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29 May 2003

Level 15, 55 Market Street
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Hon Michael Costa MLC
Minister for Transport Services
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Governor Macquarie Tower
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Dear Minister,

Subject: Audit of Wrought Iron Bridges and Other Structures

Rail Infrastructure Corporation (RIC) recognises the importance of a safe and reliable rail network in New South Wales and endorses the Coordinator General of Rail's findings on wrought iron bridges and other structures across the network.

The RIC Board will take all actions necessary to ensure the findings of the report are fully implemented.

Since the Board became aware of the issues regarding the Menangle Bridge in March this year, we have instigated a range of actions, which align with the Coordinator General's recommendations. The status of those actions matching the Coordinator General's recommendations is as follows:

1. RIC management has been briefed on the short term and ongoing actions recommended by the independent auditor, URS Pty Ltd. The urgent short term actions, such as weld testing at Wagga Wagga are in progress, while the longer term actions will be incorporated into the 2003/04 Asset Management Plan.

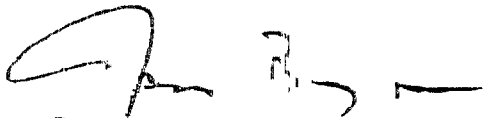
The RIC Board will review progress monthly, commencing at its June 2003 meeting.

2. The RIC Board will closely monitor the replacement of the wrought iron bridges at Wagga, Bathurst and Wellington, as well as Menangle, with monthly reports to the Board commencing in June 2003.
3. The RIC Board directed a review of asset management plans and processes for all bridge structures at its meeting on the 9 May 2003. This review will include:
 - Asset Management Plans for all major bridge structures, commencing with the 9 wrought iron bridges in June 2003. URS will be engaged to assist in the production of these Asset Management Plans.

- RIC has commenced recruitment of graduate engineers, 70 of who were employed over the last 3 years. Approximately 30 of the new engineers employed under the graduate program are working in RIC's Engineering Division. In addition, the RIC College was established in 2001 to improve the training of RIC officers in all areas, including bridge examination.
 - A senior engineering position, responsible for assurance of the management, inspection, reporting, quality, maintenance funding and bridge renewal programs has been established and will be filled pending the position being advertised publicly next month.
 - Detailed maintenance plans will be incorporated into the Asset Management Plans being developed for major bridge structures. Annual certification to the RIC Board by qualified management that the maintenance plans have been implemented and assured, will be introduced progressively during 2003/04 as the asset management plans are developed.
4. Progress on all of the issues included in point 3 will be reported to the Rail Safety Regulator from August 2003. A status report will be provided by 30 June 2003.

I look forward to advising you of further developments in the near future.

Yours sincerely



ROSS BUNYON
Chairman Rail Infrastructure Corporation