

Australian billionaires celebrate skyrocketing wealth while pandemic forces workers into poverty

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While workers face Great Depression-style unemployment and poverty, the wealth of Australia's elite has soared. The *Australian Financial Review* (AFR) annual rich list for 2020 has revealed that 200 individuals and families increased their combined fortunes by more than \$82 billion during the past year, to a total of \$424 billion.

Despite, or in many cases because of, the COVID-19 pandemic, the total wealth in the hands of this tiny proportion of the population jumped by more than in the previous year, before the coronavirus crisis emerged. The \$82 billion rise, or 24 percent, far surpassed the \$59 billion, or 21 percent, increase on the 2019 list.

There is an air of triumphalism in the coverage of this result. In a video introducing the Rich List, editor Michael Bailey said the “big trend, amazingly, was that the total wealth pot actually went up” when “everyone assumed it was going to be going down because of coronavirus.”

Australia now has 104 billionaires, up from 91 the year before, and the cut off for being added to the list rose to \$540 million, up from \$472 million in 2019. At the top of the list are two “ore-ligarchs,” iron ore magnates Gina Rinehart and Andrew Forrest. Each more than doubled their worth, to a combined wealth of over \$52 billion, mainly on the back of growing ore sales to China.

By contrast, millions of workers have been pushed into poverty and destitution. A Foodbank report in October revealed that food relief requests have risen by 47 percent, on average, since the pandemic began. Some 43 percent of food insecure people were going a whole day without food, compared to 30 percent last

year.

Glorifying the obscene wealth accumulated by those on the Rich List, the AFR magazine included numerous photos and descriptions of the billionaires' luxury mansions and other property holdings.

One example is Mike Cannon-Brookes, co-chief executive of tech company Atlassian, who rose to fifth on the list this year with a personal fortune of \$16.93 billion. His primary residence is the \$100 million Fairwater estate on Sydney Harbour's Point Piper beachfront, “the only nine-figure house sale in Australia.”

Cannon-Brookes has reportedly spent almost \$250 million on property over the past decade. His holdings include a \$24.5 million purchase in Newport on Sydney's northern beaches and the \$18.5 million former residence of Germany's consul-general in Sydney's Woollahra, as well as his \$15 million New South Wales Southern Highlands farm, Widgee Waa. His most recent purchase was an empty block of land on Sydney's northern beaches, bought for \$1.425 million after one day on the market.

Much of the wealth at the top still rests on the financial parasitism and speculation that has seen property prices surge over the past decade, forcing millions of households to take out massive loans just to buy a house. The property tycoons, with combined fortunes of \$81.56 billion, dominate the list.

An AFR article trumpeted that “four of the 10 richest Australians made their wealth in the property industry and retain billionaire status even amid the uncertain economy and global health crisis” and “almost a quarter of the richest 200 built their empires in the property sector.”

However, the largest increase in wealth was extracted by the “ore-ligarchs.” This was due in part to mines remaining open throughout the pandemic. The super-profits made by the mining magnates allowed them to develop and roll out mass testing of their employees—a service never provided to the rest of the population.

Chris Ellison, a West Australian mining businessman, joined the billionaires club this year. His company developed equipment that has the capacity to test up to 10,000 people a day and deliver results in three hours.

This meant that when Brazil was devastated by the spread of COVID-19, which caused the shutting down of some mining operations, Australian exporters were able to step in and rack up billions in profits.

The collective wealth of the 12 individuals on the Rich List whose wealth is in some way derived from mining in Western Australia hit \$79.8 billion, swollen by a massive \$43.8 billion in 18 months.

Another sector boomed thanks to the pandemic. Afterpay, a pay later technology company, boosted its profits because millions of people sought delayed payment options as they faced the prospect of unemployment and poverty. Its founders, Anthony Eisen and Nick Molnar, rose from the bottom of last year’s rich list to numbers 50 and 51, worth \$1.86 billion each.

Yet the Rich List insisted that such individuals, whose wealth and lifestyle is unimaginable to the majority of people, have also struggled during the pandemic.

“The burdens of the COVID-19 lockdown across Australia didn’t discriminate between the super-rich, the poor and those in between,” the AFR claimed, while conceding that the super-rich were better off “financially to weather the crisis.”

In reality, Australia’s federal, state and territory governments, Liberal-National Coalition and Labor alike, have played a large part in boosting corporate profits during the pandemic. First, assisted by the trade unions, they have kept most large industries open, including mining, manufacturing, construction and warehousing operations.

Second, they handed out unprecedented subsidies, incentives and cheap loans totalling some \$400 billion, with the lion’s share going to big business.

As a result, the decades-long accumulation of obscene wealth at one end of society, acquired through

the creation of poverty, devastation and misery at the other end, is accelerating.

The Rich List was launched in 1984, the first full year of the trade union-backed Labor government of Bob Hawke, which began a vast redistribution of wealth towards the top. Then the 200 richest people had a combined wealth of \$6.4 billion. There has been a 66-fold increase in wealth for the top 200 in 36 years.

The pandemic is rapidly widening the social gulf. According to modelling conducted at the Australian National University, another three quarters of a million people have already been thrown into poverty by September’s cuts to JobKeeper wage subsidies and JobSeeker welfare payments. About 4 million people, or 16 percent of the population, are now living in poverty.



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