

The wealth of Australia's richest 250 soars to \$377 billion

Clare Bruderlin
26 March 2020

In the midst of the intensifying coronavirus pandemic, with workers losing their jobs and livelihoods, the *Australian* published “The List” last Saturday—an 82-page glossy magazine glorifying the growing wealth of Australia’s richest 250 people.

The introduction celebrates the fact that: “[T]he amount of wealth generated by the 250 keeps rising with each member’s average fortune now a whopping \$1.51 billion—or about \$240 million more than last year.”

According to the Murdoch media’s magazine, the number of Australian billionaires has more than trebled in two years, from 33 in 2018 to 117 in February 2020. Their combined wealth amounts to \$377.77 billion, a sharp increase from \$318.33 billion last year. The cut-off wealth for the list this year is \$402 million; last year it was \$320 million.

The List’s pages highlight the extravagant lifestyles of the super-rich. Millionaire Ian Malouf’s luxury 54 metre super-yacht is equipped with “Veuve Clicquot champagne on tap, staff at your beck and call, a party deck with a jacuzzi on the roof above us and six bedrooms below.”

The luxury apartments sold by property developer Larry Kestelman include “marble in the kitchens and bathrooms,” \$4,000 doors and an amenities floor with “plush dining areas, billiards tables, libraries, a steam and sauna room, a private massage room, a yoga class space and a giant pool for the residents.”

Kestelman’s “exclusive” Azure Club development in Melbourne consists of 38 apartments, ranging in price from \$4 million to about \$25 million and sitting on floors 32 to 49 of a new tower named Capitol Grand. They come with commanding views, a separate street entrance and a full concierge service for security.

Frank Lowy, the co-founder of the Westfield

shopping mall conglomerate, sold the company for \$32 billion in 2017. Now retired, he spends most of the year out of Australia. He has a home in Tel Aviv, “the super-yacht Ilona, which moves between various Mediterranean ports in the northern summer,” and a home in New York.

Of the 250 richest, 64 have made their wealth as property moguls and through the rampant financial speculation in the housing market. On top of the list of property developers is Harry Triguboff, whose fortune grew from \$12.31 billion to \$15.5 billion in the past year, mostly derived from his lucrative Meriton empire, which builds, sells and rents out apartments.

Australia is ranked one of the worst countries in the developed world in terms of housing affordability and mortgage debt. Millions of young people have been locked out of home ownership, and many workers have astronomic mortgages, contributing to historically unprecedented levels of household debt.

Reflecting the domination of the financial elite, 42 individuals on the list made their fortunes through investment. A further 23 made their wealth in retail. The retail industry has one of the highest rates of casual employment in Australia and has seen waves of job cuts and store closures over the past year as companies seek to maintain profits amid the economic downturn.

Another 19 of the richest 250 are mining magnates, including iron ore baron Gina Rinehart, who is No. 2 on the list, with wealth exceeding \$16 billion, up from \$13.12 billion last year.

There are 19 technology entrepreneurs, benefitting from soaring share market valuations of the sector. Mike Cannon-Brookes and Scott Farquhar, co-founders of the IT software company Atlassian, are the richest, at numbers 5 and 6 on the list, respectively.

Their combined fortunes total \$25.27 billion, up from

\$18.02 billion. Between them they own the two most expensive houses in Australia. Farquhar bought a \$71 million Sydney harbour-side mansion in 2017 and Cannon-Brookes purchased the Fairwater mansion, on the same shores, for \$100 million in 2018.

The richest individual on the list is Anthony Pratt, with a personal wealth of \$16.95 billion—nearly \$4 billion more than last year. Manufacturing accounts for just 13 places on the list. Pratt’s increasing wealth reflects the ongoing destruction of the sector. His riches are in large part due to the fact that he owns Pratt Industries in the US, where nearly half of his box-making and recycling operations are based.

A friend of US President Donald Trump, Pratt has a family mansion, Raheen, in Melbourne, but spends much of his time at his penthouse atop the Sherry-Netherland hotel, which faces Central Park in New York’s Upper East Side. He and his family also own a residence in Westchester outside New York, “bought for a reported \$15 million from actors Michael Douglas and Catherine Zeta-Jones last July.”

The introduction to the List attempts to justify this unprecedented wealth by highlighting the alleged “generosity” of the rich. It asserts that a “big change” among the wealthy is their approach to philanthropy. It writes that in response to the recent bushfires, many made donations to charity and “Andrew Forrest made the biggest splash, with a \$70 million pledge.”

Forrest, who heads iron ore mining company Fortescue Metals Group, has an estimated wealth of \$13.06 billion, making him the fourth richest on the list. His wealth has almost doubled from last year, when it was at \$7.34 billion.

In later pages of the magazine, it is revealed that \$60 million of Forrest’s \$70 million pledge was, in fact, donated to his own “Minderoo Foundation,” which has net assets of \$1.35 billion, placing its value above the bottom 130 fortunes in the List.

The wealthy donate to such foundations to reduce their taxes, while exploiting their transfers for PR and advertising purposes. The List gives the example of multi-millionaire Graham Tuckwell, who “reportedly admitted in documents filed in a Jersey court that an \$81 million donation of shares to a charitable foundation in his name were at least in part motivated by a large personal tax bill.”

The opulence of the financial and corporate elite on

display in the List stands in stark contrast to the living and working conditions of millions of workers.

Far from being a “lucky country,” the gap between the wealthiest individuals in Australia and the vast majority of the population is widening. A report by Oxfam in January found that Australia’s richest 1 percent own 22.2 percent of all Australia’s wealth and have more than double the wealth of the bottom 50 percent of the population, some 12.5 million people.

Furthermore, the latest Poverty in Australia report, released last month, estimates that over 3 million people, or 13.6 percent of the population, now live below the poverty line. This includes some 774,000 children under the age of 15. The poverty line is defined as \$457 per week for individuals and \$960 per week for a couple with children.

The poverty report was compiled before the COVID-19 disaster saw the companies owned by the wealthy lay off hundreds of thousands of workers and plunge them toward financial ruin and immense distress.

Consecutive Labor and Liberal-National governments, with the help of the trade unions, have enforced a decades-long attack on jobs, deteriorating working conditions and declining real wages.

The “economic restructuring” imposed by the Hawke and Keating Labor governments in the 1980s and 1990s began the process, accompanied by the suppression of working-class struggles. This has facilitated the rapid enrichment of a small layer at the top of society.



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