

## Consultation Submissions

Dear Sirs,

Rail rolling stock depreciation schedules are long and unattractive to investment.

In Victoria, rail freight rolling stock is locked up by non performing rail operators and has lead to the discontinuance of grain trains across the state.

The rolling stock is older and not available for a would be grain train transport short line operators delivering from the farm to the port for export to Sunshine for domestic sales.

I have been involved with preparing a feasibility study for a grain distributor and transport company located in Lara in Victoria. The company wants to move grain by train from the Wimmera and Mallee to the domestic and international markets. I have explored the use of train services and found it impossible to be supplied with trains at sustainable transport contract arrangements. This included options of either ownership and/or hire of trains.

In discussions with Victorian Government and financial industry suppliers, one of the drawbacks to the availability of rolling stock acquisition has been its cost and the availability of suitable funders.

I was wondering if any consideration has been given by Australia's Future Tax System towards the question of accelerated depreciation periods for rail rolling stock?

Currently as I understand the position, road trucks are depreciated in 4 years, where as rail is much longer. Could rail be depreciated over say 2 years? This could assist in the private and government sectors in finding funding to either purchase the older existing rolling stock back or fund new construction of trains that can be used to restore grain train rolling stock for the use of short haul railway companies in conjunction with the grain industry?

Yours truly,

Don Gibson