

29<sup>th</sup> May 2015

Tax White Paper Task Force  
The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir/Madam,

Historically, infrastructure companies in Australia (including Ports), have at times received upfront funding of infrastructure from key users where this facilitates the timely construction of important economic infrastructure.

Under current tax legislation, the owner is required to pay tax upfront on the receipt of user funding which is then offset by the receipt of tax depreciation on the owned asset. On long-lived infrastructure the timing impact of the tax payments negatively impacts the owner.

In these situations the current tax legislation has a detrimental impact on the timing and complexity of negotiations to progress user funding arrangements.

Ports Australia is aware that Aurizon has proposed that the Commonwealth consider making amendments to tax legislation to enable the funder to gain access to the right to depreciate a user-funded asset and to avoid the need to impose upfront taxation on the owner of these assets.

Ports Australia supports this proposal and encourages the Commonwealth to give due consideration to alternative mechanisms to reduce the complexity and delays associated with user-funded infrastructure.

Yours sincerely,



David Anderson  
Chief Executive Officer