

Australia's richest "Top 20" soar further in wealth during pandemic

Mike Head
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Amid the worsening global COVID-19 pandemic, while working people in Australia are facing extreme financial hardship, the accumulation of society's wealth in the hands of a tiny elite is accelerating.

Alongside mass unemployment and under-employment, the combined fortunes controlled by the richest 20 people are soaring. The *Australian Financial Review* reported last Friday that the "Top 20" had "enjoyed a cumulative increase in wealth over the past year from \$143 billion to \$189 billion, a 32 percent bump at a time of wage stagnation for most workers."

The newspaper's Chanticleer column celebrated the fact that the wealthy few were either recovering or profiting from the COVID-19 disaster far faster than they had from the 2008–09 global economic breakdown.

"Crisis? What crisis?" Chanticleer asked. "It took more than 12 months for the wealth of Australia's 20 richest people to recover in the wake of the financial crisis. But COVID-19 has barely dented the fortunes of this elite group."

At the top of the list, profiting from high iron ore prices, mining heiress Gina Rinehart's worth "leapt a staggering 53 percent to \$21.2 billion, making her Australia's wealthiest person."

Fellow mining magnate Andrew Forrest did even better, mainly because of iron ore production problems in pandemic-blighted Brazil. He catapulted to fifth spot from eighth with \$17.6 billion, a 120 percent rise, on the back of a 65 percent rise in share prices for his Fortescue Metals Group. He also netted \$1.4 billion in dividends during the past two years alone.

Others have benefited from the pandemic, and its associated share price boom, even more directly. "The worldwide lockdown and resulting work-at-home revolution have pushed software developers Mike

Cannon-Brookes and Scott Farquhar into the top three with fortunes above \$18 billion [each]," the newspaper reported.

The two software entrepreneurs rose to number 2 and 3 on the list because speculative investors have driven up the price of the US Nasdaq-listed shares of Atlassian, their company, by nearly 50 percent in the past year.

While these fortunes were being expanded, millions of workers—20 percent of the workforce—were unemployed or under-employed, even by the vastly under-stated official statistics. Many face financial disaster and impoverishment, and were in danger of losing their homes due to inability to pay rent or mortgage repayments.

One of the most obscene examples of the super-rich benefitting from the misery of the population is the rise of the two founders of buy-now, pay-later provider Afterpay, which profits by offering credit to cash-strapped households.

"Nick Molnar and Anthony Eisen, are, so far this year, the biggest winners of those occupying the Financial Review Rich List," the newspaper reported.

After initially suffering a share crash when global lockdowns began, their fortunes reversed as governments unveiled huge and unprecedented business bailouts. "Afterpay had a Lazarus moment. Its shares hit a record high \$50 this week, valuing equity stakes held by both its founders at over \$1 billion apiece."

Due to the uncertainties generated by the still-spreading pandemic and the escalating US confrontation with China, the financial newspaper delayed its annual Rich 200 List until later in the year. One of the greatest doubts hangs over the future of lucrative exports to China, including iron ore, as the

Trump administration ratchets up its measures against Beijing.

However, the results for the richest 20 so far are enough to illustrate the immense concentration of wealth since governments around the world bailed out the financial elite after the 2008 global economic breakdown.

The 20 people on the list are a far more privileged layer than the top 1 percent. They represent an even tinier fraction—0.00008 percent—of the population.

Between 1990 and 2000 the total worth of the 20 wealthiest members of the Rich List grew 221 percent. In the next decade, the same number rose 99 percent. But between 2010 and 2020, the wealth of the top 20 grew a staggering 235 percent.

Even within this layer, the top five of the Rich List command an ever-growing share of the Top 20's wealth. In 2015, the most affluent quintet represented 30 percent of the Top 20's \$86 billion combined fortune. By 2020, the top five accounted for half the Top 20's \$189 billion total.

This year's Top 20 result was achieved even though nine of the 20 suffered a decline in wealth, due to the pandemic. They included shopping centre barons Frank Lowy and John Gandel, Crown Resorts major shareholder James Packer and the wealthiest property billionaires, Harry Triguboff, Lang Walker. Drops in rents and property prices reduced their pre-pandemic valuations.

The astronomical surge in wealth in the hands of so few began to take off four decades ago, spurred by the pro-corporate economic restructuring imposed by the Labor governments of Hawke and Keating, working in close partnership with the trade unions.

When the Rich List was launched in 1984, the first full year of the Hawke government, the 200 richest people had a combined wealth of \$6.4 billion. Now the top 20 alone hold 30 times that much.

The Top 20 List is just the latest proof that the social polarisation has widened since the 2008–09 crash. A Roy Morgan survey last year showed that people in the top 10 percent obtained a more than 60 percent rise in wealth between 2007 and 2019. They went from an average of \$1.2 million to almost \$2 million per person, while the bottom 50 percent of the population went backward, marking an historic decline in living standards.

Despite the much-peddled myth that Australia is a relatively egalitarian country, this concentration of wealth is in line with the trend of global capitalism, increasingly dominated by handfuls of oligarchs. According to charity Oxfam, the planet's 26 richest billionaires own as much as the 3.8 billion people in the poorest half of the world's population.



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