

ALINTAGAS, PUBLIC FLOAT

11. Mr SWEETMAN to the Minister for Energy:

Following the successful sale of 45 per cent of AlintaGas to WA Gas Holdings Pty Ltd, can the minister outline to the House the timetable for the public float of the remaining 65 per cent of AlintaGas?

Mr BARNETT replied:

I thank the member for the question. As members would be aware, a consortium of UtiliCorp United Inc and United Energy Ltd, succeeded in becoming the 45 per cent cornerstone holder. In the final wash-up after the shares are sold, AlintaGas effectively will be a one-third United States and two-thirds Australian owned company, as United Energy is about two-thirds Australian owned as it stands today. The price of \$319.5m for 72 million shares includes a premium attached to a price of \$4.38 per share paid by the cornerstone bidder for gaining an effective management-controlling stake. When the shares are offered to the public, the price will be significantly below that price. The final price is yet to be determined.

The member for Belmont opposite got his mathematics dreadfully wrong when he went to the media claiming that the Western Australian public will pay more than UtiliCorp and United Energy. It was a fairly simple exercise in arithmetic but he could not manage that. UtiliCorp is the group that paid the premium, not the Western Australian shareholders. The policy adopted by government is that 75 per cent of the 88 million shares to be offered to the public will go to retail - mum and dad investors - and 25 per cent to institutions. Another element of the share policy allocation is that 75 per cent of all shares will go to Western Australians and Western Australian institutions. As part of that process, pre-registration has already commenced. AlintaGas customers may have already received by mail an invitation to become a pre-registrant. The Government has gone to deliberate lengths to appoint Western Australian based stockbrokers who have already written to their clients. It has been widely advertised on television and radio that members of the public in neither of those two categories also can seek pre-registration.

The pre-registration process will continue for a little while for the issue of public offer documents. I expect the offer process to start on 11 September and to run for about four weeks when the shares will be transacted. By 17 October I expect AlintaGas to have made the full transformation to a Western Australian based, headquartered, run and Australian Stock Exchange listed public company.

For the interest of members, based on the \$319.5m cornerstone investment, the total gross value of AlintaGas is estimated to be around \$950m. After the retirement of AlintaGas's Treasury debt, around \$565m will be returned to Treasury. That is a great result for the people of Western Australia. Benefits will flow to customers and employees of AlintaGas as the company grows.

In conclusion, all but two of AlintaGas' some 360 employees have voluntarily agreed to move across to the private ownership structure.