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## Class Actions Enrich Firms, Leave Aboriginal Workers Short

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Aboriginal workers in a landmark stolen wages class action receive modest payouts, while law firms and litigation funders claim millions from settlements.

A historic class action addressing stolen wages for Aboriginal workers in Australia has exposed stark disparities in compensation, with law firms and litigation funders reaping millions while workers receive as little as \$10,000 each. The Federal Court of Australia approved a \$180 million settlement in April 2025 for Northern Territory Aboriginal workers underpaid or unpaid between 1933 and 1971, as reported by ABC News. Lead plaintiff Minnie McDonald, representing thousands, hoped for meaningful justice, but the payout structure has drawn criticism for prioritizing legal and funding fees over victims' compensation.

The settlement, facilitated by Shine Lawyers, allocates \$30 million to Litigation Lending Services (LLS), a third-party funder, and up to \$15 million to Shine Lawyers, per court documents. Justice Debra Mortimer, approving the deal, criticized Shine for using “an excessive level of human resources,” noting that local Aboriginal organizations could have reduced costs. She expressed concern that claimants would be “frustrated, and likely mystified” at city-based firms profiting significantly compared to workers, who receive a minimum of \$10,000 each, with some estimates suggesting \$14,000 maximum, according to ABC’s Four Corners. Minnie McDonald, illiterate and reliant on her granddaughter for legal guidance, approved an \$11 million cost increase, raising questions about informed consent.

A similar \$180 million settlement in Western Australia, led by Gooniyandi stockman Mervyn Street, saw 8,750 claimants share funds after \$30 million in legal costs, per the National Indigenous Times. Justice Bernard Murphy questioned the \$10 million spent to register 15,000 people, calling it excessive. Critics argue that litigation funders, who bear financial risk, and law firms exploit complex cases, eroding payouts for vulnerable claimants. John Walker, chairman of the Association of Litigation Funders of Australia, defended the model as an investment, not gambling, per ABC News.

The Australian Labor Party (ALP) government, while not directly involved, faces scrutiny for not addressing systemic issues in class action funding models, which some argue favor corporate interests over victims. With at least one class action launched weekly in Australia, per ABC News, the imbalance between legal profits and claimant payouts demands reform to ensure justice for those wronged, not just financial windfalls for firms.