

Two reports show escalating social inequality in Australia

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Two reports that appeared on the same day late last month—the BRW Rich 200 list for 2013 and a Salvation Army National Economic and Social Impact Survey—underscore the widening gulf in Australia between a thin super-rich layer and millions of ordinary people facing worsening economic hardship.

The BRW Rich 200 list details the personal fortunes amassed by Australia's 200 wealthiest people. The top ten alone had combined assets of \$66.38 billion. While the overall value of richest 200 fell by \$4.4 billion—largely because of the breakup of the mining boom—they still held \$176.8 billion between them. The entry level to the exclusive rich club was \$235 million.

The biggest falls in fortunes were in the mining sector, because of falling demand and lower commodity prices, driven by slowing economic growth in China and the downturn internationally. Ivan Glasenberg, chief executive of GlencoreXstrata, lost \$1.79 billion, leaving him with a mere \$5.61 billion. Fortescue Metals Group's Andrew Forrest, who relies on iron ore contracts, was down \$2.23 billion to \$3.66 billion, while Clive Palmer, who depends on coal sales, was down to \$2.2 billion, from \$3.85 billion last year.

Even so, four individuals from the mining sector featured in the list's top ten places.

First place went to Western Australia-based iron ore magnate Gina Rinehart, who saw her wealth fall by \$7 billion last year to \$22.02 billion. This was still double the \$10.31 billion she held in 2011. Rinehart inherited her father Lang Hancock's in-perpetuity royalties to iron ore in the Pilbara region—an empire that began with the mining of blue asbestos.

Second on the list was Westfields shopping centre operator Frank Lowy, whose stocks rose \$400 million to \$6.87 billion. He was followed by James Packer, heir to media baron Kerry Packer, who increased his wealth

to \$6 billion from \$5.21 billion last year, largely due to his growing interests in the gambling sector, including a 40 percent share in Melbourne's Crown Casino.

Anthony Pratt, the sole manufacturing employer in the top 10, moved from fifth to fourth place with \$5.95 billion, up \$500 million. He derived his fortune from his father Richard Pratt, the founder of Visy cardboard.

Next came residential apartment developer Harry Triguboff (\$4.95 billion), property developer Hui Wing Mau (\$4.8 billion) and property investor John Gandel (\$3.7 billion). There were followed by mining and property magnate Christopher Wallin (\$2.8 billion), private hospitals owner Paul Ramsay (\$2.70 billion), retailer Gerry Harvey (\$1.44 billion) and fellow retailer Solomon Lew (\$1.70 billion). All except Wallin, another mining casualty, enjoyed handsome windfalls over the year.

None of these fortunes are the result of personal labour or brilliance. They are part of a global transfer of wealth from the working class, which has accelerated since the global financial crisis emerged in 2008 through corporate cost-cutting and other pro-market measures at the expense of jobs and social services. (See: "The 2008 crisis and the restructuring of class relations in America")

In Australia, the wealth transfer first intensified under the Hawke-Keating Labor government during the 1980s and 1990s. Enforced ruthlessly by the trade unions, a vast economic restructuring saw the wholesale destruction of social conditions, jobs and working conditions.

This process is being deepened under the current Gillard Labor government, which is imposing a program of austerity to further gut social programs, dismantle welfare provisions and slash public sector employment, and backing major corporations as they

shed jobs and drive down wages and conditions.

Some of the devastating social consequences are shown in the Salvation Army's survey of 2,705 people accessing the charity's relief and support services. Some 28 percent of respondents could not afford one decent meal each day, and 58 percent could not pay utility bills on time.

Most were living precariously, with 92 percent have little or no savings in case of an emergency. Even basic health care was out of reach. About 60 percent could not afford dental treatment and 35 percent went without prescribed medication.

Adequate housing was denied to many. Some 28 percent reported not having a decent home, 33 percent had no roofing and gutters, and 32 percent were without secure locks on doors and windows. Over a quarter (27 percent) could not afford heating and cooling in at least one room of their home and one quarter could not afford decent furniture.

A growing army of "working poor" was seeking assistance. Over a third of the respondents were employed on a casual basis, with 30 percent employed on a permanent or ongoing basis.

Children suffered. Over half the respondents were unable to afford out of school activities for their children and more than one third could not pay for school-based activities. Some 51 percent of people surveyed cared for young children.

The Gillard government's attacks on social programs have worsened the plight of such families. Its callous decision to shift 84,000 sole parents onto sub-poverty level unemployment benefits resulted in an average loss in weekly income of \$140.

The Salvation Army reported that Labor's changes meant people in single parent households were at "increased risk of poverty and disadvantage." About 7 percent of single parent respondents were homeless, with another 7 percent having to stay with friends or relatives.

This social polarisation demonstrates that the needs of millions of ordinary people are incompatible with the capitalist system, which subordinates all aspects of life to the drive for corporate profit. More than 150 years ago, Karl Marx wrote: "Accumulation of wealth at one pole is at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole."

The elimination of social and economic deprivation requires nothing less than the overthrow of the profit system and the reorganisation of society along socialist lines so that the vast wealth created by the labour power of the working class can be utilised to meet the social and human needs of all.



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