Australian rich list: “A billionaire bounty”

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Forbes Asia’s “Australia’s 50 Richest” list for 2013, released last Thursday, is a further indication of growing social inequality and the staggering sums of money being concentrated in the hands of a tiny layer at the top of society.

“A Billionaire Bounty, Despite the Struggling Aussie Dollar,” was the title given by *Forbes* to its summary of this year’s list. According to the magazine, the number of Australian-dollar billionaires rose by 50 percent, from 20 to 30, during 2013. Due to the drop in the value of the Australian dollar, however, the number of US dollar billionaires increased only from 23 to 26.

Forbes compiles its estimates from private databases and analysis of the stock exchange, as well as by personally contacting the multi-millionaires, billionaires and their families. It calculates that the 50 richest people in Australia are now collectively worth $US101.9 billion. This is up from $98.3 billion on last year’s list, and from $68.3 billion three years earlier. In other words, the wealth of the top 50 increased by 49 percent in just three years.

Put into context, the wealth of these 50 individuals is $US5 billion more than the federal government’s entire budgetary spending on healthcare, education, public transport and housing in 2013, and more than three times the combined annual gross domestic product of eight countries in the South Pacific region—East Timor, Papua New Guinea, the Solomon Islands, Fiji, Vanuatu, Samoa, Tonga and Kiribati—inhabited by more than ten million people.

This enormous growth in the personal fortunes of the ultra-rich, which occurred under the Labor governments of Julia Gillard and Kevin Rudd, has taken place during a deepening economic slowdown in Australia, with growing numbers of working people plunged into unemployment and poverty.

Five years after the eruption of the 2008 global financial crisis, 2013 was the worst for job-seekers since 1996. The number of full-time jobs actually fell by 67,500, a process which is accelerating the trend toward precarious, low-paid and exploitative conditions. In December, 31,600 full-time jobs were destroyed, replaced by only 9,000 part-time positions.

Amid this worsening social crisis, the rich have recovered whatever losses they incurred following the financial crash and are back doing better than ever.

Despite a drop in commodities prices, which saw the number of mining magnates on the *Forbes* list this year drop from eight to six, the top five included three individuals who made their fortunes in the mining industry. Mining heiress Gina Rinehart held on to her number one spot, while increasing her wealth by $700 million to $17.7 billion. Glencore Xstrata CEO Ivan Glasenberg ($6.3 billion) dropped two spots to fourth place, and Andrew Forrest ($5 billion), the former CEO of Fortescue Metals Group, kept fifth spot.

Anthony Pratt, the heir of his father’s Visy packaging company, was the only manufacturing tycoon on the list. He jumped from seventh place to second, increasing his personal fortune by $2.5 billion to $7 billion. Pratt’s sister Fiona shares a home with her husband Raphael Geminder, another member of the elite 50 club, with whom she has a $10 million home renovation plan to erect a “moat” of swimming pools to keep strangers away, as well as a 12-car garage and car wash, gymnasium and a theatre. The two have cleared space for their project by demolishing five nearby houses.

The social physiognomy of those on the *Forbes* list reveals the essentially parasitic character of the Australian corporate elite. Altogether, 14 of the top 25 spots are held by individuals who obtained their fortunes from the real estate, property, financial investment and retail sectors, none of which involve the creation of any real wealth for society.

Another heir, James Packer ($6.6 billion), the thirdrichest individual in Australia and owner of Crown Limited, boosted his fortune through the casino industry. According to the *Australian Financial Review*, Packer's "largely subterranean" Sydney home with his former wife is replete with "a soundproof 13-car garage, rooftop lap pool, and living quarters for nannies, who have their own express lift to the children's wing," as well as a "winter garden," "wellness room," gym, sauna and 22-seat cinema.

Frank Lowy ($4.6 billion), the Westfield Group co-founder and owner of over 100 shopping centres nationally, took sixth spot, while numbers seven and eight, Harry Triguboff ($4.3 billion) and John Gandel ($4.2 billion), made their fortunes in property and real estate. At ninth spot, Paul Ramsay ($3 billion), the founder of Ramsay Health Care, owns 117 private hospitals nationally. In tenth place is Kerr Neilson ($2.9 billion), the manager of the Platinum Asset Management fund.

A decades-long growth in social inequality has involved a massive transfer of income from the working class to the top of society. Delivering a Melbourne university lecture last October, former senior OECD official John Martin, outlined OECD estimates that the richest 10 percent of Australians received almost 50 percent of income gains from 1980 to 2008. The top 1 percent took in 22 percent of all gains. This was, however, outmatched by the United States, where the top 1 percent absorbed almost half the income gains, and the top 10 percent took in 80 percent.

According to calculations by British economist Tony Atkinson and Labor parliamentarian Andrew Leigh, the share of total income going to the top 1 percent in Australia doubled from 5 to 10 percent over the same period. In the US, the top 1 percent increased its income share from 10 to 20 percent.

This is not simply the result of blind market forces, but of conscious policies carried out by successive Liberal and Labor governments, the bought-and-paid for representatives of the ruling elites, over the past three decades. Beginning in the 1980s with the Hawke and Keating Labor governments, the corporate tax rate was slashed from 49 percent to 30 percent, and the personal income tax rate for the highest bracket from 60 percent to 40 percent. (See: "Three decades of tax breaks for the wealthy in Australia")

Over the same period, a vast economic restructuring was carried out, initiated by the Hawke-Keating Labor governments and enforced by the trade unions, involving mass job destruction and the tearing up of social and working conditions. This process has intensified since the 2008 global breakdown of capitalism.

The endemic growth of social inequality is a global process. According to a report released by Oxfam last month, the richest 85 people in the world now control as much wealth as the bottom 50 percent of the population, or 3.5 billion people. (See: "The global plutocracy")

The accumulation of extraordinary wealth at one end of society, and mass unemployment and poverty at the other, is an irrefutable argument for the overthrow of the present economic and social order—capitalism—and the socialist reorganisation of society on the basis of genuine equality.