



The Honourable Scott Emerson MP  
Minister for Transport and Main Roads

Our ref: PP1713-11

Your ref: Petitions

7 JUN 2012

Mr Neil Laurie  
The Clerk of the Parliament  
Parliament House  
George Street  
Brisbane Qld 4000

Dear Mr Laurie

I refer to a petition number 1713-11 lodged with the Legislative Assembly on 14 February 2012 about Queensland timber sleeper cutters.

As the matter raised is operational, I sought advice from Queensland Rail.

As a government owned corporation Queensland Rail is bound by the *Government Owned Corporations Act 1993*. A requirement of this legislation is that an entity 'operate, as far as practicable, on a commercial basis and in a competitive environment'.

To reiterate previous advice, an open tender process is fair, transparent and no different from the purchasing process for any goods or service used by many companies the world over.

This process ultimately ensures Queensland Rail is able to fulfil its legal obligation to operate safely, while securing the best commercial outcome for its owners, the people of Queensland.

Queensland Rail has advised that its railway timbers were traditionally sourced from more than 50 non quality-assured/managed vendors. Queensland Rail has advised that quality management was an important driver in the move to an open tender.

With improved quality control processes, Queensland Rail is assured that every delivered sleeper is quality certified and meets the same high standard, regardless of origin. This not only ensures that value for money is achieved, but it increases safety, transparency and accountability.

I am advised that the tender evaluation was in line with Queensland Rail's Procurement Standard guidelines, ensuring fairness, cost efficiency and quality.

I am further advised that Queensland Rail made an undertaking to ensure that the timber suppliers were proactively informed about the tender throughout the process and that this undertaking was kept.

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As previously advised in earlier correspondence, Queensland Rail has written to the 56 individual suppliers and to the Timber Cutters' Association providing information on the tender process and offering contact details should they have any questions or concerns. Telephone calls were also made to all timber suppliers in this regard and meetings were held with all those who wished to discuss the process in detail.

Importantly, I am also advised that delivered timber railway sleepers do not cost more under Queensland Rail's quality assured procurement process. While pricing and information relating to vendor businesses is Commercial in Confidence, I am advised by Queensland Rail that under the quality assured procurement process, the average price of a delivered sleeper decreases.

To ensure continuity of supply, particularly during severe weather events, Queensland Rail has long investigated supplementary supplies from outside the state. In accordance with local industry participation principles and state purchasing policies, preference is given to Queensland suppliers, whenever feasible.

All of the eight successful tenderers are Australian and of those, six are Queensland suppliers, out of those six, five are from Bundaberg and Burnett regions.

Successful tenderers have been encouraged to subcontract to quality-assured timber sleeper producers to ensure that jobs and skills are kept in our regions.

Yours sincerely



Scott Emerson MP  
**Minister for Transport and Main Roads**