

Australia's billionaires boost wealth at workers' expense during pandemic

Max Boddy
4 June 2021

According to the latest *Australian Financial Review* (AFR) annual Rich List, released late last month, the fortunes of Australia's wealthiest 200 individuals and families have soared at an even faster pace over the past six months than before.

Their combined total jumped to \$479.6 billion, up by \$55.6 billion since November. The ruling elite in Australia, like its counterparts globally, is continuing to exploit the COVID-19 pandemic to slash workers' jobs, cut real wages and restructure corporate operations in favour of casualised employment.

This acceleration is even more stark because last year's 2020 Rich List was held back until November due to the pandemic. The \$55 billion increase in wealth since then occurred at a quicker rate than during the previous 12 months, when it rose by more than \$82 billion to \$424 billion.

And last year's \$82 billion rise, or 24 percent, far surpassed the \$59 billion, or 21 percent, increase on the pre-pandemic 2019 list.

To give a picture of just how much wealth is concentrated in the hands of the top 200, the AFR noted: "Australia's gross domestic product is \$1.9 trillion." In other words, these people have a combined wealth of more than 25 percent of Australia's GDP.

An even more revealing comparison is that the \$479.6 billion is nearly six times the annual total federal government spending on health during the pandemic. That spending in 2019–20, including on public hospitals, Medicare and pharmaceutical benefits, is estimated to be \$81.8 billion. This amount was only just over \$1 billion more than in 2018–19, despite the public health emergency, and was projected to rise by less than \$1 billion in 2020–21, according to a parliamentary library report.

As with last year's coverage, there is a tone of

triumphalism in the Rich List articles. The AFR declared: "Australia's billionaires have thrived during the pandemic year." It added that "iron ore, property and technology are the three main paths to" entry on the Rich List. The ultra-wealthy have "shrugged off the pandemic to be richer than ever before."

There are now 111 billionaires recorded in Australia, adding 7 new ones to the list. The average wealth of those on the list increased to \$2.34 billion, up from \$2.12 billion from the previous list. The cut off for entry to the Rich List increased to \$590 million, from \$540 million.

More than a third of the total is concentrated by ten individuals, whose combined wealth is \$117.04 billion. Remaining at the top of the list are iron ore magnates Gina Rinehart and Andrew Forrest, ranked one and two respectively. Combined, they increased their wealth by a staggering \$6.41 billion, mainly the result of continuing iron ore sales to China.

However, the AFR bemoaned, had the cut off for the list been a fortnight later, their wealth would have been even higher because mid-April saw a slight dip in the iron ore price. By the end of that month, it had resumed its record rise to more than \$US200 a tonne.

This added another \$3 billion to Rinehart's wealth and \$2 billion to Forrest's, as well as billions to another iron ore mine owner, Clive Palmer, who reached rank 7 this year, up from 8 last year.

Forrest, the country's second richest person, increased his wealth by nearly 10-fold over five years—from \$3.3 billion to \$27.2 billion. Fortescue Metals Group, of which he is the majority shareholder, paid him an astonishing \$6 billion dividend. According to the AFR, this made him one of the few "cash multibillionaires" in Australia.

Much of the wealth at the top still rests on the

financial parasitism and speculation that has seen share and property prices surge over the past decade, while making it increasingly difficult and financially stressful for millions of working people to buy a home.

The other billionaires that made the top of the list are property magnates Harry Triguboff, ranked sixth with \$17.27 billion, Hui Wing Mau, eighth with \$11.7 billion and Frank Lowy, ninth with \$8.5 billion.

Triguboff boasted of selling more and bigger apartments in his Meriton buildings. He told the AFR: “This year has been very good. Last year I think I sold \$1.2 [billion], this year will be \$1.4 [billion] probably. So that’s all right. I’m happy. And next year probably will be similar.”

From the technology sector, Mike Cannon-Brookes moves up to third from fourth on the list with \$20.18 billion, while his co-founder of the Atlassian tech company, Scott Farquhar, is fifth on the list with \$20 billion. Both had a nearly 20 percent increase in their wealth from November.

The Rich List provides another measure of how the pandemic has been used to pour billions into the coffers of the wealthy elite. In its May 11 annual federal budget the Liberal-National Coalition government, backed by the Labor Party opposition, handed about another \$50 billion to companies in terms of tax write-offs and subsidies. That was on top of the \$400 billion given to the corporate elite, via support packages and cheap loans, by the federal, state and territory governments, and the Reserve Bank, over the previous year.

During the same period, the government terminated the lowly \$750-a-week JobKeeper wage subsidy, upon which millions of workers relied after losing their jobs due to the pandemic. The government also slashed JobSeeker dole payments back to sub-poverty pre-pandemic levels.

By the Budget’s estimate, real wages will also continue to fall, after 10 years of stagnation, as inflation rates rise faster than workers’ pay over the next four years.

The annual obscene celebration of wealth began when Rich List was launched in 1984. That was the first full year of the trade union-backed Labor governments of Bob Hawke and Paul Keating, which launched a vast redistribution of wealth from the working class to the top. This included the largest-ever tax cut for high

income recipients, from 60 to 36 percent by 1993, while the unions suppressed workers’ opposition and enforced anti-strike laws, imposed as part of Labor’s Prices and Incomes Accords with the unions.

Back in 1984, the 200 richest people had a combined wealth of \$6.4 billion, which was 2.7 percent of the \$231.8 billion GDP in that year. There has been a 75-fold increase in their fortunes since then, while millions of people are increasingly struggling to survive.

This year’s Rich List bonanza is part of a worldwide acceleration of social inequality. The collective wealth of the planet’s billionaires exploded by more than 60 percent last year, from \$US8 trillion to \$US13.1 trillion, according to *Forbes* magazine’s annual list of global billionaires released in April.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact