

Australia's 200 rich list records largest ever rise in wealth

Tania Kent**1 September 2006**

The *Business Review Weekly*'s annual rich list this year registered a staggering increase in the wealth of the super rich in Australia. Five new billionaires were created in 2005-06, taking the total to 22—the biggest single jump in combined wealth in the list's history.

The richest 200 people in Australia were worth a combined wealth of \$A101.5 billion, up 22 percent from a year ago. The minimum wealth needed to qualify was \$A130 million, 13 times higher than the \$10 million needed when the list was first published in 1983.

The latest results confirm that the enrichment of the privileged that began in 1983 under the Hawke-Keating Labor government has accelerated under Howard's Liberal-National Coalition since 1996. This process will only intensify further through the Howard government's massive tax handouts for the rich in the past two budgets.

Many of the super-rich have benefited from the current "commodities boom"—soaring corporate profits generated by high prices for mining exports, especially to China, and the resulting speculative investments in stocks and shares on global markets.

Highly inflated property prices, whilst preventing many low-income earners from buying and imposing rising debts onto others, have also produced spectacular returns for major property developers and investors. No less than 58 of the 200 members of the Rich List gained their wealth via property.

Parasitism prevails at almost every level. Some of the biggest tycoons simply inherited their riches, including James Packer, son of Kerry Parker, the media and gambling magnate, and Gina Rinehart, daughter of iron ore baron Lang Hancock.

One of the most loathsome enterprises, the gaming industry, which has produced chronic social problems

from gambling addiction, continued its heavy presence in the *Business Review Weekly* list. James Packer assumed his late father's spot at the top of the list with assets of more than \$7.1 billion. Buoyed by casino and other gambling profits, the family's wealth rose \$200 million in 12 months.

Frank Lowy, the founder of the Westfield Group, the world's biggest owner of shopping malls, remained at number two after increasing his wealth by \$600 million to \$5.4 billion. In other words, Lowy's worth grew by almost \$2 million a day, about 12,000 times the income of an average worker on \$60,000 per year.

Packaging billionaire Richard Pratt, who controls the Visy group, came in third after adding another \$500 million to his name and taking his total wealth to \$5.2 billion. Next came Chinese-born solar panel manufacturer Zhengrong Shi with \$3 billion.

Other billionaires included Harry Triguboff, whose \$2.5 billion was acquired through property investment; racing personality David Hains (\$2.3 billion); poker machine supplier Len Ainsworth and his sons (\$1.9 billion); property and service magnate John Gandel (\$1.8 billion) and Channel Seven television network owner Kerry Stokes (\$1.8 billion).

Rinehart became Australia's first female billionaire with a fortune valued at \$1.8 billion, doubling her \$900 million listing last year. She is now ranked the 8th richest person in Australia.

While millions of ordinary people struggle to relieve the mounting financial stress produced by soaring fuel prices, rising interest rates, credit card debt and cuts in benefits for the unemployed, single parents and the disabled, the rich have difficulty spending their spectacular fortunes.

Consumer surveys reveal that spending on maintaining extravagant and self-indulgent lifestyles

has hit record highs. At the Sydney Easter yearling sale, the world's third largest auction of year-old horses, the average price of a racehorse climbed 39 percent to \$288,497 and 13 thoroughbreds sold for more than \$1 million, compared with eight last year.

Sotheby's, the auctioneers, sold at least eight paintings in Australia for more than \$1 million during 2005, compared to none the year before. Mark Fraser, managing director of Sotheby's Australia, said: "A lot of people accumulate vast wealth and then have no idea why they have bothered because once they have got the houses and the yachts; they're not quite sure what to do what next. Art is something they become passionate about."

Fifteen Lamborghinis were sold in the first four months of 2006, compared with six during the same period in 2005, according to figures kept by the Federal Chamber of Automotive Industries.

Such spending provides a glimpse of a world that millions in Australia can barely imagine. While guaranteeing further tax cuts for the rich, the Howard government has abolished social security rights for tens of thousands of people through its "welfare to work" packages. The new industrial relations legislation, which has already produced drastic cuts in wages and conditions for many workers, will only fuel the social polarisation and exacerbate class tensions.



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