Australia’s billionaires celebrate a “wealth boom”

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29 May 2017

The ever-widening social gulf in Australia was put on display by last week’s publication of this year’s *Australian Financial Review* (AFR) Rich 200 List.

Under conditions where millions of people are experiencing falling wages, worsening under-employment and deepening budget cuts to social spending, the publication proclaimed: “Australia is in the middle of a wealth boom.”

From a handful of billionaires before the 2008 global financial breakdown, the country now has 60. Summing up its estimates, which are from 2016, the newspaper boasted: “The top 10 wealthiest Australians are worth about $75 billion alone, while the average wealth for the 200 list members is a whopping $1.16 billion.”

The accumulation of fortunes at the expense of the vast majority of the population sped up during the year. The total wealth of the list mushroomed from $197.3 billion to $233.1 billion—a rise of about 18 percent—while average real wages fell. Every month, the super-rich collectively amassed another $3 billion, or $100 million per day.

This marks an intensification of a three-decade process. Since 1984, when the Rich List was first published during the first year of the Hawke Labor government, the total holdings of those on the list has increased more than tenfold, from $20 billion.

For those at the top of the list, the rise has been even more spectacular. Property developer Harry Triguboff, the country’s biggest apartment builder, has increased his fortune since 1984 from $25 million to $11.45 billion—a 485-fold bonanza.

These results are part of an accelerating global social polarisation. According to an Oxfam report earlier this year, the world’s eight richest people now collectively own as much the combined wealth as the poorest 3.6 billion people. As recently as 2010, an estimated 388 individuals held the same total wealth as the poorest half.

This year’s Forbes *The World’s Billionaires* report counted a record of 2,043 billionaires—the first time over 2,000 people were listed—with a total worth of $US7.67 trillion, up from $7.1 trillion in 2015.

Triguboff personifies the predominantly parasitic character of the capitalist class in Australia, as elsewhere around the globe. Much of the “wealth boom” comes from the soaring value of share portfolios and property prices, while factories, mines and retail stores shut down, with workers suffering layoffs and losses of pay, conditions and welfare support.

Counting Triguboff, of the wealthiest 15 on the list, seven made their gains mostly from a five-year housing-led real estate surge that has placed home ownership out of reach for most young working class people. That bubble, based on speculative investment, is now showing signs of bursting, threatening the jobs of thousands of construction workers and the homes of heavily debt-laden households.

James Packer, now worth $4.75 billion, makes his money from casinos and Len Ainsworth, on $3.10 billion, built his prosperity on producing poker machines, which notoriously fleece working people.

Most of the others in the top 15 benefitted from a partial recovery of global iron ore prices: mining heiress Gina Rinehart ($6.06 billion), Glencore chief executive Ivan Glasenberg ($6.85 billion), Fortescue Metals Group chairman Andrew Forrest ($6.4 billion), and Bianca Rinehart (Gina’s daughter) $2.74 billion. Forrest’s worth doubled in a year on the back of higher share prices, buoyed by the ore rebound.

While the mining magnates depend heavily on China, Australian capitalism’s largest export market, even more powerful billionaires rely on investments in the United States. That includes the richest man, Anthony Pratt. His personal wealth of $12.6 billion is now mostly based on the rapid growth of his privately-owned Pratt Industries, a recycling and cardboard box business in the US built on the exploitation of poorly-paid workers.

Also prominent in that camp is Frank Lowy ($8.26 billion), whose Westfield empire owns shopping malls across the US, and media baron Rupert Murdoch. His $US12.2 billion fortune is not counted on the Rich List because he became an American citizen in 1985.

The implications of the American connection were showcased earlier this month when US President Donald Trump hosted Australian Prime Minister Malcolm Turnbull aboard an ex-World War II aircraft carrier in New York to commemorate the 75th anniversary of the Coral Sea battle against Japan.

In front of Murdoch, Lowy, Pratt, Dow Chemical chief Andrew Liveris and other major business figures, Turnbull gave an ongoing commitment to back Washington in war. He emphasised: “The United States is the largest foreign investor in Australia and the United States is our largest overseas investment destination.”

Trump led a standing ovation when Pratt pledged to invest $US2 billion over the next decade on new packaging plants in the US. Pratt Industries typifies the anti-working class content of Trump’s “America First” program to “create jobs” in the US by undercutting pay and conditions elsewhere. Most of Pratt’s 7,000 US employees are on low wages, with machine operators on about $14 an hour, while Pratt’s wealth grew by $2.25 billion last year—about $108,173 an hour.

In Australia, Pratt’s Visy is notorious for its provocative attacks on workers’ jobs and conditions. In 2010, more than 70 striking Visy workers were arrested after the company used police, security guards, helicopters and scab labour to combat a two-week strike over cuts to pay and conditions, and greater use of temporary workers. The strike was isolated and eventually sold out by the Australian Manufacturing Workers Union.

Pratt’s companies are also known for avoiding paying tax. In 2016, the Australian Taxation Office reported that despite more than $2.5 billion in revenue in 2013–14, Pratt Consolidated Holdings paid no taxes. Pratt commented: “All I can say is that we abide by all the laws, as any good ethical company does.”

According to the AFR editorial accompanying the Rich List, however, business taxes must be slashed and governments must do more to drive up profits. Governments are “taxing wealth creators hardest to pay for redistributive spending.”

Contrary to the myth of egalitarianism, Australia is one of the most unequal industrialised countries in the world. A report last year, based on previously unavailable official data, showed that the top 1 percent is now estimated to own about 20 percent of total household wealth. The richest 10 percent own more than half, while the poorest 40 percent own less than 3 percent.

For all the celebrations of the wealth explosion, there are fears in ruling circles of social unrest. The *AFR Magazine* that contained the Rich List drew attention to the “latest offering” from luxury storage specialists Agresti—a fully-serviced Strong and Panic Room that can protect an entire family.

“From this fortified enclosure you can monitor the outside world via CCTV, use a secure phone line to call for assistance, surf the net while waiting for law enforcement, and avail yourself of what Agresti calls ‘anti-intrusion tools,’ aka remote-controlled pepper spray.”

Those on the Rich List are aware that the glaring inequality is generating widespread disaffection and creating the conditions for social and political convulsions.