Australian Rich List shows acceleration of wealth accumulation over 40 years

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The 2024 edition of the annual Rich List published by the *Australian Financial Review* (AFR) reports that the 200 wealthiest Australians now control $625 billion, up by 11 percent from last year's figure of $563 billion. This astounding amount of wealth represents approximately a quarter of the Australian annual gross domestic product as of 2023.

An astronomical rise in personal fortunes over the past four decades is accelerating again after a slight slowdown last year. The first Rich List, published in 1983, contained total fortunes of $4.6 billion, or less than $20 billion in today's dollars, adjusted for inflation.

This year's list boasts of 150 billionaires. In 1983 only one group, the Murdoch family, was worth more than $200 million and only eight had more than $100 million.

Increasingly, Australia's billionaires primarily derive their fortunes from some of the most parasitic activities, either based on extracting minerals and fossil fuels or on property and financial speculation. First and foremost were mining and property, followed by finance market-backed technology start-ups.

Among the fresh entrants to this year's list are "three newly-discovered billionaires in the form of Estonian-based online gaming mogul Tim Heath, the brain behind the CoinSpot cryptocurrency exchange Russell Wilson and the flashy Lamborghini-loving founder of the LMCT+ online promotions business Adrian Portelli."

Another crypto gambling billionaire, Ed Craven, and "fintech entrepreneur" Jack Zhang also joined the list. Zhang's Airwallex, which offers big businesses faster payment transfers than banks, is headquartered in Singapore, a low-tax location, and its holding company is registered in the Cayman Islands, a tax haven.

Topping the list for the fifth year in a row was iron ore magnate Gina Rinehart, who now has a net worth of over $40 billion for the first time. Her 8.5 percent increase in wealth came despite an $800 million decrease in net profits for Hancock Prospecting, the private mining company founded by her father in 1955. Her expanded worth was instead driven by "higher valuations across the mining industry" on share markets.

Others in the top 10 whose fortunes are based on extraction include former Glencore CEO Ivan Glasenberg (No. 9) and Clive Palmer (No. 6), who reaped almost $447 million in mining royalties last financial year from his private company Mineralogy.

These outcomes underscore the continuing reliance of mining, Australian capitalism's biggest single revenue source, on exports to China, even as the US and its allies, including the Albanese Labor government, step up their economic and military confrontation with China.

Rinehart was far from the only one on the list who obtained an increase in personal wealth despite falling profits in their companies. Property tycoon Harry Triguboff secured an 11 percent increase in his wealth up to $26.5 billion, moving him to a distant second place on the list.

Despite "higher property management and building costs" causing a $30 million decrease in net profits for his property empire Meriton, his personal revenue still rose by over $130 million. According to the AFR, that was because his "extensive build-to-rent portfolio allows him to arbitrage between selling completed apartments and keeping them."

As a result of such profiteering throughout the property market, around 2 million rental households in Australia are experiencing negative cash flow, where their soaring rents and outgoing costs are higher than their income, fuelling a worsening housing affordability crisis.

The tech sector grew in prominence on the list, up from 13 percent to 17 percent of the total wealth, the third highest source behind mining and property. Mike Cannon-Brookes, the co-founder of software company Atlassian, appears on the list with his separated wife Annie. Their combined wealth has increased by over $5 billion in the past 12 months and now stands at over $24 billion.

Eleven individuals made the list for the first time. Astonishingly, six are already billionaires, highlighting the extraordinary speed at which the wealth of the ultra-rich can increase.

Also making the list for the first time was the Murphy family (No. 193), who are behind the company Canstruct, which earned $1.82 billion over five years from the refugee detention camp on the Pacific island of Nauru, a barbaric facility that the Labor government has reopened.

This pattern points to the separation of vast wealth accumulation from the process of production and fulfilling genuine social need. Instead, the rich are relying evermore on speculative investment and property ownership. This trend represents an intrinsic response of the capitalist system to falling rates of profit, a response that leads to instability and breakdowns like the 2008 financial crisis.

The AFR lauds the wealth of those on the Rich List as exemplifying “risk-taking” and “hard work.” It smugly dismisses criticism of the list as “envy.” In reality, the hundreds of billions of dollars collectively controlled by those on the list have been extracted from the labour power of the working class, the true source of wealth in society.

At the same time that a tiny fraction of the richest people continue to pile on extraordinary amounts of wealth, Australian workers have seen cuts to their living standards larger than at any other time in the last 50 years.

The Australian Council of Social Services (ACOSS) recently reported that of the approximately 5 million Australians receiving income support payments, almost three quarters of them are “eating less or skipping meals due to the low rate of payments and rising cost of living.”

By the standards of poverty set by ACOSS, which is just $489 per week for a single adult or $1,027 per week for a couple with children, 13.4 percent of Australians live in poverty, that is, over 3 million people.

It seems that the AFR, nervous about the hostility to the ever-growing cost-of-living crisis for working-class households, decided this year to portray the ultra-rich in a more mundane light, playing down the celebratory tone of recent lists.

In one jarring comment, a rich lister valued at almost $800 million commented that he valued his wealth because it allowed his family to be provided with “the bare essentials in life.”

The class divide is the fundamental one in Australia and every other capitalist country. The interests of the working class are irreconcilably at odds with those of the capitalists and the uber-wealthy.

The $625 billion controlled by the 200 richest Australians could fund essential social services. Federal spending on health in 2022?23 was around $105 billion, just one-sixth of the worth of the Rich List.

The Labor government is continuing to cut social spending in real terms, while giving the wealthy the vast majority of the more than $200 billion in income tax cuts legislated for the next decade, and expanding military outlays, including $368 billion for nuclear-powered submarines as part of the AUKUS military pact to prepare for war against China.

The Rich List demonstrates, more than anything else, the illegitimate character of the wealth accumulation by the financial elite, as well as the necessity for those resources to be expropriated and directed toward social needs. This requires the overthrowing of the capitalist system and its replacement by socialism.