

Australian property developer Tim Gurner reveals the real face of capitalism

Nick Beams
13 September 2023

Every so often a member of the corporate elite blurts out the real thinking in the boardrooms and exposes the fiction that government policy is about lifting the economy and improving the living standards of the people.

That is the case with the remarks made on Tuesday by multi-millionaire property developer Tim Gurner to the building industry summit held by the *Australian Financial Review* (AFR), which have gone viral on Twitter (X).

Asked a question by AFR editor Michael Stutchbury on immigration, Gurner laid out what can only be characterised as a class war agenda.

“I think the problem that we’ve had is that people decided that they really didn’t want to work so much any more through COVID. And that has had a massive effect on productivity. You know, tradies have definitely pulled back on productivity. They have been paid a lot to do not too much in the last few years and we need to see that change.”

Gurner made no bones about how that should be carried out.

“We need to see unemployment rise—unemployment has to jump 40 to 50 percent in my view,” he said.

On the current understated official figures, a 50 percent increase in the unemployment rate, from the current level of 3.7 percent to 5.6 percent, would see at least 275,000 workers lose their jobs. Gurner would clearly be in favour of an even bigger increase if that were not sufficient.

According to Gurner: “We need to see pain in the economy.” Not that it would affect him. His company has a portfolio of \$9.5 billion and his personal fortune is \$677 million, placing him at 192 on the *Australian’s* Rich 250 list.

In the manner of a lord addressing his underlings and

seeking to make them grovel, he continued: “We need to remind people that they work for the employer, not the other way around. There’s been a systematic change where employees feel the employer is extremely lucky to have them as opposed to the other way around. It’s a dynamic that has to change.”

Not mincing his words, he continued: “We’ve got to kill that attitude and that has to come through hurt in the economy which is what the world is trying to do. The governments are trying to increase unemployment to get some sort of normality.”

This is indeed the policy of all central banks and the governments which stand behind them. Gurner’s remarks point to the fact that the high interest rate regime, advanced in the name of “fighting inflation” and trying to engineer a “soft landing,” is in reality aimed directly at the working class, by altering conditions in the labour market universally characterised as being “too tight.”

Driving up unemployment is aimed at forcing down wages and correcting the “attitude” of workers who see themselves as being in a stronger position than they have been in decades to push back against the relentless cuts in living standards.

Gurner considers that the policy of forcing up unemployment is starting to have some success in suppressing this movement.

“We are seeing it. I think every employer now is seeing it. There is definitely massive layoffs going on. People might not be talking about it. People are definitely being laid off and we are starting to see less arrogance in the employment market and that has to continue because that will cascade across the costs balance.”

Gurner’s comments caused something of a Twitter storm. In the words of one user, they were a “gross

display of arrogance.” Another commented: “The arrogance of Tim Gurner is truly gobsmacking. I watched it twice and still couldn’t believe what I was hearing.” There have been many similar posts.

The president of the Australian Medical Association, Professor Steve Robson said Gurner had made a “breathhtakingly irresponsible statement” as a rise in unemployment was associated with a range of adverse health outcomes, including suicide.

However, the outrage should not be allowed to obscure the essential political lesson that must be drawn by workers and youth.

It would be wrong to dismiss Gurner as merely the “ugly face” of capitalism. He has just ripped off the mask behind which the political establishment assiduously serves the interests of the entire corporate world. He is the real face of capitalism.

In comments on the state of the construction industry, before he turned to his broader political agenda, he pointed to some of the motivations for his outburst.

He warned of a “housing crisis coming like we’ve never seen before.”

“Developers work on a 20 percent margin. If our costs go up 40 percent, its pretty simple mathematics. It doesn’t work.”

There has been a swathe of building companies that have gone bankrupt, with more to come.

Gurner said he had 30 sites across Australia of which 14 were “absolutely on hold, they cannot work as this stage. Just no chance. And that would be the same for every developer across Australia who’s being honest.”

Gurner’s attempt to blame “lazy” and “arrogant” workers and their “attitudes” for the deepening industry problems has no basis in economic reality. But it does have a profound significance inasmuch as it points to the way ruling classes intend to go about trying to resolve the deepening crisis of the entire profit system.

The gathering storm in real estate and property development, is not just in Australia but across the globe. It is the outcome of the speculative bubble that developed on the back of the quantitative easing policies pursued by the US Federal Reserve after the 2008 global financial crisis.

Trillions of dollars that were pumped into the financial system found their way into property. Together with the fall in interest rates to their lowest levels in history it created a speculators’ boom.

Gurner was one of those to jump on the escalator.

His rise from a small-time buyer and seller of houses to a property mogul was not the result of hard work and diligence, as he likes to maintain. After all, millions of workers labour much harder and under more onerous conditions than Gurner has ever experienced but do not make it to the rich list.

Gurner was lifted skywards not by hard work but by monetary inflation. While on the way up, he gained notoriety in 2017 when he regurgitated a theme advanced a year earlier in the Murdoch press. He declared that young people could buy homes, at the inflated prices from which he was benefitting, if only they stopped ordering smashed avocado on toast.

Now the inflated bubble on which he sought to rise into financial heaven is collapsing under the impact of a high interest rate regime. And value must be put back into assets that have been inflated to unprecedented heights over the past 15 years and more.

The ultimate source of that value is the surplus value extracted from workers through the operations of the profit system. Increased surplus value can only be obtained through the intensification of the exploitation of the working class.

That is the significance of Gurner’s outburst. It is not the ravings of an individual but an expression of the discussions going on in the corporate board rooms, in the political establishment and in the financial organisations of the capitalist state. The demand is for an offensive against the working class, not just in the building industry but across the board.

The ruling classes are preparing a ruthless offensive. The working class must likewise prepare its own independent strategy, the fight for a socialist program to be advanced in the class battles now unfolding.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact