

# Special Report – Sale of the Dampier to Bunbury Natural Gas Pipeline

May 1998

## Introduction

The Government-owned Dampier to Bunbury natural gas pipeline was sold in March this year to a private sector operator (the Buyer) for over \$2.3 billion.

The sale of this significant State asset means that the transmission of gas to West Australian consumers, previously the responsibility of the Gas Corporation trading as AlintaGas, is now undertaken by the private sector.

The sale was enabled by Parliament passing the Dampier to Bunbury Pipeline Act 1997 (the Act) in November 1997 and assented to on December 12, 1997.

To assure the Parliament, and hence the people of Western Australia, that ongoing obligations arising from the sale were disclosed, Section 53 of the Act directed the Auditor General to examine and report on “certain matters” relating to “any obligations, duties, or liabilities imposed on, or any indemnities or guaranties given by, the State”, within 60 days of settlement of the Asset Sale Agreement.

Based on legal advice, it was concluded that the term “State” excludes AlintaGas and all other Government agencies because the Section only envisages guarantees or indemnities given at a whole-of-government level.

This report has been prepared to satisfy this direction of the Parliament.