

Australia's wealthy soar while millions face destitution

Erin Cooke—SEP candidate for the Senate in Queensland
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Two reports last week underscore the yawning gulf in Australia between the super-rich and the millions of working class people—on whose labour power the wealthy built their obscene fortunes—who face destitution.

This year's Rich 200 list, published by the *Australian Financial Review*, estimates that the combined wealth of the top 200 individuals reached a record \$197.3 billion. The number of billionaires soared to 53.

Under the headline, "The new luxurians," the newspaper's magazine celebrates the rise to new heights of a tiny layer, awash with staggering amounts of money to spend. "Today's uber-rich aren't just filthy rich, they're fabulously, filthily rich," it writes.

"There should be no surprises," according to the article, "in a diamond-studded dog collar advertised for \$US3.2 million, a super-yacht with a \$US84 million price tag and a penthouse at Manhattan's The Mark Hotel on offer for a mere \$US90,000 a night."

Collectively, the riches accumulated by the top 200 have more than trebled since 1999, when the total of \$57 billion was itself an eightfold increase since 1983, the first year of the pro-business restructuring commenced by the Hawke Labor government.

At the other pole of society, the National Economic and Social Impact Survey by the Salvation Army charity of the people seeking its help, found that soaring housing costs pushed many into "bleak" circumstances. One in five parents said they could not afford medical treatment for their children and two in five could not afford regular dental treatment.

Respondents on any type of welfare benefit had an average of just \$16.96 a day on which to live, once they paid for accommodation. Half reported cutting back on basic necessities, with 43 percent going without regular meals and one-third pawning belongings to cover living

expenses.

Not accidentally, this year's Rich 200 list is headed, for the first time, by a residential property developer, Harry Triguboff, the head of the Meriton Group apartment empire. His wealth soared to \$10.62 billion this year, and has almost doubled from \$5.5 billion just two years ago. His company has profited directly from a property bubble of soaring real estate prices that has made it almost impossible for young working class people to purchase a home.

Triguboff is one of 54 property developers who made the top 200 list this year, primarily because of higher property and share values. This highlights the increasingly parasitic character of the corporate elite, whose fortunes are soaring even as factories and mines shut down, at the direct expense of workers suffering layoffs and losses of pay, conditions and welfare support.

The apartment king, who claims to be on track to sell \$1.2 billion worth of apartments in 2016, displaced mining magnate Gina Rinehart from the top spot on the list for the first time since 2011. Rinehart's wealth dropped dramatically from \$14.02 billion last year to \$6.06 billion, mainly due to falling iron ore prices.

Second on the list is Anthony Pratt, executive chairman of the cardboard and recycling giant Visy. He and his family's wealth is \$10.35 billion. The others in the top 10—each worth more than \$3 billion—are property developers, shopping mall owners, casino operators, mining barons and a telecommunications CEO.

The rise of these moguls is part of an accelerating worldwide process. By Oxfam's estimates, 62 people globally have as much wealth as 3.6 billion people, half the world's population. As recently as 2010, it was 388 individuals with the same wealth as those 3.6 billion.

In Australia, the top 1 percent have as much wealth as the poorest 60 percent of people. Below the richest 200 is another layer of 2,500 “ultra-high-net-worth individuals” with invested assets of \$US30 million or more. Yet by most estimates, more than 2.5 million people now live in poverty, a quarter of whom are children.

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 people. Eight years on from the 2008 global financial meltdown, the resulting crisis has only been exploited to widen the gap between the rich and poor.

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 oligarchy.

Prime Minister Malcolm Turnbull speaks of “exciting times” for Australians, while Labor Party leader Bill Shorten claims he would “put people first.” The reality is that successive governments, Liberal-National and Labor, have presided over the greatest-ever shift of wealth to the corporate elite since the 1980s.

Yet this offensive is not enough for big business. In an editorial accompanying the Rich 200 list, the *Australian Financial Review* denounced “an election campaign based on contrived indignation about fairness, and the bashing of wealth and success.” Displaying utter contempt for ordinary working people, and for democracy, it absurdly declared: “Wealth in Australia is not unfair, and the benefits of growth—driven by the private sector entrepreneurialism exemplified in the Rich 200—have spread widely.”

This social and political 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, in *Capital*, Karl Marx set out the remorseless logic of capitalism: “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.”

As Marx explained, there is no prospect of modifying capitalism or restraining its appetites via the election of

another set of its parliamentary servants. The elimination of social and economic deprivation requires nothing less than the overturn of the private profit system and the reorganisation of society along socialist lines so that the vast wealth created by the working class can be utilised to meet the social and human needs of all. That is the goal of the Socialist Equality Party.

To contact the SEP and get involved, visit our website or Facebook page.

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