

## **Question on Notice**

**No. 816**

**Asked on 5 June 2007**

**MR CRIPPS** asked the Deputy Premier, Treasurer and Minister for Infrastructure (MS BLIGH) –

### **QUESTION:**

With reference to the shipment of about 1000 pipes for the western recycled water pipeline held up in Wollongong due to the South Korean pipes failing an inspection and being deemed unusable –

1. What quality control processes were in place to prevent pipes that did not meet preferred tender standards from being acquired?
2. Why did the quality control processes fail?
3. What has been done to prevent product failures in the future?
4. What is the total cost in productivity losses to the Queensland State Government for purchasing poor quality unusable pipes?

### **ANSWER:**

The premise of the Member's question is wrong – the shipment of pipes he refers to was not purchased by the State, no quality control processes failed, and no productivity losses occurred.

The State's contract specification precisely defines the quality of pipe required to satisfy the requirements of the Water Grid. In response to issues first raised by the State's inspector on a visit to the pipe mill in Korea, the pipe supplier initiated further physical testing which resulted in notification that the pipe did not meet specification.

The pipe supplier opted at its own risk to ship pipe from Korea to Wollongong while further physical testing was ongoing, resulting in the non-complying pipe being transported to Wollongong. This activity was undertaken at the pipe supplier's cost.

The State's quality control process did not fail as the pipe was never purchased by the Government. These same quality control processes continue to ensure no non-conforming pipe is used in the Water Grid, and that no productivity losses occur as a result of using pipe that does not meet contract specification.