Australian Rich List shows growing concentration of wealth at the very top

Mike Head
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This year's *Australian Financial Review* (AFR) Rich List underscores the parasitic character of the ruling class. Australia's wealthiest billionaires primarily derive their fortunes from mining and property, followed by finance market-backed technology start-ups.

"The rich keep getting richer," the newspaper crowed, although "only just." The $563 billion represented by Australia's 200 largest fortunes on the 2023 list, is only a 1 percent increase on last year.

But wealth inequality grew among the rich. The holdings of the 10 richest people increased by an average of 10 percent, to over $200 billion in total, during the past 12 months, while the rest of the list went slightly backwards.

"Bubbling property wealth" accounted for a quarter of the Rich List membership, helping make Australia one of the most expensive and debt-ridden housing markets in the world. But the biggest gains were enjoyed by mining magnates, especially those exporting iron ore.

The valuations of two iron ore barons, Gina Rinehart ($37.41 billion) and Andrew Forrest ($33.29 billion), the richest and second-richest Australians for the fourth year in a row, surged 10 percent and 8 percent respectively as "market analysts" re-rated the outlook for global iron ore prices.

That outlook, mostly buoyed by predicted rises in Chinese demand, also highlights the precarious dependence of the Australian capitalist class on exports to China, even as the Albanese Labor government escalates its commitment to US war preparations against Beijing.

Not far behind came Clive Palmer, whose royalty deal with Chinese-owned Citic, which mines the Pilbara tenements he claimed nearly 40 years ago, is linked to the iron ore price. The annual cheques Palmer receives from Citic now exceed $500 million. This, with a $1.4 billion sale of his Queensland Nickel business—at the expense of workers' jobs—sent his "worth" up 21 percent to $23.66 billion, and his ranking from seventh to fifth.

Palmer, who also heads and finances the far-right United Australia Party, leapfrogged over two technology billionaires, Atlassian software founders Mike Cannon-Brookes and Scott Farquhar. Their wealth fell more than 30 percent each, in line with the Nasdaq-listed shares of Atlassian, launched in 2002. This year they retrenched 500 workers, or 5 percent of their workforce, albeit "with the heaviest of hearts."

Third and fourth on the list were packaging industry owner Anthony Pratt and his family, valued steady at $24.3 billion, and Meriton apartment tycoon Harry Triguboff, whose valuation, based on exorbitant home prices and rents, rose 12 percent to $23.8 billion. "Higher returns from an extensive build-to-rent portfolio helped" Triguboff, "as did a sizeable land bank," the AFR enthused.

There has been an astronomical rise in wealth at the top over the past four decades. The first Rich List, published 40 years ago in 1983, contained total fortunes of $4.6 billion. If that had simply kept pace with the long-term average inflation rate of 2.5 percent, the Rich Listers would now be worth a total of about $15 billion. That is dwarfed by the $563 billion that the richest 200 have amassed today.

According to the AFR, this is a "welcome statistic." It "highlights the role that Rich Listers have played in creating prosperity in Australia." This "prosperity" is confined to the most affluent layers of society, extracted at the expense of the working class, whose labour power is the source of the proceeds.

Two items in the Rich List articles, glorifying the acquisition of personal wealth, illustrate the real character of this prosperity. First, the AFR reports that “a growing number of ultra-wealthy Australians have caught the island bug. Over the past 18 months, major island properties worth more than $120 million have changed hands.”

Billionaires are buying up offshore tropical islands, either for personal use or to set up luxury resorts, or both. Among them is Forrest and his wife, Nicola, whose private investment company Tattarang bought Lizard Island in north Queensland for $42 million in 2021.

The AFR explains: “A protected national park with white sand beaches, Lizard Island is home to a luxury resort that’s leased to US hotel management company Delaware North. Its rooms, and villas perched over the Great Barrier Reef, cost between $2,000 and $16,000 a night.”

The expanding number of island owners includes some of the relatively more recent technology billionaires. Atlassian co-founder Cannon-Brookes and his wife, Annie, purchased Dunk Island, off the north Queensland coast last year for just under $25 million.

Second, the AFR reports that collectible luxury cars are among the many things that have become speculative sources of wealth. “Vintage cars have risen 185 percent in value during the past decade, outperforming the growth in wine, watches and art, and ranking second only to rare whiskies, according to Knight Frank’s 2023 The Wealth Report.”

A Rich Lister, Lex Pedersen, has jumped into this market. “The 47-year-old is best known in investment markets as co-founder of online retailer SurfStitch, one of the most hyped stocks of 2015 which entered administration two years later. In 2021 he set up Chrome Temple, a business idea that stems from his love of cars and motorbikes. The fund’s marketing line is ‘nurture your passion, grow your wealth.’”

Alongside this parasitic activity, the gulf between the rich and the working class has accelerated. In January, the Oxfam charity reported that the richest 1 percent of Australians had accumulated 10 times more wealth than the bottom 50 percent in the past decade.

On top of a decade of falling real wages, there is a worsening cost-of-living crisis, rising financial stress and outright hunger. By the end of last year, research by Foodbank, another charity, found more than two million Australian households (21 percent) had experienced severe food insecurity in the previous 12 months, meaning they could not afford to eat.

During the COVID-19 pandemic and the US-NATO war against Russia in Ukraine, the widening social gulf has been intensified by corporate profiteering on the most basic human necessities—food and energy. Oxfam’s report showed that “95 food and energy corporations more than doubled their profits in 2022, driving major inflation in Australia and around the globe and leaving millions struggling to feed themselves and their families.”

There is also a direct connection between this colossal social polarisation and the role of capitalist governments in slashing corporate and income taxes, deregulating financial and big business operations, privatising basic facilities and pouring trillions of dollars into the money markets.

Significantly, the Rich List—openly celebrating private wealth—was launched in 1983, the year in which the Hawke and Keating Labor government took office in Australia. It pioneered this offensive, working hand in glove with the trade union bureaucracy, under the banner of making Australian capitalism “internationally competitive.”

The current Albanese Labor government is deepening this process, allocating $313 billion over the next decade for “stage three” income tax cuts, overwhelmingly to benefit high-income recipients. These handouts will be made alongside $368 billion for AUKUS nuclear-powered submarines to prepare for war against China, while billions are cut from public health, education and disability services.

For all its efforts to laud and legitimise the super-wealthy, the Rich List demonstrates the burning necessity for the working class to overturn this entire system and build a socialist society based on social and human need, not private wealth accumulation.