

Australian Rich List reveals accelerating wealth

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5 June 2022

The latest *Australian Financial Review* (AFR) annual Rich List has boasted that the fortunes of Australia's wealthiest 200 individuals and families soared in the past 12 months, even as workers faced skyrocketing living costs.

From April 2021 to April 2022, the combined total of the top 200 shot up to \$554.9 billion, a \$75.3 billion increase. The AFR proudly declared that their wealth “soars past half a trillion dollars.”

The wealth accumulated by this tiny elite in just four years is staggering. The 2018 Rich List had the combined total at \$282.7 billion, so their fortunes have nearly doubled.

The largest increases have occurred during the COVID-19 pandemic, with \$213.1 billion accumulated from 2020 to 2022. The Australian ruling elite, like its counterparts globally, has exploited this disaster to slash jobs and real wages, assisted by the trade unions, which stifled workers' opposition.

Over the same period, the now ousted Liberal-National Coalition government, backed by the Labor Party, and its state and territory counterparts, gave bailout packages and other handouts to big business exceeding \$400 billion.

The share of wealth is most concentrated at the apex of the list, with the top ten richest claiming 40 percent of the combined total, or \$219.37 billion. There are 26 new billionaires added to the list, which reached a record total of 137.

The record cut-off point for entry to the list was \$629 million, a \$39 million increase from last year and almost double the \$342 million needed to make it only five years ago.

Topping the list are two mining magnates: Gina Rinehart, with an estimated fortune of \$34.02 billion, up from \$31.06 billion last year, and Andrew “Twiggy”

Forest, with \$30.72 billion, up from \$27.25 billion.

Increased global demand for raw resources saw another mining magnate, United Australia Party head Clive Palmer, rank seventh with \$19.55 billion and Glencore shareholder Ivan Glasenberg rank ninth with \$12.2 billion.

The continued speculative property bubble, which has forced the median Australian house price in major capital cities to \$1 million, causing a rise in homelessness and housing insecurity, increased the fortunes of property moguls. Apartment developer Harry Triguboff ranked sixth with \$21.25 billion.

“Tech entrepreneurs” featured. Atlassian founders Mike Cannon-Brookes and Scott Farquhar took spots three and four with \$27.83 billion and \$26.41 billion respectively. Canva founders Melanie Perkins & Cliff Obrecht took the eighth spot with \$13.82 billion.

The cardboard manufacturing Pratt family numbered fifth with \$24.30 billion, while former shopping mall king Frank Lowy ranked tenth on \$9.27 billion.

An article on one of the rich listers provided a glimpse into the world of luxury inhabited by the wealthy few. It reported that “online social gaming juggernaut” Virtual Gaming Worlds paid “another healthy dividend to holders of its unlisted shares, and founder Laurence Escalante spent his on a long-range jet.”

Escalante became “one of the handful of Australians to own a Bombardier Global 7500 jet... When the \$120 million jet touches down in Perth before the end of the year, Escalante will join fellow Financial Review Rich Listers John Gandel, Kerry Stokes and Andrew Forrest in being able to privately travel from Australia's east coast to America's west coast non-stop.”

Nevertheless, despite such displays of opulence, and whilst previous Rich Lists glorified the elite's fortunes,

there was an evidently nervous attempt this year to downplay the massive wealth disparity in Australia and claim that everybody has the chance to be a billionaire.

According to one of the Rich List articles, “Australia doesn’t have a superclass of inherited wealth at the top.” It featured billionaire Sam Arnaout, a property mogul worth \$1.89 billion, who emerged from being a “panel beater” and is the son of refugees fleeing Lebanon’s civil war.

“The Rich List is porous in both directions,” the article claimed. “Six Australians might be in the ‘1 percent’ global 200 wealth club, but middle Australia is near the top of median wealth per head for developed countries... The more Australians become billionaires, the more new and often global businesses are likely to be created, in the end benefiting the whole nation.”

Nothing is further from the truth. The vast majority of the richest 200 came from wealthy families. Moreover, all their wealth is extracted from the labour power of the working class. The massive increase in the holdings at the top end of the scale is due to the accelerated funneling of money from workers, millions of whom face poverty, housing insecurity, casual or insecure jobs, intolerable working conditions and the daily threat of infection and death due to the unchecked spread of COVID-19.

Real wages are going backward, while the share of national income going to profits is at a record high, intensifying a four decades-long trend. Official inflation exceeds 5 percent, but is much higher for essentials such as food, fuel and housing. The cost of living has soared due to the ultra-cheap money handed to large corporations, the supply crisis produced by COVID and the proxy war waged by the US and its NATO allies against Russia in Ukraine.

This is fueling an increase in the class struggle internationally, including in Australia, with strikes by teachers, nurses, healthcare workers, university workers and bus drivers, to name a few.

In the lead-up to the May 21 Australian election, Labor Party leader Anthony Albanese made a pitch to big business, insisting that a Labor government, in combination with the unions, would be able to restructure the economy to drive up productivity—output per worker—even further.

Now prime minister, Albanese is planning a government-employer-union summit to deliver on that

pledge. His model is that of the Hawke and Keating Labor governments, which imposed a vast redistribution of wealth from the working class to the top, including the largest ever tax cut to high income recipients, from 60 to 36 percent by 1993.

The unions played the crucial role in that historic pro-business shift, suppressing workers’ resistance via a series of corporatist Accords, breaking up shop-floor committees and then straitjacketing workers in enterprise bargaining that outlawed most strikes.

Significantly, the Rich List was first released in 1984, the first full year of the Hawke government. At that time, the combined wealth for Australia’s richest was \$6.4 billion, around 2.7 percent of gross domestic product (GDP) that year. Now the fortunes have increased by more than 85-fold and equal 23 percent of GDP.

This is part of a global process of accelerating social inequality. As a recent Oxfam report revealed, food insecurity doubled in the past two years, while a new billionaire was minted on average every 30 hours.



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