

Capital Allowance and Tax Depreciation Schedule

Maximising the cash return from investment properties

P & A Cairns Family Super Investments Pty Ltd ATF P & A Cairns Family Super
Pty Ltd
41 Luster Crescent
TARNEIT VIC 3029

26 February 2020

P & A Cairns Family Super Investments Pty Ltd ATF P & A Cairns Family Super Pty Ltd
11 Connewarre Close
WYNDHAM VALE VIC 3024

Dear Sir/Madam,

Thank you for selecting BMT Tax Depreciation to complete your Capital Allowance and Tax Depreciation Schedule.

This document outlines the relevant information, legislation and methodology used in the assessment of the potential capital works deductions for 41 Luster Crescent, TARNEIT VIC 3029.

For your convenience we have included an explanation and summary of the calculations used in this schedule.

We trust our service and the deductions outlined in the following schedules will exceed your expectations. BMT strive for excellence and appreciate any feedback you may have.

Our commitment to the continuous development of our service ensures you receive the maximum depreciation deductions you're entitled to.

We invite you to register for our online portal MyBMT. MyBMT allows you to view and update your schedule, access and download existing schedules, upload property files including photos and receipts, add members of your investment team and share your schedule with your Accountant or Tax Adviser all in one convenient location. For more information and to register visit www.mybmt.bmtqs.com.au.

To learn more about property depreciation visit www.bmtqs.com.au. We have a range of free tools and resources to assist you on your property investing journey.

Should you require any further information or clarification, please contact one of our depreciation experts or our Chief Executive Officer, Mr Bradley Beer.

Once again, thank you for choosing BMT Tax Depreciation and we look forward to working with you in the future.

Yours sincerely,



BMT Tax Depreciation Pty Ltd
Quantity Surveyors
AIQS, RICS, AVAA, Tax Agent: 53712009

Maximising Property
Tax Depreciation Deductions

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BMT Capital Allowance and Tax Depreciation Schedule overview

The following is a summary of the information used by BMT Tax Depreciation when preparing this Capital Allowance and Tax Depreciation Schedule. The ownership details and structure play a significant part in the methodology that is used and subsequently changes the results of the schedule and the calculations used within it. Any changes to the ownership entity or structure may make this report inaccurate. To update your details please contact the expert team at BMT Tax Depreciation on 1300 728 726 or log in to MyBMT at www.mybmt.bmtqs.com.au.

Schedule prepared for: P & A Cairns Family Super Investments Pty Ltd ATF P & A Cairns Family Super Pty Ltd

Property address: 41 Luster Crescent, TARNEIT VIC 3029

Ownership interest: 100 per cent

Co-owners must divide the income and expenses for the rental property in line with their 'interest' in the property. The two co-owner structures are:

- Joint tenants - each holds an equal interest in the property, or
- Tenants in common - may hold unequal interests in the property, for example, one may hold a 20 per cent interest and the other an 80 per cent interest

Co-owned depreciating assets, as outlined in section 40-35 of the Income Tax Assessment Act 1997 (ITAA 1997), are able to be calculated and deducted based on each owner's interest in the asset, and not the whole asset. For example, joint tenants with an equal 50 per cent share can claim an immediate write-off for items costing \$600 or less as each co-owner's share is no more than \$300 each. When an owner's share of an asset is valued at less than \$1,000, it can be added to a low-value pool assuming there is no immediate write-off.

Property type: Residential

Purchase price: \$478,600

Settlement date: 2 August 2018

Construction completion date: 2 August 2018

Schedule start date: 3 August 2018

Date available to provide income: 3 August 2018

Methodology

The Capital Allowance and Tax Depreciation Schedule prepared for P & A Cairns Family Super Investments Pty Ltd ATF P & A Cairns Family Super Pty Ltd on 41 Luster Crescent, TARNEIT VIC 3029 has been prepared and calculated in accordance with the legislation applicable on 21 February 2020.

The Capital Allowance and Tax Depreciation Schedule is based on BMT Tax Depreciation's understanding of the Commissioner of Taxation's assumed intent and the interpretation of the relevant tax rulings and supportive documents:

- The Income Tax Assessment Act 1997, (ITAA) 1936, Part 3, Division 3A, Sections 54, 55, 56, 60, 61 and 62
- The basis of depreciation of an item of plant and equipment includes its purchase price (ITAA Sect 42-65) delivery and installation costs (IT 2197) and the costs associated with bringing the plant into full operation (ITAA97 Sect 8-1)
- Capital allowances in accordance with Division 10D, Sections 124ZF-ZH and Section 1234ZFB and ITAA 1997 Division 40 and 43
- Changes from the Ralph Review of Business Taxation of 21 September 1999
- Legislation by the Australian Taxation Office in Market Valuations for Tax Purposes
- Documentation and procedures defined in the Australian Accounting Standards AASB 116 Property, Plant and Equipment and AASB13 Fair Value Measurement
- Taxation Ruling 2019/5 – Income Tax: Effective Life of Depreciating Assets

It is a requirement to advise BMT Tax Depreciation when any actual costs in whole or part thereof are available prior to the preparation of the Capital Allowance and Tax Depreciation Schedule. Where costs have been provided, they have been used and noted accordingly in this schedule. In the event that costs are not available, BMT Tax Depreciation use estimating procedures and methodology provided to estimate a fair market value based on cost advice as at the 21 February 2020. Where applicable, all cost estimates are adjusted to that of the historical date in which the actual construction or installation took place.

The construction expenditure has been determined on the basis of the actual cost incurred in relation to the construction of a building.

Construction expenditure calculated includes:

- Preliminary expenses such as professional Architect, Engineer and Surveyor's fees and the cost of foundation excavations
- Builder's or Contractor's margin
- Contingencies
- All plant and equipment

The construction expenditure calculated excludes:

- Site clearance, earthworks that are permanent, can be economically maintained and are not integral to the installation or construction of a structure
- Demolition of existing structures
- Soft landscaping
- Cost of acquiring land
- Developer's profit and overheads

The following additional information has been used in the preparation of the Capital Allowance and Tax Depreciation Schedule:

- Written and verbal information provided by P & A Cairns Family Super Investments Pty Ltd ATF P & A Cairns Family Super Pty Ltd
- Verbal information provided by Wyndham City Council
- Site inspection conducted by BMT Tax Depreciation on 3 January 2020
- Purchase price of \$478,600

The following assumptions have been made in the preparation of the Capital Allowance and Tax Depreciation Schedule.

- That all items of plant and equipment listed in the schedule are owned by the tax payer
- That you are not entitled to input tax credits and therefore GST is included in the appropriate items within the schedule
- That no schedule of depreciation allowances existed or formed a condition of the purchase documentation
- Qualifying expenditure and depreciation rates have been calculated with the understanding that the property is used for the production of assessable income, excluding short-term traveller's accommodation or non-residential usage
- No additional actual costs in whole or part thereof are available at this time
- The owners are not carrying on a rental property business

Owners are advised to discuss and confirm the above assumptions with their Tax Adviser prior to using this Capital Allowance and Tax Depreciation Schedule.

Disclaimer

The contents of this page and the totality of this document are subject to this disclaimer. The information contained within this document has been prepared by BMT Tax Depreciation Pty Ltd on the basis of estimated costs and information provided to BMT Tax Depreciation Pty Ltd. This document is intended for use by the client only. No information in this document may be interpreted as legal, accounting or taxation advice. Individuals should consult with their legal, accounting or taxation advisers before relying on any part of this document. This document is prepared in accordance with legislation in force at the time the asset was acquired and the date this document was produced.

Should the client not elect to use the pooling system, then the total cost figure can be used and the applicable depreciation rates applied. All pooled items have been depreciated at 18.75 per cent in the year of acquisition and 37.5 per cent each year thereafter. The cumulative capital loss total row of figures displays the amount of division 40 deductions that have not been able to be claimed during ownership up until the end of the financial year.

BMT Tax Depreciation Pty Ltd is not responsible for the result of any actions taken on the basis of the information provided in this document or any error in or omission from this document. BMT Tax Depreciation Pty Ltd does not accept any liability, in any form, for any consequences, loss, or damage as a result of any person acting upon or relying upon the information contained in this document. This document has been prepared for depreciation purposes only and it is not suitable for any other purpose. Neither the whole nor any part of this document may be provided to any party without the express prior written approval of BMT Tax Depreciation Pty Ltd.

Experience and qualifications

Quantity Surveyors are recognised by the Commissioner of Taxation to have appropriate construction costing skills to estimate building costs for the purpose of determining your capital works and tax depreciation deductions (see Tax Ruling 97/25).

Please find below BMT Tax Depreciation's relevant qualifications and associations with governing bodies:

- **AIQS - Australian Institute of Quantity Surveyors**

As a member of the AIQS, a professional standards body, BMT Tax Depreciation upholds its professionalism and standards to the highest level. The institute plays an important role by ensuring that industry standards and information are continuously updated.

- **RICS - Royal Institute of Chartered Surveyors**

BMT Tax Depreciation are proud members of RICS, allowing us access to the latest methodology used by Surveyors across Australia and the world.

- **AVAA - Auctioneers & Valuers Association of Australia**

BMT Tax Depreciation is also a member of the AVAA. The AVAA works to elevate and maintain the standards of professional knowledge and sound practice relating to accurately valuing a variety of plant and equipment.

- **PIPA - Property Investment Professionals of Australia**

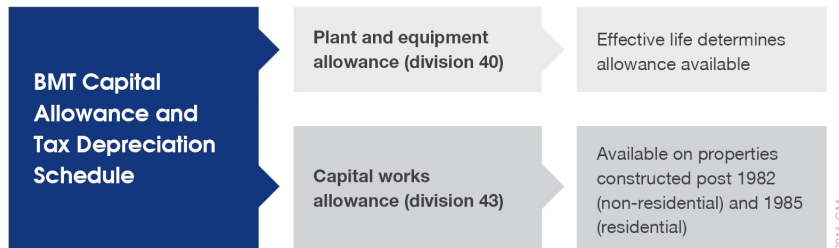
As a member of PIPA, BMT Tax Depreciation are committed to maintaining high levels of professional standards through their work in educating property investors on the benefits of tax depreciation.

- **Registered Tax Agent**

BMT Tax Depreciation are registered Tax Agents qualified to prepare depreciation schedules for any rental, commercial or investment property under the Tax Agents Services Act 2009. **Our Tax Agents number is 53712009.**

Summary of capital expenditure

Purchase price	\$478,600
Total expenditure	\$478,600



Division 40 - plant and equipment	\$30,457
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The calculations for plant and equipment assets have been prepared in accordance with the relevant Taxation Ruling in place at the time of preparing this report. This ruling discusses the methodology outlined by the Commissioner of Taxation to determine the effective life of depreciating assets under section 40-100 of the Income Tax Assessment Act 1997 (ITAA 1997).

Division 43 - capital works allowance	\$179,008
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Division 43, as outlined in ITAA 1997, allows a deduction for capital expenditure incurred in the construction of any capital works. The deduction claimed as a capital works allowance depends on the type of construction and the date construction started. See the definition of division 43 and the table under this heading within the glossary of key terms for further clarification of the qualifying dates for capital works deductions. The deductible amount for division 43 excludes both division 40 above and any non-qualifying balance of capital expenditure.

Balance of capital expenditure	\$269,135
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This represents all items that do not qualify for capital works deductions or decline in value and any capital works deductions which are already exhausted. Construction expenditure that cannot be claimed (as per Australian Taxation Office (ATO) guidelines) include:

- Land
- Expenditure on clearing the land prior to construction
- Earthworks that are permanent, and are not integral to the construction
- Expenditure on soft landscaping
- Demolition

Total capital expenditure	\$478,600
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Capital Allowance and Tax Depreciation Schedule summary

Total deductions - 40 year forecast

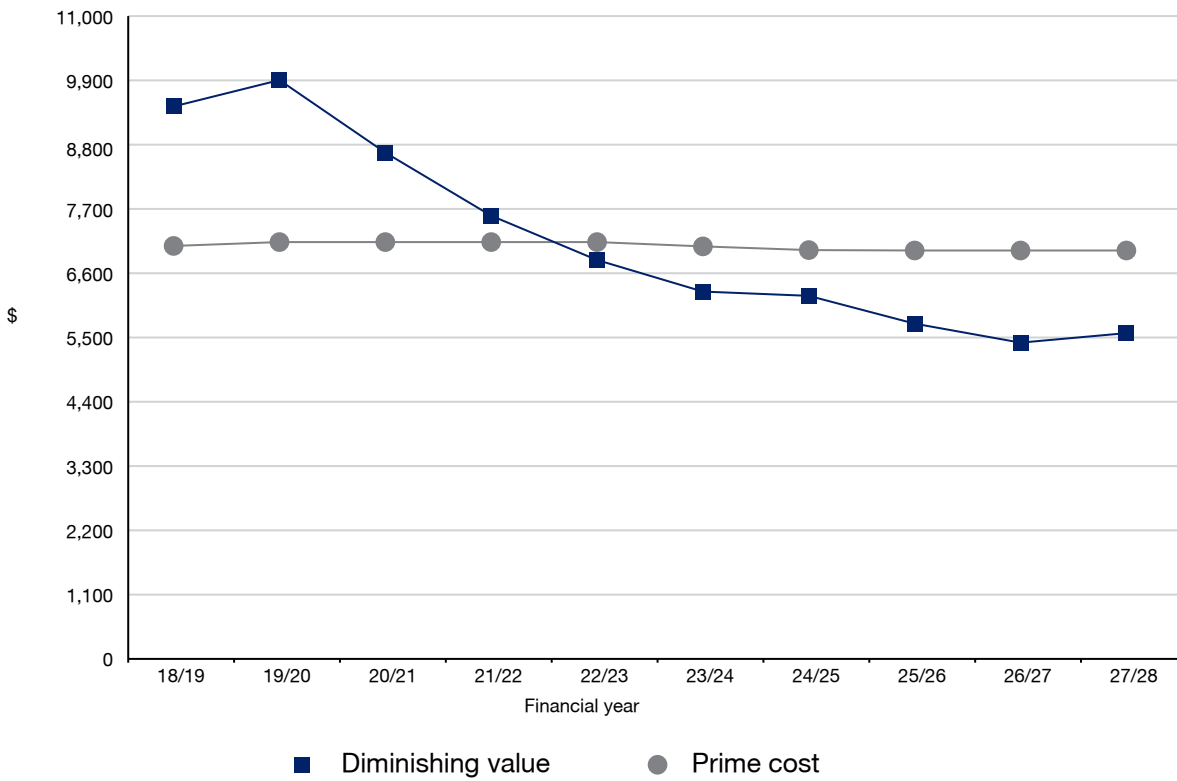
The forty year projection summary outlines the total yearly deductions available over the lifetime of the property. These totals include the division 43 and division 40 components as a total yearly deduction. Both the diminishing value (DV) and prime cost (PC) method values are shown for easy comparison.

Years 1-21			Years 22-41		
Period	Total deductions		Period	Total deductions	
	DV (\$)	PC (\$)		DV (\$)	PC (\$)
3-Aug-18 to 30-Jun-19	9,454	7,067	1-Jul-39 to 30-Jun-40	4,500	4,475
1-Jul-19 to 30-Jun-20	9,905	7,133	1-Jul-40 to 30-Jun-41	4,491	4,475
1-Jul-20 to 30-Jun-21	8,664	7,133	1-Jul-41 to 30-Jun-42	4,484	4,475
1-Jul-21 to 30-Jun-22	7,584	7,133	1-Jul-42 to 30-Jun-43	4,480	4,475
1-Jul-22 to 30-Jun-23	6,826	7,133	1-Jul-43 to 30-Jun-44	4,478	4,475
1-Jul-23 to 30-Jun-24	6,286	7,059	1-Jul-44 to 30-Jun-45	4,477	4,475
1-Jul-24 to 30-Jun-25	6,213	6,996	1-Jul-45 to 30-Jun-46	4,477	4,475
1-Jul-25 to 30-Jun-26	5,737	6,989	1-Jul-46 to 30-Jun-47	4,476	4,475
1-Jul-26 to 30-Jun-27	5,412	6,989	1-Jul-47 to 30-Jun-48	4,476	4,475
1-Jul-27 to 30-Jun-28	5,575	6,989	1-Jul-48 to 30-Jun-49	4,475	4,475
1-Jul-28 to 30-Jun-29	5,212	5,354	1-Jul-49 to 30-Jun-50	4,475	4,475
1-Jul-29 to 30-Jun-30	4,981	5,184	1-Jul-50 to 30-Jun-51	4,475	4,475
1-Jul-30 to 30-Jun-31	4,834	4,961	1-Jul-51 to 30-Jun-52	4,475	4,475
1-Jul-31 to 30-Jun-32	4,733	4,940	1-Jul-52 to 30-Jun-53	4,475	4,475
1-Jul-32 to 30-Jun-33	4,671	4,940	1-Jul-53 to 30-Jun-54	4,475	4,475
1-Jul-33 to 30-Jun-34	4,890	4,721	1-Jul-54 to 30-Jun-55	4,475	4,475
1-Jul-34 to 30-Jun-35	4,734	4,707	1-Jul-55 to 30-Jun-56	4,475	4,475
1-Jul-35 to 30-Jun-36	4,636	4,707	1-Jul-56 to 30-Jun-57	4,475	4,475
1-Jul-36 to 30-Jun-37	4,576	4,707	1-Jul-57 to 30-Jun-58	4,475	4,475
1-Jul-37 to 30-Jun-38	4,538	4,707	1-Jul-58 to 30-Jun-59	400	400
1-Jul-38 to 30-Jun-39	4,515	4,491	Total	209,465	209,465

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10 year forecast comparison graph

The below graphical representation of the diminishing value method and prime cost method compares the yearly claims from both methods. The graph demonstrates the diminishing value method's increased deductions over the initial years and the prime cost method's greater deductions in later years.



Division 43 – capital works allowance

The table below outlines the division 43 building write-off allowance available to be claimed over forty years from the construction completion date. The depreciation calculated has been deemed to be on structural elements only completed after the legislated dates.

Works	Date	Rate	Original cost (\$)
Original works	2-Aug-18	2.5 %	179,008

Calculation for write-off provision:

Period	Original division 43 (\$)
3-Aug-18 to 30-Jun-19	4,083
1-Jul-19 to 30-Jun-20	4,475
1-Jul-20 to 30-Jun-21	4,475
1-Jul-21 to 30-Jun-22	4,475
1-Jul-22 to 30-Jun-23	4,475
1-Jul-23 to 30-Jun-24	4,475
1-Jul-24 to 30-Jun-25	4,475
1-Jul-25 to 30-Jun-26	4,475
1-Jul-26 to 30-Jun-27	4,475
1-Jul-27 to 30-Jun-28	4,475

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Diminishing value method summary

Date	Effective life	Pooled plant	Division 40	Division 43	Total
3-Aug-18 to 30-Jun-19	4,160	1,211	5,371	4,083	9,454
1-Jul-19 to 30-Jun-20	3,135	2,295	5,430	4,475	9,905
1-Jul-20 to 30-Jun-21	2,443	1,746	4,189	4,475	8,664
1-Jul-21 to 30-Jun-22	2,017	1,092	3,109	4,475	7,584
1-Jul-22 to 30-Jun-23	1,668	683	2,351	4,475	6,826
1-Jul-23 to 30-Jun-24	1,384	427	1,811	4,475	6,286
1-Jul-24 to 30-Jun-25	781	957	1,738	4,475	6,213
1-Jul-25 to 30-Jun-26	663	599	1,262	4,475	5,737
1-Jul-26 to 30-Jun-27	565	372	937	4,475	5,412
1-Jul-27 to 30-Jun-28	181	919	1,100	4,475	5,575
1-Jul-28 to 30-Jun-29	163	574	737	4,475	5,212
1-Jul-29 to 30-Jun-30	147	359	506	4,475	4,981
1-Jul-30 to 30-Jun-31	132	227	359	4,475	4,834
1-Jul-31 to 30-Jun-32	119	139	258	4,475	4,733
1-Jul-32 to 30-Jun-33	107	89	196	4,475	4,671
1-Jul-33 to 30-Jun-34	0	415	415	4,475	4,890
1-Jul-34 to 30-Jun-35	0	259	259	4,475	4,734
1-Jul-35 to 30-Jun-36	0	161	161	4,475	4,636
1-Jul-36 to 30-Jun-37	0	101	101	4,475	4,576
1-Jul-37 to 30-Jun-38	0	63	63	4,475	4,538
1-Jul-38 to 30-Jun-39	0	40	40	4,475	4,515
1-Jul-39 to 30-Jun-40	0	25	25	4,475	4,500
1-Jul-40 to 30-Jun-41	0	16	16	4,475	4,491
1-Jul-41 to 30-Jun-42	0	9	9	4,475	4,484
1-Jul-42 to 30-Jun-43	0	5	5	4,475	4,480
1-Jul-43 to 30-Jun-44	0	3	3	4,475	4,478
1-Jul-44 to 30-Jun-45	0	2	2	4,475	4,477
1-Jul-45 to 30-Jun-46	0	2	2	4,475	4,477
1-Jul-46 to 30-Jun-47	0	1	1	4,475	4,476
1-Jul-47 to 30-Jun-48	0	1	1	4,475	4,476
1-Jul-48 to 30-Jun-49	0	0	0	4,475	4,475
1-Jul-49 to 30-Jun-50	0	0	0	4,475	4,475
1-Jul-50 to 30-Jun-51	0	0	0	4,475	4,475
1-Jul-51 to 30-Jun-52	0	0	0	4,475	4,475
1-Jul-52 to 30-Jun-53	0	0	0	4,475	4,475
1-Jul-53 to 30-Jun-54	0	0	0	4,475	4,475
1-Jul-54 to 30-Jun-55	0	0	0	4,475	4,475
1-Jul-55 to 30-Jun-56	0	0	0	4,475	4,475
1-Jul-56 to 30-Jun-57	0	0	0	4,475	4,475
1-Jul-57 to 30-Jun-58	0	0	0	4,475	4,475
1-Jul-58 to 30-Jun-59	0	0	0	400	400
Total	17,665	12,792	30,457	179,008	209,465

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Prime cost method summary

Date	Effective life plant	Division 43	Total
3-Aug-18 to 30-Jun-19	2,984	4,083	7,067
1-Jul-19 to 30-Jun-20	2,658	4,475	7,133
1-Jul-20 to 30-Jun-21	2,658	4,475	7,133
1-Jul-21 to 30-Jun-22	2,658	4,475	7,133
1-Jul-22 to 30-Jun-23	2,658	4,475	7,133
1-Jul-23 to 30-Jun-24	2,584	4,475	7,059
1-Jul-24 to 30-Jun-25	2,521	4,475	6,996
1-Jul-25 to 30-Jun-26	2,514	4,475	6,989
1-Jul-26 to 30-Jun-27	2,514	4,475	6,989
1-Jul-27 to 30-Jun-28	2,514	4,475	6,989
1-Jul-28 to 30-Jun-29	879	4,475	5,354
1-Jul-29 to 30-Jun-30	709	4,475	5,184
1-Jul-30 to 30-Jun-31	486	4,475	4,961
1-Jul-31 to 30-Jun-32	465	4,475	4,940
1-Jul-32 to 30-Jun-33	465	4,475	4,940
1-Jul-33 to 30-Jun-34	246	4,475	4,721
1-Jul-34 to 30-Jun-35	232	4,475	4,707
1-Jul-35 to 30-Jun-36	232	4,475	4,707
1-Jul-36 to 30-Jun-37	232	4,475	4,707
1-Jul-37 to 30-Jun-38	232	4,475	4,707
1-Jul-38 to 30-Jun-39	16	4,475	4,491
1-Jul-39 to 30-Jun-40	0	4,475	4,475
1-Jul-40 to 30-Jun-41	0	4,475	4,475
1-Jul-41 to 30-Jun-42	0	4,475	4,475
1-Jul-42 to 30-Jun-43	0	4,475	4,475
1-Jul-43 to 30-Jun-44	0	4,475	4,475
1-Jul-44 to 30-Jun-45	0	4,475	4,475
1-Jul-45 to 30-Jun-46	0	4,475	4,475
1-Jul-46 to 30-Jun-47	0	4,475	4,475
1-Jul-47 to 30-Jun-48	0	4,475	4,475
1-Jul-48 to 30-Jun-49	0	4,475	4,475
1-Jul-49 to 30-Jun-50	0	4,475	4,475
1-Jul-50 to 30-Jun-51	0	4,475	4,475
1-Jul-51 to 30-Jun-52	0	4,475	4,475
1-Jul-52 to 30-Jun-53	0	4,475	4,475
1-Jul-53 to 30-Jun-54	0	4,475	4,475
1-Jul-54 to 30-Jun-55	0	4,475	4,475
1-Jul-55 to 30-Jun-56	0	4,475	4,475
1-Jul-56 to 30-Jun-57	0	4,475	4,475
1-Jul-57 to 30-Jun-58	0	4,475	4,475
1-Jul-58 to 30-Jun-59	0	400	400
Total	30,457	179,008	209,465

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Diminishing value method schedule (years 1 - 5)

Tax grouping	Total cost @ 3-Aug-18 (\$)	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-23 (\$)
				3-Aug-18 30-Jun-19 Year 1 (\$)	1-Jul-19 30-Jun-20 Year 2 (\$)	1-Jul-20 30-Jun-21 Year 3 (\$)	1-Jul-21 30-Jun-22 Year 4 (\$)	1-Jul-22 30-Jun-23 Year 5 (\$)	
Division 40 - plant & equipment (Effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	6,863	10	20.0 %	1,249	1,123	898	719	575	2,299
Automatic Garage Door - Controls	199	5	100.0 %	199	0	0	0	0	0
Automatic Garage Door - Motors	872	10	37.5 %	0*	0	0	0	0	107
Bathroom Accessories - Freestanding	411	5	37.5 %	0*	0	0	0	0	51
Blinds	2,237	10	37.5 %	0*	0	0	0	0	277
Carpet	6,204	10	20.0 %	1,129	1,015	812	650	520	2,078
Cooktops	934	12	37.5 %	0*	0	0	0	0	116
Dishwashers	1,058	10	20.0 %	192	0*	0	0	0	132
Exhaust Fans	822	10	37.5 %	0*	0	0	0	0	102
Garbage Bins	299	10	100.0 %	299	0	0	0	0	0
Heating Gas - Ducted Central Unit	4,635	20	10.0 %	422	421	379	341	307	2,765
Hot Water Systems - Solar	3,488	15	13.3 %	423	409	354	307	266	1,729
Light Shades	68	5	100.0 %	68	0	0	0	0	0
Ovens	1,183	12	16.7 %	179	167	0*	0	0	204
Rangehoods	810	12	37.5 %	0*	0	0	0	0	101
Smoke Alarms	374	6	37.5 %	0*	0	0	0	0	46
Subtotal	30,457			4,160	3,135	2,443	2,017	1,668	10,007
Total division 40 - effective life rate	23,997			4,160	3,135	2,443	2,017	1,668	8,871
Total division 40 - pooled (Page 19)	6,460			1,211	2,295	1,746	1,092	683	1,136
Total division 40	30,457			5,371	5,430	4,189	3,109	2,351	10,007
Division 43 - capital works allowance									
Total division 43 (Page 12)	179,008			4,083	4,475	4,475	4,475	4,475	157,025
Total depreciation	209,465			9,454	9,905	8,664	7,584	6,826	167,032

*Low cost assets and low value assets have been allocated to the low value pooling table.

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Diminishing value method schedule (years 6 - 10)

Tax grouping	Total cost @ 1-Jul-23 (\$)	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-28 (\$)
				1-Jul-23 30-Jun-24 Year 6 (\$)	1-Jul-24 30-Jun-25 Year 7 (\$)	1-Jul-25 30-Jun-26 Year 8 (\$)	1-Jul-26 30-Jun-27 Year 9 (\$)	1-Jul-27 30-Jun-28 Year 10 (\$)	
Division 40 - plant & equipment (Effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	2,299	10	20.0 %	460	0*	0	0	0	281
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	107	10	37.5 %	0	0	0	0	0	10
Bathroom Accessories - Freestanding	51	5	37.5 %	0	0	0	0	0	4
Blinds	277	10	37.5 %	0	0	0	0	0	26
Carpet	2,078	10	20.0 %	416	332	266	213	0*	532
Cooktops	116	12	37.5 %	0	0	0	0	0	11
Dishwashers	132	10	37.5 %	0	0	0	0	0	12
Exhaust Fans	102	10	37.5 %	0	0	0	0	0	10
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	2,765	20	10.0 %	277	249	224	202	181	1,632
Hot Water Systems - Solar	1,729	15	13.3 %	231	200	173	150	0*	609
Light Shades	0	5	100.0 %	0	0	0	0	0	0
Ovens	204	12	37.5 %	0	0	0	0	0	19
Rangehoods	101	12	37.5 %	0	0	0	0	0	9
Smoke Alarms	46	6	37.5 %	0	0	0	0	0	4
Subtotal	10,007			1,384	781	663	565	181	3,159
Total division 40 - effective life rate	8,871			1,384	781	663	565	181	1,632
Total division 40 - pooled (Page 20)	1,136			427	957	599	372	919	1,527
Total division 40	10,007			1,811	1,738	1,262	937	1,100	3,159
Division 43 - capital works allowance									
Total division 43 (Page 12)	157,025			4,475	4,475	4,475	4,475	4,475	134,650
Total depreciation	167,032			6,286	6,213	5,737	5,412	5,575	137,809

*Low cost assets and low value assets have been allocated to the low value pooling table.

Diminishing value method schedule (years 11 - 15)

Tax grouping	Total cost @ 1-Jul-28 (\$)	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-33 (\$)
				1-Jul-28 30-Jun-29 Year 11 (\$)	1-Jul-29 30-Jun-30 Year 12 (\$)	1-Jul-30 30-Jun-31 Year 13 (\$)	1-Jul-31 30-Jun-32 Year 14 (\$)	1-Jul-32 30-Jun-33 Year 15 (\$)	
Division 40 - plant & equipment (Effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	281	10	37.5 %	0	0	0	0	0	27
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	10	10	37.5 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	4	5	37.5 %	0	0	0	0	0	0
Blinds	26	10	37.5 %	0	0	0	0	0	2
Carpet	532	10	37.5 %	0	0	0	0	0	51
Cooktops	11	12	37.5 %	0	0	0	0	0	0
Dishwashers	12	10	37.5 %	0	0	0	0	0	0
Exhaust Fans	10	10	37.5 %	0	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	1,632	20	10.0 %	163	147	132	119	107	964
Hot Water Systems - Solar	609	15	37.5 %	0	0	0	0	0	58
Light Shades	0	5	100.0 %	0	0	0	0	0	0
Ovens	19	12	37.5 %	0	0	0	0	0	1
Rangehoods	9	12	37.5 %	0	0	0	0	0	0
Smoke Alarms	4	6	37.5 %	0	0	0	0	0	0
Subtotal	3,159			163	147	132	119	107	1,103
Total division 40 - effective life rate	1,632			163	147	132	119	107	0
Total division 40 - pooled (Page 21)	1,527			574	359	227	139	89	1,103
Total division 40	3,159			737	506	359	258	196	1,103
Division 43 - capital works allowance									
Total division 43 (Page 12)	134,650			4,475	4,475	4,475	4,475	4,475	112,275
Total depreciation	137,809			5,212	4,981	4,834	4,733	4,671	113,378

*Low cost assets and low value assets have been allocated to the low value pooling table.

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Diminishing value method schedule (years 16 - 20)

Tax grouping	Total cost @ 1-Jul-33 (\$)	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-38 (\$)
				1-Jul-33 30-Jun-34 Year 16 (\$)	1-Jul-34 30-Jun-35 Year 17 (\$)	1-Jul-35 30-Jun-36 Year 18 (\$)	1-Jul-36 30-Jun-37 Year 19 (\$)	1-Jul-37 30-Jun-38 Year 20 (\$)	
Division 40 - plant & equipment (Effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	27	10	37.5 %	0	0	0	0	0	2
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	37.5 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	37.5 %	0	0	0	0	0	0
Blinds	2	10	37.5 %	0	0	0	0	0	0
Carpet	51	10	37.5 %	0	0	0	0	0	4
Cooktops	0	12	37.5 %	0	0	0	0	0	0
Dishwashers	0	10	20.0 %	0	0	0	0	0	0
Exhaust Fans	0	10	37.5 %	0	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	964	20	37.5 %	0*	0	0	0	0	92
Hot Water Systems - Solar	58	15	37.5 %	0	0	0	0	0	6
Light Shades	0	5	100.0 %	0	0	0	0	0	0
Ovens	1	12	37.5 %	0	0	0	0	0	0
Rangehoods	0	12	37.5 %	0	0	0	0	0	0
Smoke Alarms	0	6	37.5 %	0	0	0	0	0	0
Subtotal	1,103			0	0	0	0	0	104
Total division 40 - effective life rate	0			0	0	0	0	0	0
Total division 40 - pooled (Page 22)	1,103			415	259	161	101	63	104
Total division 40	1,103			415	259	161	101	63	104
Division 43 - capital works allowance									
Total division 43 (Page 12)	112,275			4,475	4,475	4,475	4,475	4,475	89,900
Total depreciation	113,378			4,890	4,734	4,636	4,576	4,538	90,004

*Low cost assets and low value assets have been allocated to the low value pooling table.

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Diminishing value method pooling schedule (years 1 - 5)

Tax grouping	Total cost @ Pooling start (\$)	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-23 (\$)
				3-Aug-18 30-Jun-19 Year 1 (\$)	1-Jul-19 30-Jun-20 Year 2 (\$)	1-Jul-20 30-Jun-21 Year 3 (\$)	1-Jul-21 30-Jun-22 Year 4 (\$)	1-Jul-22 30-Jun-23 Year 5 (\$)	
Division 40 - plant & equipment (Pooling rates)									
Existing unit specific									
Air Conditioner - Split Systems	*1,839	10	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	872	10	37.5 %	164	266	166	104	65	107
Bathroom Accessories - Freestanding	411	5	37.5 %	77	125	78	49	31	51
Blinds	2,237	10	37.5 %	419	682	426	266	167	277
Carpet	*851	10	0.0 %	0	0	0	0	0	0
Cooktops	934	12	37.5 %	175	285	178	111	69	116
Dishwashers	*866	10	37.5 %	0	325	203	127	79	132
Exhaust Fans	822	10	37.5 %	154	251	156	98	61	102
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	*964	20	0.0 %	0	0	0	0	0	0
Hot Water Systems - Solar	*975	15	0.0 %	0	0	0	0	0	0
Light Shades	0	5	0.0 %	0	0	0	0	0	0
Ovens	*837	12	37.5 %	0	0	314	196	123	204
Rangehoods	810	12	37.5 %	152	247	154	96	60	101
Smoke Alarms	374	6	37.5 %	70	114	71	45	28	46
Subtotal	6,460			1,211	2,295	1,746	1,092	683	1,136
Total - pooled items	6,460			1,211	2,295	1,746	1,092	683	1,136

Items marked by an * are allocated to the low-value pool in later years.

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Diminishing value method pooling schedule (years 6 - 10)

Tax grouping	Total cost @ Pooling start (\$)	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-28 (\$)
				1-Jul-23 30-Jun-24 Year 6 (\$)	1-Jul-24 30-Jun-25 Year 7 (\$)	1-Jul-25 30-Jun-26 Year 8 (\$)	1-Jul-26 30-Jun-27 Year 9 (\$)	1-Jul-27 30-Jun-28 Year 10 (\$)	
Division 40 - plant & equipment (Pooling rates)									
Existing unit specific									
Air Conditioner - Split Systems	*1,839	10	37.5 %	0	690	431	269	168	281
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	107	10	37.5 %	40	25	16	10	6	10
Bathroom Accessories - Freestanding	51	5	37.5 %	19	12	8	5	3	4
Blinds	277	10	37.5 %	104	65	41	25	16	26
Carpet	*851	10	37.5 %	0	0	0	0	319	532
Cooktops	116	12	37.5 %	44	27	17	11	6	11
Dishwashers	132	10	37.5 %	50	31	19	12	8	12
Exhaust Fans	102	10	37.5 %	38	24	15	9	6	10
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	*964	20	0.0 %	0	0	0	0	0	0
Hot Water Systems - Solar	*975	15	37.5 %	0	0	0	0	366	609
Light Shades	0	5	0.0 %	0	0	0	0	0	0
Ovens	204	12	37.5 %	77	48	30	18	12	19
Rangehoods	101	12	37.5 %	38	24	15	9	6	9
Smoke Alarms	46	6	37.5 %	17	11	7	4	3	4
Subtotal	1,136			427	957	599	372	919	1,527
Total - pooled items	1,136			427	957	599	372	919	1,527

Items marked by an * are allocated to the low-value pool in later years.

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Diminishing value method pooling schedule (years 11 - 15)

Tax grouping	Total cost @ Pooling start (\$)	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-33 (\$)
				1-Jul-28 30-Jun-29 Year 11 (\$)	1-Jul-29 30-Jun-30 Year 12 (\$)	1-Jul-30 30-Jun-31 Year 13 (\$)	1-Jul-31 30-Jun-32 Year 14 (\$)	1-Jul-32 30-Jun-33 Year 15 (\$)	
Division 40 - plant & equipment (Pooling rates)									
Existing unit specific									
Air Conditioner - Split Systems	281	10	37.5 %	105	66	41	26	16	27
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	10	10	37.5 %	4	2	2	1	1	0
Bathroom Accessories - Freestanding	4	5	37.5 %	2	1	1	0	0	0
Blinds	26	10	37.5 %	10	6	4	2	2	2
Carpet	532	10	37.5 %	200	125	78	48	30	51
Cooktops	11	12	37.5 %	4	3	2	1	1	0
Dishwashers	12	10	37.5 %	5	3	2	1	1	0
Exhaust Fans	10	10	37.5 %	4	2	2	1	1	0
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	*964	20	0.0 %	0	0	0	0	0	964
Hot Water Systems - Solar	609	15	37.5 %	228	143	89	56	35	58
Light Shades	0	5	0.0 %	0	0	0	0	0	0
Ovens	19	12	37.5 %	7	5	3	2	1	1
Rangehoods	9	12	37.5 %	3	2	2	1	1	0
Smoke Alarms	4	6	37.5 %	2	1	1	0	0	0
Subtotal	1,527			574	359	227	139	89	1,103
Total - pooled items	1,527			574	359	227	139	89	1,103

Items marked by an * are allocated to the low-value pool in later years.

Diminishing value method pooling schedule (years 16 - 20)

Tax grouping	Total cost @ Pooling start (\$)	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-38 (\$)
				1-Jul-33 30-Jun-34 Year 16 (\$)	1-Jul-34 30-Jun-35 Year 17 (\$)	1-Jul-35 30-Jun-36 Year 18 (\$)	1-Jul-36 30-Jun-37 Year 19 (\$)	1-Jul-37 30-Jun-38 Year 20 (\$)	
Division 40 - plant & equipment (Pooling rates)									
Existing unit specific									
Air Conditioner - Split Systems	27	10	37.5 %	10	6	4	3	2	2
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	0.0 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Blinds	2	10	37.5 %	1	1	0	0	0	0
Carpet	51	10	37.5 %	19	12	8	5	3	4
Cooktops	0	12	0.0 %	0	0	0	0	0	0
Dishwashers	0	10	0.0 %	0	0	0	0	0	0
Exhaust Fans	0	10	0.0 %	0	0	0	0	0	0
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	964	20	37.5 %	362	226	141	88	55	92
Hot Water Systems - Solar	58	15	37.5 %	22	14	8	5	3	6
Light Shades	0	5	0.0 %	0	0	0	0	0	0
Ovens	1	12	37.5 %	1	0	0	0	0	0
Rangehoods	0	12	0.0 %	0	0	0	0	0	0
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Subtotal	1,103			415	259	161	101	63	104
Total - pooled items	1,103			415	259	161	101	63	104

Items marked by an * are allocated to the low-value pool in later years.

Prime cost method schedule (years 1 - 5)

Tax grouping	Total cost @ 3-Aug-18 (\$)	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-23 (\$)
				3-Aug-18 30-Jun-19 Year 1 (\$)	1-Jul-19 30-Jun-20 Year 2 (\$)	1-Jul-20 30-Jun-21 Year 3 (\$)	1-Jul-21 30-Jun-22 Year 4 (\$)	1-Jul-22 30-Jun-23 Year 5 (\$)	
Division 40 - plant & equipment (Effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	6,863	10	10.0 %	624	686	686	686	686	3,495
Automatic Garage Door - Controls	199	5	100.0 %	199	0	0	0	0	0
Automatic Garage Door - Motors	872	10	10.0 %	79	87	87	87	87	445
Bathroom Accessories - Freestanding	411	5	20.0 %	75	82	82	82	82	8
Blinds	2,237	10	10.0 %	203	224	224	224	224	1,138
Carpet	6,204	10	10.0 %	564	620	620	620	620	3,160
Cooktops	934	12	8.3 %	71	78	78	78	78	551
Dishwashers	1,058	10	10.0 %	96	106	106	106	106	538
Exhaust Fans	822	10	10.0 %	75	82	82	82	82	419
Garbage Bins	299	10	100.0 %	299	0	0	0	0	0
Heating Gas - Ducted Central Unit	4,635	20	5.0 %	211	232	232	232	232	3,496
Hot Water Systems - Solar	3,488	15	6.7 %	212	233	233	233	233	2,344
Light Shades	68	5	100.0 %	68	0	0	0	0	0
Ovens	1,183	12	8.3 %	90	99	99	99	99	697
Rangehoods	810	12	8.3 %	61	67	67	67	67	481
Smoke Alarms	374	6	16.7 %	57	62	62	62	62	69
Subtotal	30,457			2,984	2,658	2,658	2,658	2,658	16,841
Total division 40 - effective life rate	30,457			2,984	2,658	2,658	2,658	2,658	16,841
Division 43 - capital works allowance									
Total division 43 (Page 12)	179,008			4,083	4,475	4,475	4,475	4,475	157,025
Total depreciation	209,465			7,067	7,133	7,133	7,133	7,133	173,866

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Prime cost method schedule (years 6 - 10)

Tax grouping	Total cost @ 1-Jul-23 (\$)	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-28 (\$)
				1-Jul-23 30-Jun-24 Year 6 (\$)	1-Jul-24 30-Jun-25 Year 7 (\$)	1-Jul-25 30-Jun-26 Year 8 (\$)	1-Jul-26 30-Jun-27 Year 9 (\$)	1-Jul-27 30-Jun-28 Year 10 (\$)	
Division 40 - plant & equipment (Effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	3,495	10	10.0 %	686	686	686	686	686	65
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	445	10	10.0 %	87	87	87	87	87	10
Bathroom Accessories - Freestanding	8	5	20.0 %	8	0	0	0	0	0
Blinds	1,138	10	10.0 %	224	224	224	224	224	18
Carpet	3,160	10	10.0 %	620	620	620	620	620	60
Cooktops	551	12	8.3 %	78	78	78	78	78	161
Dishwashers	538	10	10.0 %	106	106	106	106	106	8
Exhaust Fans	419	10	10.0 %	82	82	82	82	82	9
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	3,496	20	5.0 %	232	232	232	232	232	2,336
Hot Water Systems - Solar	2,344	15	6.7 %	233	233	233	233	233	1,179
Light Shades	0	5	100.0 %	0	0	0	0	0	0
Ovens	697	12	8.3 %	99	99	99	99	99	202
Rangehoods	481	12	8.3 %	67	67	67	67	67	146
Smoke Alarms	69	6	16.7 %	62	7	0	0	0	0
Subtotal	16,841			2,584	2,521	2,514	2,514	2,514	4,194
Total division 40 - effective life rate	16,841			2,584	2,521	2,514	2,514	2,514	4,194
Division 43 - capital works allowance									
Total division 43 (Page 12)	157,025			4,475	4,475	4,475	4,475	4,475	134,650
Total depreciation	173,866			7,059	6,996	6,989	6,989	6,989	138,844

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Prime cost method schedule (years 11 - 15)

Tax grouping	Total cost @ 1-Jul-28 (\$)	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-33 (\$)
				1-Jul-28 30-Jun-29 Year 11 (\$)	1-Jul-29 30-Jun-30 Year 12 (\$)	1-Jul-30 30-Jun-31 Year 13 (\$)	1-Jul-31 30-Jun-32 Year 14 (\$)	1-Jul-32 30-Jun-33 Year 15 (\$)	
Division 40 - plant & equipment (Effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	65	10	10.0 %	65	0	0	0	0	0
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	10	10	10.0 %	10	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	20.0 %	0	0	0	0	0	0
Blinds	18	10	10.0 %	18	0	0	0	0	0
Carpet	60	10	10.0 %	60	0	0	0	0	0
Cooktops	161	12	8.3 %	78	78	5	0	0	0
Dishwashers	8	10	10.0 %	8	0	0	0	0	0
Exhaust Fans	9	10	10.0 %	9	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	2,336	20	5.0 %	232	232	232	232	232	1,176
Hot Water Systems - Solar	1,179	15	6.7 %	233	233	233	233	233	14
Light Shades	0	5	100.0 %	0	0	0	0	0	0
Ovens	202	12	8.3 %	99	99	4	0	0	0
Rangehoods	146	12	8.3 %	67	67	12	0	0	0
Smoke Alarms	0	6	16.7 %	0	0	0	0	0	0
Subtotal	4,194			879	709	486	465	465	1,190
Total division 40 - effective life rate	4,194			879	709	486	465	465	1,190
Division 43 - capital works allowance									
Total division 43 (Page 12)	134,650			4,475	4,475	4,475	4,475	4,475	112,275
Total depreciation	138,844			5,354	5,184	4,961	4,940	4,940	113,465

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Prime cost method schedule (years 16 - 20)

Tax grouping	Total cost @ 1-Jul-33 (\$)	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-38 (\$)
				1-Jul-33 30-Jun-34 Year 16 (\$)	1-Jul-34 30-Jun-35 Year 17 (\$)	1-Jul-35 30-Jun-36 Year 18 (\$)	1-Jul-36 30-Jun-37 Year 19 (\$)	1-Jul-37 30-Jun-38 Year 20 (\$)	
Division 40 - plant & equipment (Effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	0	10	10.0 %	0	0	0	0	0	0
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	10.0 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	20.0 %	0	0	0	0	0	0
Blinds	0	10	10.0 %	0	0	0	0	0	0
Carpet	0	10	10.0 %	0	0	0	0	0	0
Cooktops	0	12	8.3 %	0	0	0	0	0	0
Dishwashers	0	10	10.0 %	0	0	0	0	0	0
Exhaust Fans	0	10	10.0 %	0	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Heating Gas - Ducted Central Unit	1,176	20	5.0 %	232	232	232	232	232	16
Hot Water Systems - Solar	14	15	6.7 %	14	0	0	0	0	0
Light Shades	0	5	100.0 %	0	0	0	0	0	0
Ovens	0	12	8.3 %	0	0	0	0	0	0
Rangehoods	0	12	8.3 %	0	0	0	0	0	0
Smoke Alarms	0	6	16.7 %	0	0	0	0	0	0
Subtotal	1,190			246	232	232	232	232	16
Total division 40 - effective life rate	1,190			246	232	232	232	232	16
Division 43 - capital works allowance									
Total division 43 (Page 12)	112,275			4,475	4,475	4,475	4,475	4,475	89,900
Total depreciation	113,465			4,721	4,707	4,707	4,707	4,707	89,916

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Grouped depreciation rates - diminishing value method

BMT Tax Depreciation has allocated each asset into a group based on their rate of depreciation. The following tables provide a summary of the total deductions available for each depreciation rate for both the diminishing value method and the prime cost method of depreciation. This may assist when entering depreciation into accounting software packages.

Basic rate (%)	Years				
	3-Aug-18 30-Jun-19 Year 1 (\$)	1-Jul-19 30-Jun-20 Year 2 (\$)	1-Jul-20 30-Jun-21 Year 3 (\$)	1-Jul-21 30-Jun-22 Year 4 (\$)	1-Jul-22 30-Jun-23 Year 5 (\$)
2.5	4,083	4,475	4,475	4,475	4,475
10	422	421	379	341	307
13.33	423	409	354	307	266
16.67	179	167	0	0	0
18.75	1,211	0	0	0	0
20	2,570	2,138	1,710	1,369	1,095
37.5	0	2,295	1,746	1,092	683
100	566	0	0	0	0
Total	9,454	9,905	8,664	7,584	6,826

Basic rate (%)	Years				
	1-Jul-23 30-Jun-24 Year 6 (\$)	1-Jul-24 30-Jun-25 Year 7 (\$)	1-Jul-25 30-Jun-26 Year 8 (\$)	1-Jul-26 30-Jun-27 Year 9 (\$)	1-Jul-27 30-Jun-28 Year 10 (\$)
2.5	4,475	4,475	4,475	4,475	4,475
10	277	249	224	202	181
13.33	231	200	173	150	0
16.67	0	0	0	0	0
18.75	0	0	0	0	0
20	876	332	266	213	0
37.5	427	957	599	372	919
100	0	0	0	0	0
Total	6,286	6,213	5,737	5,412	5,575

Grouped depreciation rates - prime cost method

Basic rate (%)	Years				
	3-Aug-18 30-Jun-19 Year 1 (\$)	1-Jul-19 30-Jun-20 Year 2 (\$)	1-Jul-20 30-Jun-21 Year 3 (\$)	1-Jul-21 30-Jun-22 Year 4 (\$)	1-Jul-22 30-Jun-23 Year 5 (\$)
2.5	4,083	4,475	4,475	4,475	4,475
5	211	232	232	232	232
6.67	212	233	233	233	233
8.33	222	244	244	244	244
10	1,641	1,805	1,805	1,805	1,805
16.67	57	62	62	62	62
20	75	82	82	82	82
100	566	0	0	0	0
Total	7,067	7,133	7,133	7,133	7,133

Basic rate (%)	Years				
	1-Jul-23 30-Jun-24 Year 6 (\$)	1-Jul-24 30-Jun-25 Year 7 (\$)	1-Jul-25 30-Jun-26 Year 8 (\$)	1-Jul-26 30-Jun-27 Year 9 (\$)	1-Jul-27 30-Jun-28 Year 10 (\$)
2.5	4,475	4,475	4,475	4,475	4,475
5	232	232	232	232	232
6.67	233	233	233	233	233
8.33	244	244	244	244	244
10	1,805	1,805	1,805	1,805	1,805
16.67	62	7	0	0	0
20	8	0	0	0	0
100	0	0	0	0	0
Total	7,059	6,996	6,989	6,989	6,989

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Glossary of terms

Building first use

Refers to a new property which has not been previously used. Capital works deductions can be claimed for forty years from the construction completion date. When a purchaser becomes the first owner of a brand new investment property, they are entitled to claim both the capital works deduction and depreciation of plant and equipment assets as long as they own the property and it is being used to produce income for a taxable purpose.

Building cost index

The building cost index is a statistical based method of measuring building price movements over time. It is a composite index with weighted factors on an industry-wide basis.

Division 40 - plant and equipment

Division 40 refers to the plant and equipment assets contained within the property. These assets are deemed to be mechanical or easily removed from the property as opposed to items that are permanently fixed to the structure of the building. These are assets which are also listed as recognised plant and equipment assets by the ATO. Unlike deductions available for division 43, depreciation of plant and equipment is not limited by its age. It is the condition and quality of each item as well as the individual effective life of the asset as set by the ATO which contributes to the depreciable amount. Examples of plant and equipment assets include carpet, blinds, ovens as well as less obvious items such as door closers.

For an easy way to search for all depreciable plant and equipment assets in residential properties download our app BMT Resi Rates. Alternatively, to search for plant and equipment assets in other property types download our app BMT Rate Finder. Both of these apps are available free of charge in the App Store™ and Google Play™.

Division 43

Division 43 refers to a deduction available for the structural element of a building and assets that are fixed to the building. This is commonly referred to as a capital works deduction. A deduction can be claimed for the building, structural improvements and fixed assets of a property at a rate of either 2.5 per cent or 4 per cent each year depending on the classification of the property's use and the property's construction commencement date.

Current ATO legislation states that a property owner is eligible to claim a deduction for the division 43 on income producing properties that commenced construction after the 15th of September 1987 and the present time. The capital works deduction can only be claimed for a maximum of forty years after the construction completion date. Examples of assets that will qualify for division 43 include walls, roof, tiles, built in robes, cabinets, fixed bathroom fittings and vanities.

Property owners may also be able to claim building write-off for renovations that have been completed to a property, even if these renovations were completed by a previous owner of the property.

Diminishing value method

The diminishing value method is one of two methods used to claim depreciation for plant and equipment assets. Under the diminishing value method the decline in value is calculated using the asset's base value. The base value of an asset is, broadly, its cost plus any costs incurred on the asset since you first held it less the decline in value of the asset up to the end of the prior year.

The formulas for the diminishing value method are:

Diminishing value method				
For depreciating assets you started to hold on or after 10th May 2006				
Base value*	X	Days held ----- 365	X	200 per cent ----- asset's effective life
For depreciating assets you started to hold prior to 10th May 2006				
Base value*	X	Days held ----- 365	X	150 per cent ----- asset's effective life

* For the income year in which an asset is first used or installed ready for use for any purpose, the **base value** is the asset's cost. For a later income year, the base value is the asset's opening adjustable value plus any amounts included in the asset's second element of cost for that year.

This method assumes that the decline in value each year is a constant proportion of the amount not yet written off and produces a progressively smaller decline in value over time.

This method results in a higher rate of depreciation deductions in the first five to ten years of owning the property.

Once a method has been chosen, this cannot be changed. For this reason, it is recommended that the property owner consult with an Accountant or a Financial Adviser for advice on which method will best suit their individual investment strategy and to ensure the best results are obtained.

Effective life

The effective life of depreciable assets is set by the Tax Commissioner and is used to show how long an asset is likely to last and be effective. Legislation in place at the time this schedule is completed provides an effective life for each individual asset claimable as plant and equipment. The value of depreciation is determined based upon this effective life.

Immediate write-off

Individual assets which cost \$300 or less can usually be written off as an immediate deduction in the year of their acquisition. This means an investor can claim 100 per cent of the value of an asset in the same financial year as its purchase so long as the asset meets certain criteria as set by the ATO.

To be eligible for the immediate write-off, an asset must be used for the purpose of producing assessable income that was not income from carrying out a business. The asset also cannot be part of a set of assets acquired in the income year that together cost more than \$300. The cost of individual assets that have been acquired after the 1 July 2001 that are the same asset type (or are considered to be identical or substantially identical in accordance with ATO legislation) must be added together when applying the \$300 threshold. If their combined total cost is more than \$300, they cannot be written off in the year of purchase (unless there are multiple owners and their interest in the asset is less than \$300). Alternatively, you may be able to allocate the asset to a low-value pool.

Low-value pooling

From 1 July 2000, an optional low-value pooling arrangement for plant was introduced. This applied to certain plant and equipment costing less than \$1,000 or having an undeducted cost of less than \$1,000.

Under Uniform Capital Allowance (UCA) rules, you can allocate low-cost assets and low value assets to a low-value pool.

You work out the decline in value of an asset you hold jointly with others based on the cost of your interest in the asset. This means if you hold an asset jointly and the cost of your interest in the asset or the opening adjustable value of your interest is less than \$1,000, you can allocate your interest in the asset to your low-value pool. Once you choose to create a low-value pool and allocate a low-cost asset to it, you must pool all other low-cost assets you start to hold in that income year and in later income years. However, this rule does not apply to low-value assets. You can decide whether to allocate low-value assets to the pool on an asset-by-asset basis.

Assets which are placed into a low-value pool are able to be claimed by the property owner at an accelerated rate of 18.75 per cent in the year of purchase and 37.5 per cent every year thereafter.

Low-cost assets

A low-cost asset is a depreciable asset that has an opening value of less than \$1,000 in the year of acquisition.

Low-value assets

A low-value asset is a depreciable asset that has a written down value of less than \$1,000. That is, the value of the asset may have been greater than \$1,000 in the year of acquisition however the value remaining after a previous year's depreciation deduction is less than \$1,000.

Non-depreciable components

Examples of non-depreciable components include land value, market premiums, rates, taxes, holding costs and assets which have not been deemed to be depreciable according to current legislation, for example soft landscaping.

Preliminaries

Construction preliminaries refers to the associated expenses or costs that contractors incur in the completion of a project, for example a site office or temporary fencing, rather than the actual materials and fees used during construction such as bricks and mortar and labour costs.

Prime cost method

The prime cost method is one of two methods used to claim depreciation for plant and equipment. Under the prime cost method the decline in value is generally calculated as a constant percentage of the asset's cost and reflects a uniform decline in value over time. The formula is:

Prime cost method				
Asset's cost	X	Days held ----- 365	X	100 per cent ----- asset's effective life

* The cost of an asset includes both the amount you pay for it as well as any additional amounts you spend on transporting it and installing it. Cost also includes amounts you spend on improving the asset.

Once a method has been chosen, this cannot be changed. For this reason, it is recommended that the property owner consult with an Accountant or a Financial Adviser for advice on which method will best suit their individual investment strategy and to ensure the best results are obtained.

Pro-rata calculations

Pro-rata calculations are used to show a portion of a total quantity. When an investment property is rented partway through a year, capital works deductions and plant and equipment depreciation deductions are required to be based on a pro-rata calculation of the time that the property (or asset acquired and installed within the property) was income producing.

Substantial renovations

Substantial renovations of a building is defined under Section 195-1 of the GST Act as renovations in which all, or substantially all, of a building is removed or replaced. However, the renovations need not involve removal or replacement of foundations, external walls, interior supporting walls, floors, roof or staircases.

Split schedule

Ownership structures influence how depreciation deductions are calculated. Properties with multiple owners can create a complex tax situation. A BMT Tax Depreciation Schedule makes the process easier for Accountants by splitting depreciation deductions to ensure the owners' claims are maximised. BMT Tax Depreciation can take into account any number of owners and ownership percentages from two owners at 60:40 or even four owners at 70:15:10:5.

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1300 728 726

bmtqs.com.au

Sydney

Level 33, 264 George Street
Sydney NSW 2000
Ph: 02 8265 5500

Parramatta

Hobart Corporate Centre
Level 1, Suite F 110 George Street
Parramatta NSW 2150
Ph: 02 9633 5830

Brisbane

Level 7, 320 Adelaide Street
Brisbane QLD 4000
Ph: 07 3513 7400

Gold Coast

Suite 30610, Level 6 Southport
Central 3, 9 Lawson Street
Southport QLD 4215
Ph: 07 5526 3520

Newcastle

19 Brunker Road
Broadmeadow NSW 2292
Ph: 02 4978 6477

Melbourne

Level 50, 120 Collins Street
Melbourne VIC 3000
Ph: 03 9296 6200

Darwin

Level 1, Paspalis Centrepont
48-50 Smith Street
Darwin NT 0800
Ph: 08 8924 8200

Perth

Level 28, 140
St Georges Terrace
Perth WA 6000
Ph: 08 6318 8700

Cairns

181 Mulgrave Road
Cairns QLD 4870
Ph: 07 4031 5699

Canberra

Level 5, 15 Moore Street
Canberra ACT
Ph: 02 6257 4800

Adelaide

Level 5, 121 King William Street
Adelaide SA 5000
Ph: 08 8193 5900

Hobart

Hobart Corporate Centre
Level 3, 85 Macquarie Street
Hobart TAS 7000
Ph: 03 6231 7100

BMT Tax Depreciation
QUANTITY SURVEYORS