

# Malcolm Turnbull: Australia's wealthiest prime minister

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This week's backroom installation of Malcolm Turnbull as Australian prime minister epitomises the domination of the political establishment by the ultra-rich financial elite.

Turnbull, an ex-Goldman Sachs partner and venture capitalist, is one of the country's richest people, conservatively estimated to be worth about \$200 million. He has long-time connections throughout the finance, media, IT and biotech networks that increasingly prevail within global and Australian capitalism.

Turnbull is Australia's wealthiest-ever prime minister and the parliament's second-richest current member, second only to Queensland mining billionaire Clive Palmer, who created his own party in 2013, the Palmer United Party. Turnbull last appeared on the *Business Review Weekly* (BRW) magazine's list of Australia's richest 200 individuals in 2010, valued at \$186 million. At the time, Kevin Rudd, the Labor Party prime minister, was valued at \$56 million, making him probably Australia's second-richest prime minister.

Turnbull and his wife Lucy live in a waterfront mansion, estimated to be worth \$50 million, in Sydney's exclusive enclave of Point Piper. They also own a Canberra penthouse overlooking Lake Burley Griffin, and a 19th-floor apartment in New York with views of Central Park, bought in late 2012 for \$US3.28 million. Turnbull and his family have pastoral holdings in the Hunter Valley, north of Sydney, and various residential and commercial property investments.

Turnbull who ousted Tony Abbott, his predecessor as Liberal Party leader, has been assigned the task of imposing sweeping cuts to social spending, as well as the jobs, wages and conditions of the working class. According to Tuesday's *Australian Financial Review* (AFR) editorial: "Malcolm Turnbull's core purpose as prime minister will be to persuade Australians to embrace a new mindset of economic growth in order to secure the nation's envied prosperity."

The "envied prosperity" that Turnbull personifies is shared only by the very wealthy layers of society. Their affluence has been built through financial, share market and property speculation and other forms of parasitic activity, primarily at

the expense of the thousands of workers who have been retrenched over the past three decades in repeated waves of job losses and plant closures.

Today's AFR editorial insists that Turnbull is a "self-made man," not an upper class "silvertail." In reality, the prime minister had a privileged upbringing and has been assisted throughout his career by his many relationships within the financial, media and political elite.

The son of a hotel broker, Turnbull grew up in Vacluse and Double Bay, prestigious Sydney harbourside suburbs. He attended Sydney Grammar School, an exclusive private college, then studied arts and law at Sydney University and Oxford University.

Even as a student at Sydney University, he was employed as a journalist by leading corporate outlets, notably the *Bulletin* magazine, owned by media billionaire Kerry Packer's Australian Consolidated Press (ACP), Radio 2SM and Channel Nine television. Later, he was employed at the London *Sunday Times*.

After returning to Australia in 1980, Turnbull worked as a barrister, but left the bar in 1983 to become general counsel and secretary for Packer's ACP, until 1985. During this time, he defended Packer against tax evasion and organised crime allegations made in the Costigan royal commission.

On the basis of that publicity and platform, Turnbull established his own law firm, Turnbull McWilliam, in 1986. In that year, he gained further attention by defending Peter Wright, a former British MI5 agent, successfully blocking the British government's attempts to suppress the publication of Wright's memoir, *Spycatcher*.

In 1987, Turnbull moved into venture capitalism. He established an investment banking firm, Whitlam Turnbull & Co, in partnership with former New South Wales state Labor Premier Neville Wran and banker Nicholas Whitlam, the son of former Labor Prime Minister Gough Whitlam. In 1997, Turnbull sold his stake to Goldman Sachs, becoming the Australian managing director and then partner in the major, and politically influential, Wall Street-based global investment house until 2001.

That 1997 transaction laid the foundation of Turnbull's prosperity. According to the BRW magazine: "By the time he left the investment bank in 2001 his tenure was thought to be worth \$50 million to the family bottom line."

The windfall was augmented in 1999 when Turnbull sold his share of OzEmail, an early Australian email provider launched in 1994, to Worldcom for just under \$60 million. Completed just before the collapse of the dot.com bubble, the sale meant a 133-fold five-year return on his initial investment of \$450,000. Wran, who was also one of Turnbull's partners in OzEmail, picked up \$20 million.

In the 2000s, Turnbull launched the stock exchange-listed investment company Pengana Capital, which invested in hedge funds. He remained a director of FTR Holdings, a technology and e-commerce investment company, until 2004, when he entered parliament. His wife Lucy, a lawyer and former Lord Mayor of Sydney, succeeded him in chairing the company.

Between 1993 and 2000, Turnbull led the Australian Republican Movement, a big business bid to modernise the powers of the nation state by scrapping its ties to the British monarchy. Following the defeat of the republican referendum in 1999, Turnbull had discussions with Labor Party leaders, including former Prime Minister Bob Hawke, about joining the Labor Party but ultimately signed up with the Liberal Party.

In order to win a parliamentary seat in the eastern Sydney electorate of Wentworth, covering affluent upper-middle class areas, Turnbull spent \$600,000, according to official electoral returns. Once in parliament in 2004, he was immediately appointed a parliamentary secretary—in effect, a junior minister—and rapidly promoted to become a cabinet minister, in charge of water and environmental policy, in John Howard's Liberal-National government by 2007.

In September 2008, a year after the victory of the Rudd-led Labor Party, Turnbull successfully ousted Brendan Nelson to become Liberal leader. Just over a year later, however, his support for the Labor government's proposed emissions trading scheme—primarily a vehicle for "green" carbon trading and finance houses—triggered his own ouster at the hands of Abbott.

As typified by his carbon pricing stance, Turnbull, a Liberal Party "moderate," has sought to disguise the interests of the financial elite behind a superficially "progressive" façade, pitched to upper layers of the middle class on issues such as climate change, republicanism, gay rights and same-sex marriage. Abbott, by comparison, represents the more openly right-wing, socially conservative wing of the Liberals, seeking to appeal to backward social layers on the basis of law-and-order, anti-refugee xenophobia and militarism.

While plotting to take the leadership back from Abbott, Turnbull remained an active player on the financial and property markets. When Turnbull returned to the BRW Rich 200 list in 2009, the magazine noted that he was "one of the few political leaders anywhere in the Western world to have made money while in office, not just before entering or after leaving." From \$65 million in 1999, his wealth trebled by 2009 to \$178 million.

This week, the AFR reported that this year alone, Malcolm and Lucy Turnbull have purchased a property in Sydney's upmarket Paddington and "bought and sold several obscure funds focused on everything from hedged Japanese equities to emerging market debt, piled headlong into a global real estate investment fund with an absolute return focus and added to his bulging portfolio of high-yielding exchange traded funds."

Lucy Turnbull, the daughter of a former Liberal Attorney-General Tom Hughes, is a director of the Australian Stock Exchange-listed biotech Prima Biomed and ferry company Sealink. She is also a director of a business think tank, the Grattan Institute, and the Packer Family Foundation, where she sits alongside Kerry Packer's widow Ros.

Significantly, in the light of the tensions within the Australian ruling establishment over the country's alignment with the US "pivot to Asia" against China, Turnbull has long had business connections to China.

In 1994, according to the AFR, "Turnbull set up what he describes as the first sino-Western joint mining venture in China, just two years after Deng Xiaoping embarked on his famous Southern Tour of the country" that launched the restoration of capitalism in China. Today, Turnbull's son Alex is married to the daughter of a former Chinese government-linked academic who later became an international trade consultant, and helped IKEA gain entry to China.



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