from-home policy. Remote and hybrid work arrangements may deliver flexibility and efficiency benefits, but they may also create new risks for workers where employment costs are shifted into the home, where remuneration is adjusted by reference to residential location, or where increased demand in particular regions is capitalised into higher land values and housing costs.

Accordingly, the submission asks the Committee to consider:

- the relationship between land-value inflation and the effective suppression of wages;
- whether current inflation metrics adequately capture the real cost pressures faced by workers;

- the need for legal protections against postcode-based wage discrimination in work-from-home arrangements;
- the need for mandatory employer contributions toward home-office and utility costs where work is performed remotely; and
- whether tax and regulatory measures aimed at reducing speculative gains in land markets would assist in restoring fairness to wage outcomes.

The Association offers these materials in the hope that they assist the Committee in considering both the immediate and the structural dimensions of wage theft in Australia.

Yours faithfully,

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**Joffre Balce, Secretary**

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# Parliamentary Submission

**Inquiry into Wage Theft and the Implications of Emerging Work-From-Home Policies**

**Submitted by:** *Joffre Balce, Secretary, Association for Good Government*

**Date:** *23<sup>rd</sup> April 2026*

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## Executive Summary

This submission argues that Australia’s wage crisis cannot be understood solely through employer misconduct or underpayment. Wage theft also occurs structurally through **land value inflation**, which silently transfers income from workers to landowners. As the attached analysis notes, “workers are not merely ‘falling behind’—they are being stripped of the wealth they create” (Wage Theft.docx). This transfer is obscured by the Consumer Price Index (CPI), which excludes land prices and therefore understates the true decline in real wages.

As Parliament considers Work-From-Home (WFH) policy settings, it must recognise that WFH interacts directly with land-driven wage suppression. Without reform, WFH risks entrenching postcode-based wage discrimination, shifting business costs onto workers, and further inflating land values in desirable regions.

A Georgist framework—grounded in Henry George’s *Progress and Poverty*—offers a coherent explanation and a path forward: treat land rent as socially created value, include land in inflation metrics, and prevent wage suppression through land speculation.

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## 1. Introduction

Australia’s wage stagnation is commonly attributed to weak bargaining power, insecure work, and employer non-compliance. These factors matter, but they do not explain why real wages have declined even during periods of strong productivity and low unemployment.

The attached document highlights the core issue: **CPI excludes land values**, masking the true cost pressures on workers. As it states, “CPI reports ‘modest inflation’ while the largest cost in the economy — the price of access to land — has exploded” (Wage Theft.docx).

This omission distorts wage policy, monetary policy, and WFH policy.

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## 2. Structural Wage Theft Through Land Inflation

### 2.1 Land value inflation transfers income from labour to landowners

The document explains that when land values rise faster than wages, “the difference between wage growth and land price growth is extracted from workers’ incomes” (Wage Theft.docx). This is not metaphorical theft—it is a systemic transfer enabled by policy.

Workers must pay:

- higher rents
- higher mortgage principal (mostly land value)
- higher transport costs as the “margin of cheaper development moves outward”

This reduces disposable income and suppresses wage bargaining power.

### 2.2 CPI hides the theft

Because CPI excludes land:

- real wages appear stable
- policymakers misdiagnose the problem
- central banks target wage inflation instead of land inflation

As the document notes, “the theft is invisible... the result is a system that punishes production and rewards speculation”

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## 3. Implications for Work-From-Home (WFH) Policy

WFH is not merely a labour-market issue; it is a land-market issue.

### 3.1 Risk of postcode-based wage discrimination

Some employers are already considering:

- reducing wages for workers who move to lower-cost regions
- indexing pay to local housing markets

This embeds land-driven inequality into wage structures.

## **3.2 WFH shifts business costs onto workers**

Without safeguards, workers absorb:

- higher energy bills
- higher internet costs
- increased space requirements (effectively paying rent for office space)

This is a new form of wage theft unless compensated.

## **3.3 WFH can inflate land values in desirable regions**

WFH increases demand for:

- larger homes
- regional properties
- areas with good amenities

Without land-value taxation, this demand is capitalised into higher land prices, eroding the wage gains WFH might otherwise deliver.

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# **4. Policy Recommendations**

## **4.1 Recognise land-driven wage theft**

Parliament should formally acknowledge that wage suppression is structurally linked to land inflation.

## **4.2 Include and properly integrate land value costs in CPI**

A truthful CPI would:

- reveal the real decline in living standards
- expose the transfer from labour to landowners in terms of higher rents
- break down the

## **4.3 Protect WFH workers**

Legislate:

- protective rights to refuse postcode-based wage discrimination
- mandatory employer contributions for home-office costs

- protections against forced WFH without compensation

## 4.4 Tax land values, not labour

As the document states, a land value tax would:

- “capture the unearned increment”
- “remove the incentive to speculate”
- “raise wages by freeing land for productive use”

## 4.5 Prevent speculative withholding of land

A combo of vacancy taxes, anti-land-banking measures, and LVT would reduce artificial scarcity. However, a market-driven LVT would work best and consider a self-appraisal with the government option to purchase the property without prejudice to the owner’s pre-emptive rights.

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# 5. Conclusion

Australia’s wage crisis is not simply a matter of employer behaviour. It is the predictable outcome of a system that:

- excludes land from inflation measures
- taxes labour instead of land
- rewards speculation over production

As the document concludes, “Land value speculation is the primary mechanism by which wages are stolen in modern economies”

WFH policy must be designed with this reality in mind. Without reform, WFH risks becoming another channel through which landowners capture the value created by workers.

A land-aware policy framework is essential to restoring fairness, protecting workers, and ensuring that economic progress benefits the whole community.