

Rich list shows more Australian billionaires than ever

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This year's Rich 200 list, released by the *Australian Financial Review* (AFR) last week, revealed that the ranks of Australia's billionaires has swelled to 76, up from 60 in 2017. The collective wealth of the richest 200 individuals stands at an unprecedented \$283 billion.

The figures underscore the immense growth of social inequality. Amid an increasingly precarious existence for millions of working people, characterised by stagnant or declining wages, a rise in poverty, homelessness and unemployment, the financial elite is making more money than ever.

The bonanza for the ultra-wealthy, which comes at the direct expense of ordinary people, is the continuation of a decades-long process that has intensified since the 2008 global financial crisis. In that year, there were 14 Australian-based billionaires. The number now stands at 33. The majority of Australia's billionaires live abroad near the major hubs of international finance in the United States and Europe.

Together, the richest 200 people increased their fortunes by an estimated \$50 billion over the past 12 months, a rise of 22 percent. Collectively, their bank accounts and stock portfolios grew by more than \$1 billion every week.

The speed of financial accumulation has accelerated. The holdings of the richest 200 individuals increased 4 percent faster over the past year than during the previous 12 months.

This is part of a vast transfer of wealth to the corporate elite on a global scale, driven by tax cuts, austerity measures and the intensified exploitation of the working class, enforced by capitalist governments.

An Oxfam report, released in January, found that 82 percent of global wealth created over the previous year had gone to the richest 1 percent of the world's

population. By contrast, the poorest half of humanity, 3.7 billion people, saw no increase in their share. The report noted that internationally, billionaire wealth had risen by an average of 13 percent since 2010, and that every second day, a new billionaire was created.

As in the United States and Europe, the overwhelming majority of the richest individuals in Australia make their money through parasitic industries centred on financial speculation, which create no new wealth in the real economy.

More than a quarter of those on the AFR's list, 51 individuals, accumulated their fortune through the property market. Harry Triguboff, the second richest Australian, is the country's largest apartment builder. His wealth has increased from \$25 million in 1984 to more than \$12.7 billion.

The dramatic influx of financial investment into the property market, encouraged by the pro-business policies of Labor and Liberal-National governments at the state and federal levels, has created a deepening housing crisis.

House prices have soared across the country, with median prices above \$1 million in Sydney, the centre of the property bubble. An entire generation is being locked out of home ownership, while millions of workers have exorbitant mortgages that threaten to tip them over the financial cliff.

Figures released by Digital Finance Analytics last year found that a quarter of all mortgaged households, numbering some 820,000, were in "stress." Around 32,000 were deemed to be in "severe stress," while 52,000 were at risk of defaulting that month.

Reflecting the rise and rise of finance capital, 20 of the richest individuals made their money through investments and 16 are in the financial services sector. Another 22 are in retail. Eighteen, including 3 of the 10

wealthiest individuals, are in mining and resources. They benefited from a rebound in commodity prices. Tenth on the list is James Packer, the billionaire heir who augmented his family fortune by operating casinos.

The richest individual, for the second year in a row, is Anthony Pratt, who has personal assets of \$12.9 billion. Much of his wealth is based on the expansion of his privately-owned Pratt Industries, which operates a cardboard box and recycling business based primarily on the super-exploitation of thousands of low-paid workers in the United States.

In the AFR, Pratt hailed US President Donald Trump's unprecedented corporate tax cut, to be paid for by the gutting of social spending. The Australian billionaire declared the tax handout would boost Pratt Industries' profits by \$100 million a year.

The article featuring Pratt underscored the aristocratic character of the ultra-wealthy. It reported that Pratt last year took out a \$200,000 membership in the 62,500-square-foot Mar-a-Lago luxury resort owned by Trump.

The article noted: "Over a mild spring weekend at the resort, Pratt flits between a house on the estate owned by the President's son, Eric Trump, and the resort's communal areas—the main dining room, which is lined with marble from an old castle in Cuba; the living room with its high ceilings and walls adorned with gold-plated motifs ... and the tiled patio terrace that is the centrepiece of the estate."

Pratt's Australian company, Visy, is notorious for tax avoidance and brutal attacks on its employees. 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 AFR's editorial proclaimed that the enormous wealth of those on its list proved that "Australia is a land of opportunity for all who strive." Nothing could be further from the truth.

Over the past three decades, social inequality has skyrocketed. The wealthiest 1 percent of the population controls more wealth than the poorest 70 percent. The richest six individuals, holding around \$64 billion, have roughly as much money as the poorest 20 percent of the population.

Around three million people live below the official poverty line. Figures released this month by Launch Housing found that the poverty rate had increased by 3.3 percent from 2014–2016. An additional 613,000 people, including 229,000 children, had been forced below the poverty line.

Other studies have shown that rental unaffordability, homelessness, child hunger and other indices of social misery have grown rapidly. Wage growth last year fell to a record low 1.9 percent, below the cost of living increase for working-class households. The corporate share of national gross domestic profit stands at 24 percent, a 10 percentage point increase over four decades.

The social gulf is a product of an assault on the social position of the working class, initiated by the federal Labor governments of prime ministers Bob Hawke and Paul Keating in the 1980s and early 1990s. Since then, every government has moved to lower spending on education, healthcare and other vital social services, while slashing corporate taxes and imposing pro-business policies across the board.

The trade unions, which function as an industrial police force of the corporations and governments, have played the central role in enforcing this agenda, through the suppression of industrial and political struggles by workers.



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