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MEDIA STATEMENT

Australia's Longest Running Litigation to Continue Another 15 Years

The Insurance Commission of Western Australia (ICWA) advises the Bell Group litigation over companies in liquidation for 20 years is estimated to continue for a further 15 years.

The Bell Group companies collapsed in the early 1990s, leaving creditors to recover money from the banks. After almost 20 years of litigation, principally financed by ICWA, settlement between the liquidators of Bell and the banks was finalised in June 2014.

Complex litigation has since been active between the remaining five major creditors of the Bell Group to eventually determine how the \$1.7 billion settlement will be apportioned.

ICWA will continue to pursue its statutory objective to obtain the return owed to it. ICWA assumes that Commonwealth agencies will also proceed on that basis.

That objective, to deliver the return to the two Governments and other creditors in the near term, is ICWA's understanding of the reasoning for the agreement between the two Australian Governments, for WA to take back referred Corporations Act powers for the defunct Bell Group companies.

ICWA is aware of reports suggesting that the WA Bell Act attempted to gain a priority rating for some creditors over others. This is incorrect. ICWA is also aware of suggestions that an amount of the settlement funds was somehow agreed. This is also incorrect. The Bell Act allowed for the appointment of an independent Administrator to assess fair returns for creditors based on submissions made by all creditors to the Administrator.

ICWA considers that its contractual and other legal rights entitle it to receive between \$700 million and potentially more than \$1.2 billion of the Bell Group settlement funds. ICWA welcomed the introduction of the State legislation last year as a method to avoid litigation costs for the expected 15 years to realise those rights.

Fresh litigation has commenced since the Bell Act was struck down by the High Court.

Opponents of ICWA and WA taxpayer interests have commenced actions in different courts in an effort to 'jurisdiction shop', imposing further burdens on Australian courts.

ICWA will work diligently to manage the costs of the litigation. But it is expected to be expensive in the absence of an independent Administrator assessing claims to cut through to deliver a return to creditors.