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Class action funder mulls ASX float

EXCLUSIVE

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Billionaire property developer Shaun Bonett.

A class action litigation funder backed by billionaire property developer Shaun Bonett, media investor John B. Fairfax and former NAB executive Andrew Hagger is considering floating on the Australian Securities Exchange to enhance its ability to bankroll social justice causes.

Litigation Lending Services, whose biggest shareholder is Mr Bonett's Precision Group, opened its doors two decades ago and specialises in bankrolling class action cases that seek to uphold the legal rights of disempowered minorities.

Most recently it supported a successful action against the Queensland government, which earlier this month was forced to pay \$190 million in historical "stolen wages" to indigenous workers. Litigation Lending spent \$14m over 12 years bankrolling the claim.

The landmark decision is likely to put pressure on the NSW, Western Australian and the Northern Territory to strike similar settlements with indigenous claimants who were subject to "protection" legislation in the last century and were short-changed by the states on their salaries.

“One of our key considerations in the short term and having a growing shareholder base is whether ultimately we should take the company from being an unlisted public company to a listed business,” Mr Bonett told ahead of his appearance at a panel forum tomorrow night in Sydney for The List — Australia’s Richest 250. Also at the forum will be property moguls Jerry Schwartz and Arnold Vitocco. “The outcome of (the stolen wages) case puts a potential public listing at the top of our agenda in terms of what is the next strategic path for this business. We perceive a growing interest in the business and a growing desire of existing shareholders and new shareholders for greater liquidity.”

Other backers of Litigation Lending, which is chaired by Mr Bonett, include MYOB chief executive Tim Reed, the Levis family which owns the Cue retail chain — the largest local manufacturer of fashion in Australia — and Afterpay director Cliff Rosenberg. Another backer, NAB’s former head of consumer banking and wealth, Andrew Hagger, is now the chief executive of mining magnate Andrew Forrest’s Minderoo Foundation.

The latest accounts lodged with the corporate regulator for Litigation Lending show it quadrupled net profit after tax to \$9m in 2017-18.

“We are yet to file accounts for this year but from initial reviews, we will be delivering what has been forecast, which is a significant increase on last years’ number,” Mr Bonett said. “It is fair to say the outlook for the business is that its on track to be doubling and tripling its turnover within the next couple of years.”

A profit of well over \$10m would likely value the company at more than \$100m in a float.

Mr Bonett said he would seek to retain Precision’s 20 per cent stake in the company if it proceeded with a public listing.

He said it would continue to back social justice causes.

The company has previously acted against insurers seeking exemptions on policies in the Queensland floods of 2010-11 and in an action on behalf of travel agents for unpaid commissions on fuel surcharges which were charged by a number of airlines.

“From a litigation lending services perspective, the company has always had the perspective of focusing on social justice issues. As chairman of the business, it really stems from my belief that that is a key area that needs to be filled in any sound, functioning community or city,” Mr Bonett said.

“You can’t have disempowered minorities. By creating a platform for them to be reasonably heard and to have proper process, it has been my strong belief that we end up with a much healthier society and a stronger democracy.”

The billionaire implored more wealthy Australians to be prepared to financially support the legal rights of the downtrodden in the community.

“My message to high net worths and other key stakeholders in the corporate community is that supporting groups and people who have been stepped upon, who don’t have a voice or access to legal services, is our obligation,” he said. “Of course, that should always be subject to proper governance and processes and the very nature of these causes is that they aren’t often popular. But it is individuals within businesses that drive these types of values and ultimately outcomes.”

Precision Group, which this year celebrates its 25th anniversary, is an investor, developer and financier of retail and commercial property. The group, founded by Mr Bonett in 1994 when he was only 24, owns over \$1 billion of commercial assets.

Mr Bonett has grown the company from purchasing, developing and selling retail properties to being involved in large-scale retail and commercial property developments. Its empire has been built around major shopping centres in his home town of Adelaide and Brisbane.

Precision also backs a range of technology businesses including Prezzy, a digital gift card that gives recipients the choice of spending in more than 100 different stores, and Skyfii, a provider of free wireless internet in every Precision shopping centre.

Mr Bonett has been a director of health insurance comparison website iSelect for a decade and a half and remains a shareholder.