

Independent Auditor's report to the Directors of WestNet Rail Pty Ltd

Report on the Overpayment Account

We have audited the operation of the Overpayment Account and the determination of whether any overpayments are required to be made to the Overpayment Account, in accordance with the overpayment rules of Section 47(1) of the Railway (Access) Code 2000 (the "Overpayment Rules") of WestNet Rail Pty Ltd ("WNR"), for the period 1 July 2007 to 30 June 2008 for the following routes:

- Forrestfield to Kalgoorlie
- Kalgoorlie to Esperance
- Kalgoorlie to Leonora
- Kwinana to Bunbury Inner Harbour

Managements Responsibility for the Operation of the Overpayment Account

The management of WNR is responsible for establishing the Overpayment Rules in accordance with Section 47(1) of the Railways (Access) Code 2000, the application of these Overpayment Rules, the operation of the Overpayment Account and compliance with Section 47(1) of the Railway (Access) Code 2000. The responsibility of management also includes establishing and maintaining internal control relevant to compliance with the Overpayment Rules and operation of the Overpayment Account that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on the operation of the Overpayment Account and whether any overpayments are required to be made to the Overpayment Account in accordance with the Overpayment Rules. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the operation of the Overpayment Account and whether any overpayments are required to be made to the Overpayment Account are in accordance with the Overpayment Rules.

An audit involves performing procedures to obtain audit evidence about the operation of the Overpayment account and whether any overpayments are required to be made to the Overpayment Account in accordance with the Overpayment Rules. The procedures selected depend on the auditor's judgement, including the assessment of the risks of not operating the Overpayment Account in accordance with the Overpayment Rules and the risks of material misstatement of whether any overpayments are required to be made to the Overpayment Account, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's operation of the Overpayment Account in order to design audit procedures that are



appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management.

We have conducted an audit of the operation of the Overpayment Account and whether any overpayments are required to be made to the Overpayment Account in accordance with the Overpayment rules for the purposes of fulfilling the directors' reporting requirements under the Overpayment Rules. We disclaim any assumption of responsibility for any reliance on this audit report to any person other than the directors, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Audit Opinion

In our opinion, in all material respects, the entity has operated the Overpayment Account in accordance with the Overpayment Rules and there are no overpayments required to be made to the Overpayment Account in accordance with the Overpayment Rules established by WNR management in terms of Section 47(1) of the Railways (Access) Code 2000, for the period 1 July 2007 to 30 June 2008 for the following routes:

- Forrestfield to Kalgoorlie;
- Kalgoorlie to Esperance;
- Kalgoorlie to Leonora; and
- Kwinana to Bunbury Inner Harbour.

DELOITTE TOUCHE TOHMATSU

Mark Gover

Partner

Chartered Accountants

Perth, 11 September 2008