Australia's Rich List: "Big wealth is back"

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According to the *Australian Financial Review,* which published the annual BRW Rich 200 List last Friday, "Big wealth is back." The newspaper celebrated the fact that a tiny layer at the top of society, already awash with staggering amounts of money, has now climbed to new heights in the wake of the 2008 global crash.

The 2014 list reports that the number of billionaires reached a record of 39, primarily because of rises in property and share values. This is an indication of the increasingly parasitic character of the corporate elite, whose fortunes are soaring even as basic production stagnates, often at the direct expense of workers suffering layoffs and losses of pay, conditions and welfare support.

The list estimates that in June, the 200 richest individuals and families had a combined wealth of $193.6 billion, an increase of 9.5 percent, or $14.8 billion, in just one year. Those at the very top took the lion's share of the bonanza. The richest 20 owned about half of the total, while the top 10 boosted their worth by 11 percent to a combined tally of $73.8 billion.

The list was compiled from publicly available information and in consultation with the list members, so the real levels of wealth could be substantially higher. Such obscene levels of wealth underscore the role of successive governments—Labor and Liberal-National—in enriching a tiny minority who inhabit what could only be described as a parallel universe.

Although some of the financial elite took an initial hit after 2008, their holdings have now mostly exceeded the record levels set six years ago. Their combined wealth has now trebled since 1999, when the total of $57 billion was itself an eightfold increase since 1983, the first year of the Hawke Labor government (see: "Sharemarket 'madness' boosts Australia's wealthy").

Gina Rinehart topped the 2014 list with $20.01 billion, despite a decline from $22.02 billion in 2013 due to falling iron ore prices. Rinehart, who inherited iron ore deposits from her father Lang Hancock, was ranked just 8th in the 2006 Rich List with $1.8 billion. She was the only member of the top 10 whose wealth fell in 2014, yet she still pocketed an estimated $55 million a day, or $2.3 million an hour.

Two years ago, after the Gillard Labor government permitted her to exploit 1,700 temporary overseas workers, Rinehart insisted that wages had to be lowered in Australia. "Africans want to work, and its workers are willing to work for less than $2 per day," she said. This year, she demanded the dismantling of the welfare system—which the Abbott government is seeking to deliver. "The 'Age of Entitlement' and its consequences is creating problems for all of us, our children and our grandchildren," she declared.

Richard Pratt and his family, who control the Visy group, came in second place with $7.64 billion. The Pratt family has almost doubled its wealth since 2009, chiefly through investments derived from dominating the recycling market.

James Packer came third with $7.19 billion. The son of media mogul Kerry Packer, he profited from the casino and gambling industry, which has produced chronic social problems.

Frank Lowy, the founder of the Westfield Group and the world's biggest owner of shopping malls, was ranked as number four. He increased his wealth from $6.87 billion a year ago to $7.16 billion.

Coming in at number five was Ivan Glasberg, chief executive of global mining company Glencore Xstrata. The company has cut its Australian workforce by 10 percent over the past two years and shut down the Ravensworth coal mine in the Hunter Valley, north of Sydney. Glasberg has profited from that process, taking his worth from $5.61 billion to $6.63 billion in a year.

Inflated house prices have produced spectacular returns for property developers and investors. A quarter of the Rich 200 List made most of their wealth from property. Four property developers are among the top 10, and 13 of the richest 20 obtained their wealth from real estate, property and financial investment.

Hu Wing Mau, the executive director and major shareholder of Hong-Kong based Shimao Property Holdings, ranked number six with $6.35 billion. Harry Triguboff, who heads property development company Meriton, was number eight with $5.5 billion. He increased his wealth by $550 million in a year, mainly due to a doubling of his land values, price increases that directly impact on young families attempting to purchase a home.

Iron ore baron Andrew Forrest was number seven, worth $5.86 billion, up more than $2 billion, due to a 50 percent surge in share prices for his Fortescue Metals Group. He was an exception, however. Falling demand and lower commodity prices, driven mainly by slowing growth in China, cut the number in the top 10 from the mining sector from 4 in 2013 to 3 this year.

Only one individual from the manufacturing sector, the Visy group's Richard Pratt, was listed among the top 10, and there were just 10 from manufacturing in the Rich 200. This is another indication of the decimation of basic industry and the growth of speculative and parasitic activity.

Perhaps the crassest expressions of the rise in share values came from poker machine billionaire Len Ainsworth. He reportedly laughed when he was told that share market gains made him one of the big winners on the Rich List. "No, I don't sit around watching share prices," the 90-year-old told the *Australian Financial Review*. "Why would I? I can't do anything about them. So I don't really care." Ainsworth's wealth reached $1.82 billion, enough for him to come 19th, up $200 million from 2013.

Australia's widening social inequality was further illustrated by a Oxfam report released in mid-June, which estimated that the richest one percent owns as much as the poorest 60 percent of the population and the nine richest people possessed $58.6 billion, more than the combined wealth of the bottom 20 percent, or 4.5 million people.

These figures point to a society in which immense wealth is concentrated in the hands of a tiny minority, while financial hardship and deprivation are becoming the norm for the vast majority of the people. Six years on from the 2008 meltdown, the resulting crisis has only been exploited to widen the gap between the rich and poor.

As indicated by the records of the Rich 200 List members, such levels of inequality result not just from the ruthless behaviour of the corporate elite, but are a direct product of the irrationality of the entire capitalist system, dominated by the insatiable and socially destructive demands of the financial aristocracy.