



*Minister for Transport
Minister for Roads*

Mr Rod Sims
Chairman
Rail Infrastructure Corporation
Level 14
201 Pacific Power Building
Elizabeth Street
SYDNEY NSW 2000

Dear Mr Sims

I am writing in relation to two matters regarding the NSW *Rail Access Regime*.

Firstly, consistent with *Regime*, I advise that Rail Infrastructure Corporation should adopt for the opening Depreciated Optimised Replacement Cost valuation of the Hunter coal network the values attached to this letter. These are the values consistent with the recommendations of the report to me from the Independent Pricing and Regulatory Tribunal of 27 June 2001: *Rail Infrastructure Corporation: Valuation of Certain Assets*. A copy of the Report is attached.

Secondly, I advise that certain proposed changes to the *Regime* will be put to public consultation. The proposed changes, together with the explanatory note, will strengthen the Corporation's incentives to invest in the rail network, particularly at a time of growing demand such as now is being experienced in the Hunter coal chain. As various parties have put to the Government that investment in the Hunter coal rail system is urgent, I have decided to proceed with the public consultation process immediately.

Once the public consultation process is completed, I will advise you of the Premier's and my decision in relation to incorporating the proposals in the *Regime*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Carl Scully".

CARL SCULLY MP
Minister for Transport

RAIL INFRASTRUCTURE CORPORATION
HUNTER VALLEY EXPORT COAL REGULATORY ASSET BASE
ASSET VALUES AS 1 JULY 1999

Sector	Description	Signal Control					Total
		Track	Structures	Signals	Centre	Comms	
		216,375,411	81,315,761	20,454,775	19,139,250	17,125,493	354,410,689
405	NEWSTAN JCT TO COCKLE CREEK	1,628,030	265,282	648,566	240,265	117,265	2,897,409
406	COCKLE CREEK TO SULPHIDE JCT	995,349	636,749	387,667	172,335	255,598	2,447,699
407	ADAMSTOWN TO BROADMEADOW (VIA MAIN)	739,972	98,952	775,335	120,467	1,344,953	3,079,680
410	WOODVILLE TO ISLINGTON	101,021	83,838	-	29,113	2,228	216,200
411	ISLINGTON JCT TO WARATAH	313,249	1,046,811	24,979	50,195	3,831	1,439,064
412	WARATAH TO HANBURY JCT (VIA MAIN)	-	-	-	-	-	-
415	MAITLAND TO FARLEY	1,185,470	836,394	627,544	86,335	29,956	2,765,699
416	FARLEY TO BRANXTON	17,275,333	1,905,726	497,538	1,444,270	1,087,100	22,210,067
417	WHITTINGHAM TO CAMBERWELL JCT	10,811,441	9,255,581	362,155	846,818	885,566	22,161,361
418	CAMBERWELL JCT TO GLENNIES CREEK	6,349,805	903,038	214,282	461,122	346,077	8,274,324
419	GLENNIES CREEK TO NEWDELL JCT	7,944,624	1,293,144	185,134	574,897	587,623	10,585,422
421	NEWDELL JCT TO DRAYTONS JCT	8,418,424	501,510	179,557	320,577	200,509	9,620,576
422	DRAYTONS JCT TO MUSWELLBROOK	8,285,897	1,725,654	3,154,670	641,154	1,452,513	15,259,888
423	MUSWELLBROOK TO DARTBROOK JCT	2,789,723	2,662,108	648,819	251,978	353,153	6,705,781
428	BRANXTON TO WHITTINGHAM	16,060,578	3,163,074	7,213,430	1,243,491	1,033,673	28,714,245
448	MUSWELLBROOK TO BENGALLA JCT	2,178,068	2,652,630	158,826	173,674	60,983	5,224,181
449	BENGALLA JCT TO SANDY HOLLOW JCT	17,209,208	2,850,769	76,766	1,337,857	1,037,819	22,512,420
441	SANDY HOLLOW JCT TO ULAN COLLIERY JCT	45,106,158	8,969,023	441,056	3,593,608	2,785,581	60,895,425
450	MAITLAND TO TELERAH	1,000,053	397,468	319,001	107,082	404,736	2,228,340
451	TELERAH TO MARTINS CREEK	7,842,292	5,858,295	-	789,730	448,114	14,938,431
456	MARTINS CREEK TO DUNGOG	8,411,655	2,557,821	345,683	960,392	660,177	12,935,729
457	DUNGOG TO CRAVEN	12,096,695	8,725,829	490,050	1,624,301	833,308	23,770,183
460	TELERAH TO FARLEY	-	-	-	-	-	-
490	SULPHIDE JCT TO ADAMSTOWN	1,524,855	1,387,073	387,667	269,378	20,543	3,589,517
497	BROADMEADOW TO WOODVILLE JCT	125,966	484,016	-	28,109	2,169	640,260
500	ISLINGTON JCT TO SCHOLEY ST JCT	353,208	1,213,946	75,577	39,487	1,240	1,683,458
501	SCHOLEY ST JCT TO PORT WARATAH	1,839,625	2,117,331	502,463	301,838	318,845	5,080,101
502	SCHOLEY ST JCT TO WARATAH (VIA COAL)	1,069,963	1,270,634	132,940	93,697	3,576	2,570,909
503	WARATAH TO HANBURY JCT (VIA COAL)	1,520,952	224,843	101,510	151,923	209,948	2,209,176
504	HANBURY JCT TO SANDGATE (VIA COAL)	1,381,852	24,562	168,490	109,090	610,491	2,294,484
505	HANBURY JCT TO KORAGANG EAST JCT	1,433,863	16,771	81,344	74,288	2,840	1,609,106
506	KORAGANG EAST JCT TO SANDGATE	178,943	919	12,715	4,016	156	196,748
	KORAGANG EAST JCT TO KORAGANG	-	-	-	-	-	-
507	ISLAND	7,606,734	5,385,737	576,070	924,922	329,721	14,823,183
509	SANDGATE TO THORNTON (VIA COAL)	8,247,494	3,213,778	411,374	825,201	621,457	13,319,305
510	THORNTON TO MAITLAND (VIA COAL)	7,440,742	7,527,424	517,458	696,034	935,026	17,116,684
532	WHITTINGHAM TO SAXONVALE JCT	3,655,050	385,376	229,758	333,962	93,664	4,597,809
534	SAXONVALE JCT TO MOUNT THORLEY	780,210	1,046,443	122,679	38,817	13,640	2,001,790
536	NEDWELL BRANCH	2,474,910	627,212	383,571	179,028	31,413	3,695,134