

Top Of The Rich List



Australian mining heiress Gina Rinehart is not a woman to pick a fight with, finds Jonathan Pearlman

Jonathan Pearlman
The Daily Telegraph | The Interview People

In the moments when she has not been battling her children over control of the family coffers, penning odes to mining or sponsoring national tours by climate change deniers, Gina Rinehart has spent the past year quietly tripling the size of her towering fortune. The soft-spoken but notoriously steely Australian mining magnate earned more than £12 billion in the past 12 months – that is £32 million a day, or almost £400 a second. She has now acquired the title – which she would almost certainly shun – of the world's richest woman. With a fortune estimated to be almost £20 billion, she has overtaken the previous richest woman, Christy Walton, of the American Wal-Mart retail dynasty, worth some £16 billion, and is on track to replace Mexico's telecommunications mogul, Carlos Slim Helu (£44 billion), as the richest person in the world.

Though Mrs Rinehart, 58, avoids the limelight and long ago stopped doing media interviews, her strange antics and two spectacular family feuds – one with her stepmother, the other with her children – have ensured she has never been far from the public eye.

The long run of allegations and unusual behaviour is virtually endless. She has been accused of sexual harassment by a former live-in security guard, Bob Thompson, who claimed she became abusive when he refused to marry her; an out-of-court settlement was reported to have been made, though the terms were not disclosed. She jumped on to the back of a truck to wail against a proposed mining tax at a protest, chanting “axe the tax” while wearing a glittering pearl necklace.

The headquarters of her firm, Hancock Prospecting, in Perth, has a fingerprint-recognition security system and her family compound overlooking the city’s Swan River is surrounded by electric fences. Her recent ode, described as “the universe’s worst poem”, was a pro-mining, anti-government rhyming creed fixed to a 30-ton iron ore boulder.

The attention has only increased as her wealth has soared in a dizzying ascent that could soon bring her fortune as high as £65 billion. According to Australia’s BRW magazine, which compiled an estimate of Mrs Rinehart’s worth for its latest annual rich list, she tripled her wealth last year, mainly due to foreign investment in new projects, increased production and a rise in iron ore prices. When she inherited her father’s fortune in 1992, she was worth just under £50 million.

“If demand for natural resources remains strong... there’s a real possibility that Rinehart will not be just the richest woman in the world but the richest person,” said Andrew Heathcote, a BRW editor. The China-fuelled mining boom has increased interest in Mrs Rinehart and a new breed of Australian tycoons who have gained notoriety for their excesses, squabbles and political meddling. Dubbed the “feral billionaires” for their somewhat wild and unbecoming public behaviour, the rising wealth, ostentation and power of the Australian mining magnates has been likened to the rise of Russia’s oligarchs.

Dr Michael Rafferty, from the University of Sydney Business School, describes the new moguls as feudal-style “rentiers” who, unlike the media and property tycoons of previous eras, have never “developed anything in their lives”.

“These billionaires like Gina [Rinehart], Clive [Palmer] and Twiggy [Andrew “Twiggy” Forrest] have accumulated vast wealth, without having done anything,” he told The Daily Telegraph. “They just sit back and cash starts coming in. Their quirkiness or wackiness is largely a product of the fact that their business is simply about owning the property, not building a workforce.”

Outside the nation’s financial pages, Mrs Rinehart mainly makes headlines for her long-running, poisonous feud with her children. Though she inherited her father’s iron ore company, she has been locked in a battle to prevent her three eldest children accessing their share of the family trust. She has not held back from publicly deriding them, saying earlier this year that if they were unhappy with the “very privileged lives” she has provided for them, they should go and find jobs.

It was not the first time she has fought her family to protect the wealth built by her father, Lang Hancock, whom she idolised. Mr Hancock, a fiercely conservative Second World War veteran who believed Western Australia should secede from Australia, is credited with discovering the enormous iron ore deposits in the state’s harsh north-west Pilbara region. After his death in 1992, his daughter launched a series of lawsuits against his third wife and former house cleaner, Rose Porteous, who was 39 years younger than him. Mrs Rinehart alleged that Ms Porteous had married him for his wealth and contributed to his death, raising allegations involving hitmen, poison, adultery and black magic. An inquest found that the 82-year-old died of natural causes.

The more recent feud has been less salacious, though no less heated. It has set Mrs Rinehart and her youngest daughter, Ginia Rinehart, 25, against the three older siblings; Ginia has been rewarded with appointments to the boards of three companies. The case has dominated headlines and only added to the reputation of the country’s mining moguls.

Another of the country's wealthiest people, Andrew Forrest, who was previously the richest and is now ranked third, has admitted paying no company taxes for years while leading a furious attack on Prime Minister Julia Gillard for proposing a levy on the super-profits of mining companies.

Clive Palmer, the fifth richest, has announced he is building Titanic II, will run for parliament against the Treasurer, Wayne Swan, and accused the CIA of funding green groups to destroy the coal industry. Recently, questions have been raised about whether his mining contracts are as secure as he claims – and he is reportedly prepared to risk going to jail because he has refused to pay a £220 speeding ticket.

The three moguls have conducted a bitter public dispute with the Gillard government over mining and carbon taxes and have bought stakes in Australian media companies in an apparent attempt to influence public debate. Mrs Rinehart is notorious for protecting her privacy, but has bought a 10 per cent stake in a television company and recently became the largest individual shareholder in Fairfax Media, which owns the main broadsheet newspapers in Sydney and Melbourne.

Mr Swan has led the government's attack on the moguls, saying they make his "stomach churn" and pose a threat to Australia's "proud megalitarian tradition". In The Monthly magazine he said: "A handful of vested interests that have pocketed a disproportionate share of the nation's economic success now feel they have a right to shape Australia's future to satisfy their own self-interest."

Dr Rafferty says the moguls' efforts to sway public opinion are a disturbing development that has led to the country's greatest alliance of political and economic power "in 70 or 80 years".

"They are comparable to the Russian oligarchs," he says. "They are very interested in advancing and protecting their interests by political power, whether it is investing in the media or being involved in the political parties. We saw it with the oligarchs – you can behave however you like."

The mining moguls have not only surpassed records for wealth in Australia but have largely emerged from outside the main financial capitals of Sydney and Melbourne. Like Mrs Rinehart, Mr Forrest is from Perth, while Mr Palmer is based in Queensland. The larger mineral deposits are largely to be found in Western Australia and Queensland, where the economies have soared as those of the other states have slowed.

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Clive Hamilton, an author and ethics professor at Charles Sturt University, says the Australian propensity to cut down those who succeed – the so-called tall poppy syndrome – has lessened in the past 20 years, but the country remains ambivalent towards the mining moguls. Though the mining boom is credited with helping to shield Australia from the global financial crisis, the moguls’ growing fortunes are not seen as entirely deserved.

“There is a sense that it is an obscene amount of wealth that is not earned because, after all, they are just digging up minerals that belong to all Australians,” he says. “But there is also a sense that they had a go, got lucky – and good on them. Those two views are competing in Australia. The moguls themselves seek to exploit the latter sentiment – an American one – for all its worth. They adopt American rhetoric to claim: ‘We create jobs, the country is here because of our individual wealth and we exemplify what Australia should stand for.’”

Though it is not yet clear whether Mrs Rinehart’s dispute with her children could threaten her personal wealth or her standing at the top of the world’s rich lists, the feud has certainly left a lasting stain on her reputation.

Bruce Guthrie, a Fairfax media commentator, said the moguls’ personal excesses had increasingly alienated the Australian public. In an article that called on the “feral billionaires [to] pull their heads in”, he wrote: “Their petulance, squabbling and ostentation has me wondering if great wealth is a curse, not a blessing.

Certainly their actions will do nothing to curb that great Australian tendency to cut down tall poppies; in fact, some of our wealthiest are almost inviting it.”