

Capital Allowance & Tax Depreciation Schedule

Maximising the cash return from investment properties

1 Lisman Pty Ltd ATF Lisman Family Superannuation Fund
58 Benham Avenue
KALLANGUR, QLD 4503

11 October 2016

I Lisman Pty Ltd ATF Lisman Family Superannuation Fund
49 Farry Road
BURPENGARY, QLD 4505

Dear Sir/Madam,

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

The document outlines the relevant information, legislation and methodology used in the assessment of the potential depreciation deductions for 58 Benham Avenue KALLANGUR, QLD 4503.

For your convenience we have included an explanation, summary and comparison of the two different methods you can choose to calculate an assets decline in value. This provides you or your Tax Adviser the information necessary to make a more informed decision specific to your circumstances.

We trust our service and the deductions outlined in the following schedules will exceed your expectations. We strive for excellent and would truly appreciate your feedback.

We are committed to the continual professional development of our service and report so we can fortify our relationship as your preferred Tax Depreciation and Capital Allowance Specialist.

For further information on property taxation and relevant property news we invite you to visit our website at www.bmtqs.com.au where you will find an array of free investment tools and resources you can use, order or download at any time.

Should you require any further information or clarification, please do not hesitate to contact one of our Depreciation Specialists or our Chief Executive Officer Mr Bradley Beer at the office.

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

Please find following a summary of the information BMT Tax Depreciation have used when preparing this Capital Allowance and Tax Depreciation Schedule. The ownership structure plays a significant part in the methodology that is used and subsequently changes the structure of the report and the calculations used therein. Any changes to the ownership entity or structure will make this report inaccurate.

Report prepared for: I Lisman Pty Ltd ATF Lisman Family Superannuation Fund

Property address: 58 Benham Avenue KALLANGUR, QLD 4503

Ownership interest: 100%

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% interest and the other an 80% interest

Co-owned depreciating assets, as outlined in section 40-35 of the 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% share can claim an immediate write-off for items under \$600 as each co-owner's share is less than \$300 each. When an owner's share of an asset valued at less than \$1,000 it can also be added to a low-value pool.

Property type: Residential

Construction cost: \$205,000

Settlement date: 28 September 2016

Construction completion date: 28 September 2016

Schedule start date: 29 September 2016

Methodology

The Capital Allowance and Tax Depreciation Schedule prepared for I Lisman Pty Ltd ATF Lisman Family Superannuation Fund on 58 Benham Avenue KALLANGUR, QLD 4503 has been prepared and calculated in accordance with the legislation applicable on the 11 October 2016.

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, 42 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 2015/2 – 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 the estimating procedures and methodology provided to estimate a fair market value based on cost advice as at the 11 October 2016. 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 architects' fees, engineering fees and the cost of foundation excavations
- Builders or Contractors margin
- Professional fees such as Architects, Engineers and Surveyors
- 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
- Developers 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 I Lisman Pty Ltd ATF Lisman Family Superannuation Fund
- Construction cost of \$205,000

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

This report and the information contained within it has been prepared by BMT Tax Depreciation Pty Ltd , as property depreciation and construction cost consultants and not in any other capacity on the basis of estimated costs and information provided to us by the client. It is intended for use only by the client. The contents of this report are advice on construction costs only. The contents of this report are not legal, accounting or taxation advice. The client must consult with their own legal, accounting or taxation advisers before relying on these schedules. The report and the schedules have been prepared in accordance with legislation in force at the time the asset was acquired and the date this report was produced.

BMT Tax Depreciation Pty Ltd is not responsible for the results of the actions taken on the basis of the information provided in this report or any error in or omission from this report. The construction cost estimate has been prepared for depreciation purposes only. It is not an estimate of replacement cost and is not suitable for any other purpose. Neither the whole nor any part of this report or any reference thereto may be included in any published, circular or statement, nor published in part or in full in any way, without the express prior written approval from BMT Tax Depreciation Pty Ltd.

Experience and qualifications

It is a legislative requirement that you use an appropriately qualified person to prepare a Capital Allowance and Tax Depreciation Schedule under Tax Ruling 97/25. A Quantity Surveyor is one of the few professionals recognised to have appropriate construction costing skills to estimate building costs for the purpose of establishing a cost to claim your capital works and tax depreciation deductions.

Please find following 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 being 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**

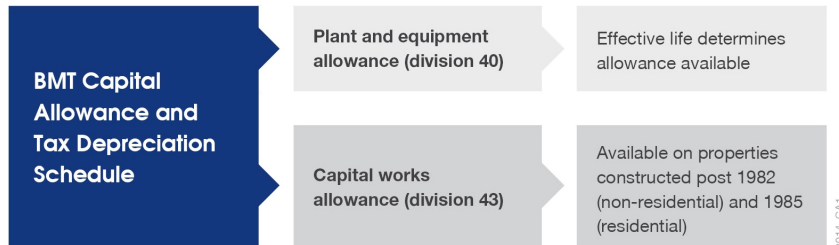
As a member of PIPA, BMT are committed to maintaining high levels of professional standards through their work in educating property investors on the benefits of tax depreciation.

- **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

Construction cost	\$205,000
Total expenditure	\$205,000



Division 40 - plant and equipment	\$29,810
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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	\$175,190
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Division 43, as outlined in the Income Tax Assessment Act 1997 (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.

Construction expenditure that cannot be claimed (as per Australian Taxation Office 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	\$205,000
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Capital Allowance and Tax Depreciation Schedule summary

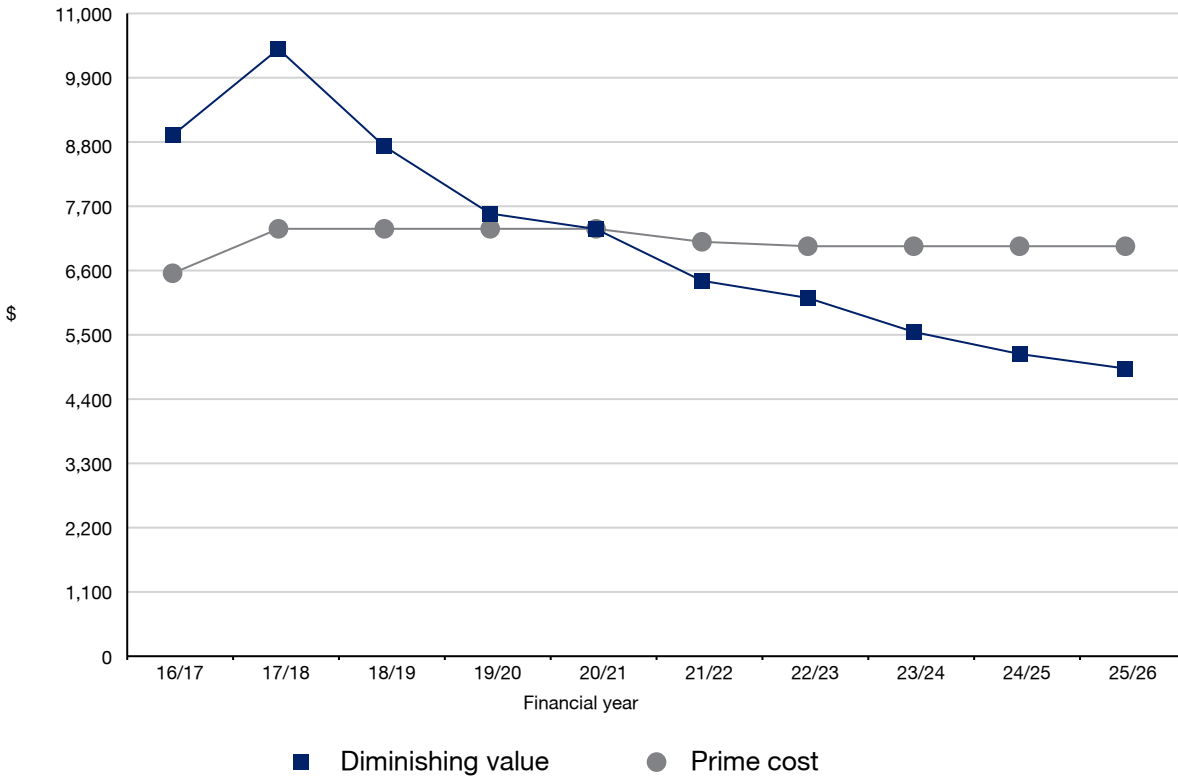
Total deductions - 40 year forecast

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 (\$)
29-Sep-16 to 30-Jun-17	8,915	6,553	1-Jul-37 to 30-Jun-38	4,383	4,380
1-Jul-17 to 30-Jun-18	10,392	7,314	1-Jul-38 to 30-Jun-39	4,381	4,380
1-Jul-18 to 30-Jun-19	8,726	7,314	1-Jul-39 to 30-Jun-40	4,381	4,380
1-Jul-19 to 30-Jun-20	7,575	7,314	1-Jul-40 to 30-Jun-41	4,381	4,380
1-Jul-20 to 30-Jun-21	7,310	7,314	1-Jul-41 to 30-Jun-42	4,380	4,380
1-Jul-21 to 30-Jun-22	6,425	7,092	1-Jul-42 to 30-Jun-43	4,380	4,380
1-Jul-22 to 30-Jun-23	6,131	7,016	1-Jul-43 to 30-Jun-44	4,380	4,380
1-Jul-23 to 30-Jun-24	5,550	7,016	1-Jul-44 to 30-Jun-45	4,380	4,380
1-Jul-24 to 30-Jun-25	5,172	7,016	1-Jul-45 to 30-Jun-46	4,380	4,380
1-Jul-25 to 30-Jun-26	4,923	7,016	1-Jul-46 to 30-Jun-47	4,380	4,380
1-Jul-26 to 30-Jun-27	4,912	5,384	1-Jul-47 to 30-Jun-48	4,380	4,380
1-Jul-27 to 30-Jun-28	4,716	4,840	1-Jul-48 to 30-Jun-49	4,380	4,380
1-Jul-28 to 30-Jun-29	4,591	4,493	1-Jul-49 to 30-Jun-50	4,380	4,380
1-Jul-29 to 30-Jun-30	4,511	4,380	1-Jul-50 to 30-Jun-51	4,380	4,380
1-Jul-30 to 30-Jun-31	4,462	4,380	1-Jul-51 to 30-Jun-52	4,380	4,380
1-Jul-31 to 30-Jun-32	4,429	4,380	1-Jul-52 to 30-Jun-53	4,380	4,380
1-Jul-32 to 30-Jun-33	4,412	4,380	1-Jul-53 to 30-Jun-54	4,380	4,380
1-Jul-33 to 30-Jun-34	4,400	4,380	1-Jul-54 to 30-Jun-55	4,380	4,380
1-Jul-34 to 30-Jun-35	4,393	4,380	1-Jul-55 to 30-Jun-56	4,380	4,380
1-Jul-35 to 30-Jun-36	4,387	4,380	1-Jul-56 to 30-Jun-57	1,058	1,058
1-Jul-36 to 30-Jun-37	4,384	4,380	Total	205,000	205,000

10 year forecast comparison graph

This graphical representation of the diminishing value method and prime cost method compares the yearly claims from both methods against each other. It demonstrates the diminishing value method's increased deductions over the first few 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 ATO legislated dates.

Works	Date	Rate	Original cost (\$)
Original Works	28-Sep-16	2.5 %	175,190

Calculation for write-off provision:

Period	Original Division 43 (\$)
29-Sep-16 to 30-Jun-17	3,312
1-Jul-17 to 30-Jun-18	4,380
1-Jul-18 to 30-Jun-19	4,380
1-Jul-19 to 30-Jun-20	4,380
1-Jul-20 to 30-Jun-21	4,380
1-Jul-21 to 30-Jun-22	4,380
1-Jul-22 to 30-Jun-23	4,380
1-Jul-23 to 30-Jun-24	4,380
1-Jul-24 to 30-Jun-25	4,380
1-Jul-25 to 30-Jun-26	4,380

Diminishing value method summary

Date	Effective Life	Pooled Plant	Division 40	Division 43	Total
29-Sep-16 to 30-Jun-17	3,913	1,690	5,603	3,312	8,915
1-Jul-17 to 30-Jun-18	3,265	2,747	6,012	4,380	10,392
1-Jul-18 to 30-Jun-19	2,631	1,715	4,346	4,380	8,726
1-Jul-19 to 30-Jun-20	2,121	1,074	3,195	4,380	7,575
1-Jul-20 to 30-Jun-21	1,219	1,711	2,930	4,380	7,310
1-Jul-21 to 30-Jun-22	975	1,070	2,045	4,380	6,425
1-Jul-22 to 30-Jun-23	434	1,317	1,751	4,380	6,131
1-Jul-23 to 30-Jun-24	347	823	1,170	4,380	5,550
1-Jul-24 to 30-Jun-25	277	515	792	4,380	5,172
1-Jul-25 to 30-Jun-26	222	321	543	4,380	4,923
1-Jul-26 to 30-Jun-27	0	532	532	4,380	4,912
1-Jul-27 to 30-Jun-28	0	336	336	4,380	4,716
1-Jul-28 to 30-Jun-29	0	211	211	4,380	4,591
1-Jul-29 to 30-Jun-30	0	131	131	4,380	4,511
1-Jul-30 to 30-Jun-31	0	82	82	4,380	4,462
1-Jul-31 to 30-Jun-32	0	49	49	4,380	4,429
1-Jul-32 to 30-Jun-33	0	32	32	4,380	4,412
1-Jul-33 to 30-Jun-34	0	20	20	4,380	4,400
1-Jul-34 to 30-Jun-35	0	13	13	4,380	4,393
1-Jul-35 to 30-Jun-36	0	7	7	4,380	4,387
1-Jul-36 to 30-Jun-37	0	4	4	4,380	4,384
1-Jul-37 to 30-Jun-38	0	3	3	4,380	4,383
1-Jul-38 to 30-Jun-39	0	1	1	4,380	4,381
1-Jul-39 to 30-Jun-40	0	1	1	4,380	4,381
1-Jul-40 to 30-Jun-41	0	1	1	4,380	4,381
1-Jul-41 to 30-Jun-42	0	0	0	4,380	4,380
1-Jul-42 to 30-Jun-43	0	0	0	4,380	4,380
1-Jul-43 to 30-Jun-44	0	0	0	4,380	4,380
1-Jul-44 to 30-Jun-45	0	0	0	4,380	4,380
1-Jul-45 to 30-Jun-46	0	0	0	4,380	4,380
1-Jul-46 to 30-Jun-47	0	0	0	4,380	4,380
1-Jul-47 to 30-Jun-48	0	0	0	4,380	4,380
1-Jul-48 to 30-Jun-49	0	0	0	4,380	4,380
1-Jul-49 to 30-Jun-50	0	0	0	4,380	4,380
1-Jul-50 to 30-Jun-51	0	0	0	4,380	4,380
1-Jul-51 to 30-Jun-52	0	0	0	4,380	4,380
1-Jul-52 to 30-Jun-53	0	0	0	4,380	4,380
1-Jul-53 to 30-Jun-54	0	0	0	4,380	4,380
1-Jul-54 to 30-Jun-55	0	0	0	4,380	4,380
1-Jul-55 to 30-Jun-56	0	0	0	4,380	4,380
1-Jul-56 to 30-Jun-57	0	0	0	1,058	1,058
Total	15,404	14,406	29,810	175,190	205,000

Prime cost method summary

Date	Effective Life Plant	Division 43	Total
29-Sep-16 to 30-Jun-17	3,241	3,312	6,553
1-Jul-17 to 30-Jun-18	2,934	4,380	7,314
1-Jul-18 to 30-Jun-19	2,934	4,380	7,314
1-Jul-19 to 30-Jun-20	2,934	4,380	7,314
1-Jul-20 to 30-Jun-21	2,934	4,380	7,314
1-Jul-21 to 30-Jun-22	2,712	4,380	7,092
1-Jul-22 to 30-Jun-23	2,636	4,380	7,016
1-Jul-23 to 30-Jun-24	2,636	4,380	7,016
1-Jul-24 to 30-Jun-25	2,636	4,380	7,016
1-Jul-25 to 30-Jun-26	2,636	4,380	7,016
1-Jul-26 to 30-Jun-27	1,004	4,380	5,384
1-Jul-27 to 30-Jun-28	460	4,380	4,840
1-Jul-28 to 30-Jun-29	113	4,380	4,493
1-Jul-29 to 30-Jun-30	0	4,380	4,380
1-Jul-30 to 30-Jun-31	0	4,380	4,380
1-Jul-31 to 30-Jun-32	0	4,380	4,380
1-Jul-32 to 30-Jun-33	0	4,380	4,380
1-Jul-33 to 30-Jun-34	0	4,380	4,380
1-Jul-34 to 30-Jun-35	0	4,380	4,380
1-Jul-35 to 30-Jun-36	0	4,380	4,380
1-Jul-36 to 30-Jun-37	0	4,380	4,380
1-Jul-37 to 30-Jun-38	0	4,380	4,380
1-Jul-38 to 30-Jun-39	0	4,380	4,380
1-Jul-39 to 30-Jun-40	0	4,380	4,380
1-Jul-40 to 30-Jun-41	0	4,380	4,380
1-Jul-41 to 30-Jun-42	0	4,380	4,380
1-Jul-42 to 30-Jun-43	0	4,380	4,380
1-Jul-43 to 30-Jun-44	0	4,380	4,380
1-Jul-44 to 30-Jun-45	0	4,380	4,380
1-Jul-45 to 30-Jun-46	0	4,380	4,380
1-Jul-46 to 30-Jun-47	0	4,380	4,380
1-Jul-47 to 30-Jun-48	0	4,380	4,380
1-Jul-48 to 30-Jun-49	0	4,380	4,380
1-Jul-49 to 30-Jun-50	0	4,380	4,380
1-Jul-50 to 30-Jun-51	0	4,380	4,380
1-Jul-51 to 30-Jun-52	0	4,380	4,380
1-Jul-52 to 30-Jun-53	0	4,380	4,380
1-Jul-53 to 30-Jun-54	0	4,380	4,380
1-Jul-54 to 30-Jun-55	0	4,380	4,380
1-Jul-55 to 30-Jun-56	0	4,380	4,380
1-Jul-56 to 30-Jun-57	0	1,058	1,058
Total	29,810	175,190	205,000

Diminishing value method schedule (years 1 - 5)

Tax Grouping	Total Cost @ 29-Sep-16 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-21 (\$)
				29-Sep-16 30-Jun-17 Year 1 (\$)	1-Jul-17 30-Jun-18 Year 2 (\$)	1-Jul-18 30-Jun-19 Year 3 (\$)	1-Jul-19 30-Jun-20 Year 4 (\$)	1-Jul-20 30-Jun-21 Year 5 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	6,224	10	20.0 %	938	1,057	846	677	541	2,165
Automatic Garage Door - Controls	188	5	100.0 %	188	0	0	0	0	0
Automatic Garage Door - Motors	764	10	37.5 %	0	0	0	0	0	94
Bathroom Accessories - Freestanding	259	5	100.0 %	259	0	0	0	0	0
Blinds	4,571	10	37.5 %	0	0	0	0	0	567
Carpet	7,791	10	20.0 %	1,174	1,323	1,059	847	678	2,710
Ceiling Fans	846	5	37.5 %	0	0	0	0	0	104
Cooktops	940	12	37.5 %	0	0	0	0	0	116
Dishwashers	1,902	10	20.0 %	287	323	258	207	0	517
Exhaust Fans	516	10	37.5 %	0	0	0	0	0	64
Garbage Bins	289	10	100.0 %	289	0	0	0	0	0
Hot Water Systems	1,879	12	16.7 %	236	274	228	190	0	594
Light Shades	646	5	37.5 %	0	0	0	0	0	80
Ovens	1,973	12	16.7 %	248	288	240	200	0	623
Rangehoods	728	12	37.5 %	0	0	0	0	0	90
Smoke Alarms	294	6	100.0 %	294	0	0	0	0	0
Subtotal	29,810			3,913	3,265	2,631	2,121	1,219	7,724
Total Division 40 - Effective Life Rate	20,799			3,913	3,265	2,631	2,121	1,219	4,875
Total Division 40 - Pooled (Page 18)	9,011			1,690	2,747	1,715	1,074	1,711	2,849
Total Division 40	29,810			5,603	6,012	4,346	3,195	2,930	7,724
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	175,190			3,312	4,380	4,380	4,380	4,380	154,358
Total Depreciation	205,000			8,915	10,392	8,726	7,575	7,310	162,082

This depreciation schedule is for use only by the client and by no other party or for any other purpose without the express prior written approval of BMT Tax Depreciation Pty Ltd. No responsibility is accepted for any third party that may rely on the whole or any part of the content of this schedule. 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% in the year of acquisition and 37.5% each year thereafter.

Diminishing value method schedule (years 6 - 10)

Tax Grouping	Total Cost @ 1-Jul-21 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-26 (\$)
				1-Jul-21 30-Jun-22 Year 6 (\$)	1-Jul-22 30-Jun-23 Year 7 (\$)	1-Jul-23 30-Jun-24 Year 8 (\$)	1-Jul-24 30-Jun-25 Year 9 (\$)	1-Jul-25 30-Jun-26 Year 10 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	2,165	10	20.0 %	433	0	0	0	0	264
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	94	10	37.5 %	0	0	0	0	0	9
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	567	10	37.5 %	0	0	0	0	0	54
Carpet	2,710	10	20.0 %	542	434	347	277	222	888
Ceiling Fans	104	5	37.5 %	0	0	0	0	0	10
Cooktops	116	12	37.5 %	0	0	0	0	0	11
Dishwashers	517	10	37.5 %	0	0	0	0	0	49
Exhaust Fans	64	10	37.5 %	0	0	0	0	0	6
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Hot Water Systems	594	12	37.5 %	0	0	0	0	0	57
Light Shades	80	5	37.5 %	0	0	0	0	0	7
Ovens	623	12	37.5 %	0	0	0	0	0	59
Rangehoods	90	12	37.5 %	0	0	0	0	0	9
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Subtotal	7,724			975	434	347	277	222	1,423
Total Division 40 - Effective Life Rate	4,875			975	434	347	277	222	0
Total Division 40 - Pooled (Page 19)	2,849			1,070	1,317	823	515	321	1,423
Total Division 40	7,724			2,045	1,751	1,170	792	543	1,423
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	154,358			4,380	4,380	4,380	4,380	4,380	132,458
Total Depreciation	162,082			6,425	6,131	5,550	5,172	4,923	133,881

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Diminishing value method schedule (years 11 - 15)

Tax Grouping	Total Cost @ 1-Jul-26 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-31 (\$)
				1-Jul-26 30-Jun-27 Year 11 (\$)	1-Jul-27 30-Jun-28 Year 12 (\$)	1-Jul-28 30-Jun-29 Year 13 (\$)	1-Jul-29 30-Jun-30 Year 14 (\$)	1-Jul-30 30-Jun-31 Year 15 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	264	10	37.5 %	0	0	0	0	0	25
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	9	10	37.5 %	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	54	10	37.5 %	0	0	0	0	0	5
Carpet	888	10	37.5 %	0	0	0	0	0	85
Ceiling Fans	10	5	37.5 %	0	0	0	0	0	0
Cooktops	11	12	37.5 %	0	0	0	0	0	0
Dishwashers	49	10	37.5 %	0	0	0	0	0	4
Exhaust Fans	6	10	37.5 %	0	0	0	0	0	0
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Hot Water Systems	57	12	37.5 %	0	0	0	0	0	6
Light Shades	7	5	37.5 %	0	0	0	0	0	0
Ovens	59	12	37.5 %	0	0	0	0	0	6
Rangehoods	9	12	37.5 %	0	0	0	0	0	0
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Subtotal	1,423			0	0	0	0	0	131
Total Division 40 - Effective Life Rate	0			0	0	0	0	0	0
Total Division 40 - Pooled (Page 20)	1,423			532	336	211	131	82	131
Total Division 40	1,423			532	336	211	131	82	131
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	132,458			4,380	4,380	4,380	4,380	4,380	110,558
Total Depreciation	133,881			4,912	4,716	4,591	4,511	4,462	110,689

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Diminishing value method schedule (years 16 - 20)

Tax Grouping	Total Cost @ 1-Jul-31 (\$)	Effective Life (Years)	Basic Rate (DV)	Depreciation Allowance					TWDV @ 1-Jul-36 (\$)
				1-Jul-31 30-Jun-32 Year 16 (\$)	1-Jul-32 30-Jun-33 Year 17 (\$)	1-Jul-33 30-Jun-34 Year 18 (\$)	1-Jul-34 30-Jun-35 Year 19 (\$)	1-Jul-35 30-Jun-36 Year 20 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	25	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	100.0 %	0	0	0	0	0	0
Blinds	5	10	37.5 %	0	0	0	0	0	0
Carpet	85	10	37.5 %	0	0	0	0	0	8
Ceiling Fans	0	5	37.5 %	0	0	0	0	0	0
Cooktops	0	12	37.5 %	0	0	0	0	0	0
Dishwashers	4	10	37.5 %	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
Hot Water Systems	6	12	37.5 %	0	0	0	0	0	0
Light Shades	0	5	37.5 %	0	0	0	0	0	0
Ovens	6	12	37.5 %	0	0	0	0	0	0
Rangehoods	0	12	37.5 %	0	0	0	0	0	0
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Subtotal	131			0	0	0	0	0	10
Total Division 40 - Effective Life Rate	0			0	0	0	0	0	0
Total Division 40 - Pooled (Page 21)	131			49	32	20	13	7	10
Total Division 40	131			49	32	20	13	7	10
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	110,558			4,380	4,380	4,380	4,380	4,380	88,658
Total Depreciation	110,689			4,429	4,412	4,400	4,393	4,387	88,668

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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-21 (\$)
				29-Sep-16 30-Jun-17 Year 1 (\$)	1-Jul-17 30-Jun-18 Year 2 (\$)	1-Jul-18 30-Jun-19 Year 3 (\$)	1-Jul-19 30-Jun-20 Year 4 (\$)	1-Jul-20 30-Jun-21 Year 5 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	*1,732	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	764	10	37.5 %	143	233	146	91	57	94
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Blinds	4,571	10	37.5 %	857	1,393	870	544	340	567
Carpet	*888	10	0.0 %	0	0	0	0	0	0
Ceiling Fans	846	5	37.5 %	159	258	161	101	63	104
Cooktops	940	12	37.5 %	176	287	179	112	70	116
Dishwashers	*827	10	37.5 %	0	0	0	0	310	517
Exhaust Fans	516	10	37.5 %	97	157	98	62	38	64
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Hot Water Systems	*951	12	37.5 %	0	0	0	0	357	594
Light Shades	646	5	37.5 %	121	197	123	77	48	80
Ovens	*997	12	37.5 %	0	0	0	0	374	623
Rangehoods	728	12	37.5 %	137	222	138	87	54	90
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Subtotal	9,011			1,690	2,747	1,715	1,074	1,711	2,849
Total - Pooled Items	9,011			1,690	2,747	1,715	1,074	1,711	2,849

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-26 (\$)
				1-Jul-21 30-Jun-22 Year 6 (\$)	1-Jul-22 30-Jun-23 Year 7 (\$)	1-Jul-23 30-Jun-24 Year 8 (\$)	1-Jul-24 30-Jun-25 Year 9 (\$)	1-Jul-25 30-Jun-26 Year 10 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	*1,732	10	37.5 %	0	650	406	254	158	264
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	94	10	37.5 %	35	22	14	9	5	9
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Blinds	567	10	37.5 %	213	133	83	52	32	54
Carpet	*888	10	0.0 %	0	0	0	0	0	888
Ceiling Fans	104	5	37.5 %	39	24	15	10	6	10
Cooktops	116	12	37.5 %	44	27	17	11	6	11
Dishwashers	517	10	37.5 %	194	121	76	47	30	49
Exhaust Fans	64	10	37.5 %	24	15	9	6	4	6
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Hot Water Systems	594	12	37.5 %	223	139	87	54	34	57
Light Shades	80	5	37.5 %	30	19	12	7	5	7
Ovens	623	12	37.5 %	234	146	91	57	36	59
Rangehoods	90	12	37.5 %	34	21	13	8	5	9
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Subtotal	2,849			1,070	1,317	823	515	321	1,423
Total - Pooled Items	2,849			1,070	1,317	823	515	321	1,423

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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-31 (\$)
				1-Jul-26 30-Jun-27 Year 11 (\$)	1-Jul-27 30-Jun-28 Year 12 (\$)	1-Jul-28 30-Jun-29 Year 13 (\$)	1-Jul-29 30-Jun-30 Year 14 (\$)	1-Jul-30 30-Jun-31 Year 15 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	264	10	37.5 %	99	62	39	24	15	25
Automatic Garage Door - Controls	0	5	0.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	9	10	37.5 %	3	2	2	1	1	0
Bathroom Accessories - Freestanding	0	5	0.0 %	0	0	0	0	0	0
Blinds	54	10	37.5 %	20	13	8	5	3	5
Carpet	888	10	37.5 %	333	208	130	81	51	85
Ceiling Fans	10	5	37.5 %	4	2	2	1	1	0
Cooktops	11	12	37.5 %	4	3	2	1	1	0
Dishwashers	49	10	37.5 %	18	12	7	5	3	4
Exhaust Fans	6	10	37.5 %	2	2	1	1	0	0
Garbage Bins	0	10	0.0 %	0	0	0	0	0	0
Hot Water Systems	57	12	37.5 %	21	14	8	5	3	6
Light Shades	7	5	37.5 %	3	2	1	1	0	0
Ovens	59	12	37.5 %	22	14	9	5	3	6
Rangehoods	9	12	37.5 %	3	2	2	1	1	0
Smoke Alarms	0	6	0.0 %	0	0	0	0	0	0
Subtotal	1,423			532	336	211	131	82	131
Total - Pooled Items	1,423			532	336	211	131	82	131

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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-36 (\$)
				1-Jul-31 30-Jun-32 Year 16 (\$)	1-Jul-32 30-Jun-33 Year 17 (\$)	1-Jul-33 30-Jun-34 Year 18 (\$)	1-Jul-34 30-Jun-35 Year 19 (\$)	1-Jul-35 30-Jun-36 Year 20 (\$)	
Division 40 - Plant & Equipment (Pooling Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	25	10	37.5 %	9	6	4	2	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	5	10	37.5 %	2	1	1	1	0	0
Carpet	85	10	37.5 %	32	20	12	8	5	8
Ceiling Fans	0	5	0.0 %	0	0	0	0	0	0
Cooktops	0	12	0.0 %	0	0	0	0	0	0
Dishwashers	4	10	37.5 %	2	1	1	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
Hot Water Systems	6	12	37.5 %	2	2	1	1	0	0
Light Shades	0	5	0.0 %	0	0	0	0	0	0
Ovens	6	12	37.5 %	2	2	1	1	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	131			49	32	20	13	7	10
Total - Pooled Items	131			49	32	20	13	7	10

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Prime cost method schedule (years 1 - 5)

Tax Grouping	Total Cost @ 29-Sep-16 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-21 (\$)
				29-Sep-16 30-Jun-17 Year 1 (\$)	1-Jul-17 30-Jun-18 Year 2 (\$)	1-Jul-18 30-Jun-19 Year 3 (\$)	1-Jul-19 30-Jun-20 Year 4 (\$)	1-Jul-20 30-Jun-21 Year 5 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	6,224	10	10.0 %	469	622	622	622	622	3,267
Automatic Garage Door - Controls	188	5	100.0 %	188	0	0	0	0	0
Automatic Garage Door - Motors	764	10	10.0 %	58	76	76	76	76	402
Bathroom Accessories - Freestanding	259	5	100.0 %	259	0	0	0	0	0
Blinds	4,571	10	10.0 %	344	457	457	457	457	2,399
Carpet	7,791	10	10.0 %	587	779	779	779	779	4,088
Ceiling Fans	846	5	20.0 %	127	169	169	169	169	43
Cooktops	940	12	8.3 %	59	78	78	78	78	569
Dishwashers	1,902	10	10.0 %	143	190	190	190	190	999
Exhaust Fans	516	10	10.0 %	39	52	52	52	52	269
Garbage Bins	289	10	100.0 %	289	0	0	0	0	0
Hot Water Systems	1,879	12	8.3 %	118	157	157	157	157	1,133
Light Shades	646	5	20.0 %	97	129	129	129	129	33
Ovens	1,973	12	8.3 %	124	164	164	164	164	1,193
Rangehoods	728	12	8.3 %	46	61	61	61	61	438
Smoke Alarms	294	6	100.0 %	294	0	0	0	0	0
Subtotal	29,810			3,241	2,934	2,934	2,934	2,934	14,833
Total Division 40 - Effective Life Rate	29,810			3,241	2,934	2,934	2,934	2,934	14,833
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	175,190			3,312	4,380	4,380	4,380	4,380	154,358
Total Depreciation	205,000			6,553	7,314	7,314	7,314	7,314	169,191

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Prime cost method schedule (years 6 - 10)

Tax Grouping	Total Cost @ 1-Jul-21 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-26 (\$)
				1-Jul-21 30-Jun-22 Year 6 (\$)	1-Jul-22 30-Jun-23 Year 7 (\$)	1-Jul-23 30-Jun-24 Year 8 (\$)	1-Jul-24 30-Jun-25 Year 9 (\$)	1-Jul-25 30-Jun-26 Year 10 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	3,267	10	10.0 %	622	622	622	622	622	157
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	402	10	10.0 %	76	76	76	76	76	22
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	2,399	10	10.0 %	457	457	457	457	457	114
Carpet	4,088	10	10.0 %	779	779	779	779	779	193
Ceiling Fans	43	5	20.0 %	43	0	0	0	0	0
Cooktops	569	12	8.3 %	78	78	78	78	78	179
Dishwashers	999	10	10.0 %	190	190	190	190	190	49
Exhaust Fans	269	10	10.0 %	52	52	52	52	52	9
Garbage Bins	0	10	100.0 %	0	0	0	0	0	0
Hot Water Systems	1,133	12	8.3 %	157	157	157	157	157	348
Light Shades	33	5	20.0 %	33	0	0	0	0	0
Ovens	1,193	12	8.3 %	164	164	164	164	164	373
Rangehoods	438	12	8.3 %	61	61	61	61	61	133
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Subtotal	14,833			2,712	2,636	2,636	2,636	2,636	1,577
Total Division 40 - Effective Life Rate	14,833			2,712	2,636	2,636	2,636	2,636	1,577
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	154,358			4,380	4,380	4,380	4,380	4,380	132,458
Total Depreciation	169,191			7,092	7,016	7,016	7,016	7,016	134,035

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Prime cost method schedule (years 11 - 15)

Tax Grouping	Total Cost @ 1-Jul-26 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-31 (\$)
				1-Jul-26 30-Jun-27 Year 11 (\$)	1-Jul-27 30-Jun-28 Year 12 (\$)	1-Jul-28 30-Jun-29 Year 13 (\$)	1-Jul-29 30-Jun-30 Year 14 (\$)	1-Jul-30 30-Jun-31 Year 15 (\$)	
Division 40 - Plant & Equipment (Effective Life Rates)									
Existing Unit Specific									
Air Conditioner - Split Systems	157	10	10.0 %	157	0	0	0	0	0
Automatic Garage Door - Controls	0	5	100.0 %	0	0	0	0	0	0
Automatic Garage Door - Motors	22	10	10.0 %	22	0	0	0	0	0
Bathroom Accessories - Freestanding	0	5	100.0 %	0	0	0	0	0	0
Blinds	114	10	10.0 %	114	0	0	0	0	0
Carpet	193	10	10.0 %	193	0	0	0	0	0
Ceiling Fans	0	5	20.0 %	0	0	0	0	0	0
Cooktops	179	12	8.3 %	78	78	23	0	0	0
Dishwashers	49	10	10.0 %	49	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
Hot Water Systems	348	12	8.3 %	157	157	34	0	0	0
Light Shades	0	5	20.0 %	0	0	0	0	0	0
Ovens	373	12	8.3 %	164	164	45	0	0	0
Rangehoods	133	12	8.3 %	61	61	11	0	0	0
Smoke Alarms	0	6	100.0 %	0	0	0	0	0	0
Subtotal	1,577			1,004	460	113	0	0	0
Total Division 40 - Effective Life Rate	1,577			1,004	460	113	0	0	0
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	132,458			4,380	4,380	4,380	4,380	4,380	110,558
Total Depreciation	134,035			5,384	4,840	4,493	4,380	4,380	110,558

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Prime cost method schedule (years 16 - 20)

Tax Grouping	Total Cost @ 1-Jul-31 (\$)	Effective Life (Years)	Basic Rate (PC)	Depreciation Allowance					TWDV @ 1-Jul-36 (\$)
				1-Jul-31 30-Jun-32 Year 16 (\$)	1-Jul-32 30-Jun-33 Year 17 (\$)	1-Jul-33 30-Jun-34 Year 18 (\$)	1-Jul-34 30-Jun-35 Year 19 (\$)	1-Jul-35 30-Jun-36 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	100.0 %	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
Ceiling Fans	0	5	20.0 %	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
Hot Water Systems	0	12	8.3 %	0	0	0	0	0	0
Light Shades	0	5	20.0 %	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	100.0 %	0	0	0	0	0	0
Subtotal	0			0	0	0	0	0	0
Total Division 40 - Effective Life Rate	0			0	0	0	0	0	0
Division 43 - Capital Works Allowance									
Total Division 43 (Page 11)	110,558			4,380	4,380	4,380	4,380	4,380	88,658
Total Depreciation	110,558			4,380	4,380	4,380	4,380	4,380	88,658

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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				
	29-Sep-16 30-Jun-17 Year 1 (\$)	1-Jul-17 30-Jun-18 Year 2 (\$)	1-Jul-18 30-Jun-19 Year 3 (\$)	1-Jul-19 30-Jun-20 Year 4 (\$)	1-Jul-20 30-Jun-21 Year 5 (\$)
2.5	3,312	4,380	4,380	4,380	4,380
16.67	484	562	468	390	0
18.75	1,690	0	0	0	0
20	2,399	2,703	2,163	1,731	1,219
37.5	0	2,747	1,715	1,074	1,711
100	1,030	0	0	0	0
Total	8,915	10,392	8,726	7,575	7,310

Basic rate (%)	Years				
	1-Jul-21 30-Jun-22 Year 6 (\$)	1-Jul-22 30-Jun-23 Year 7 (\$)	1-Jul-23 30-Jun-24 Year 8 (\$)	1-Jul-24 30-Jun-25 Year 9 (\$)	1-Jul-25 30-Jun-26 Year 10 (\$)
2.5	4,380	4,380	4,380	4,380	4,380
16.67	0	0	0	0	0
18.75	0	0	0	0	0
20	975	434	347	277	222
37.5	1,070	1,317	823	515	321
100	0	0	0	0	0
Total	6,425	6,131	5,550	5,172	4,923

Grouped depreciation rates - prime cost method

Basic Rate (%)	Years				
	29-Sep-16 30-Jun-17 Year 1 (\$)	1-Jul-17 30-Jun-18 Year 2 (\$)	1-Jul-18 30-Jun-19 Year 3 (\$)	1-Jul-19 30-Jun-20 Year 4 (\$)	1-Jul-20 30-Jun-21 Year 5 (\$)
2.5	3,312	4,380	4,380	4,380	4,380
8.33	347	460	460	460	460
10	1,640	2,176	2,176	2,176	2,176
20	224	298	298	298	298
100	1,030	0	0	0	0
Total	6,553	7,314	7,314	7,314	7,314

Basic Rate (%)	Years				
	1-Jul-21 30-Jun-22 Year 6 (\$)	1-Jul-22 30-Jun-23 Year 7 (\$)	1-Jul-23 30-Jun-24 Year 8 (\$)	1-Jul-24 30-Jun-25 Year 9 (\$)	1-Jul-25 30-Jun-26 Year 10 (\$)
2.5	4,380	4,380	4,380	4,380	4,380
8.33	460	460	460	460	460
10	2,176	2,176	2,176	2,176	2,176
20	76	0	0	0	0
100	0	0	0	0	0
Total	7,092	7,016	7,016	7,016	7,016

Glossary of Terms

Building first use

Properties generally depreciate for forty years from their construction completion date. When a purchaser becomes the first owner of a brand new investment property, they are entitled to claim depreciation for the full forty years as long as they own the property.

Building price indices

The building price 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

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 Australian Taxation Office. Unlike deductions available for division 43, depreciation of plant and equipment is not limited by age. It is the condition and quality of each item as well as the individual effective life of the asset as set by the Australian Taxation Office which contributes to the depreciable amount. Some examples of plant and equipment assets include carpet, blinds, ovens as well as less obvious items such as door closers.

See the definitions also provided for plant and equipment assets and effective life within this glossary of terms.

Division 43

Division 43 refers to a deduction available for the wear and tear of the building. Also known 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% or 4% each year depending on the classification of the property's use and the property's construction commencement date as demonstrated in the following table.

Current Australian Taxation Office legislation states that a property owner is eligible to claim a deduction for the division 43 on income producing properties that commenced construction between the 18th of July 1985 and the present time. The depreciation available for building write-off 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% ----- asset's effective life
For depreciating assets you started to hold prior to 10th May 2006				
Base value*	X	Days held ----- 365	X	150% ----- 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 to the property owner that they consult with an Accountant or a Financial Advisor for advice on which method will best suit their individual investment strategy and to ensure the best results are obtained.

Effective life

Australian Taxation Office legislation provides an effective life for each individual asset claimable as plant and equipment. Depreciation of plant and equipment based on this effective life is determined by the current Australian Taxation Office legislation in place at the time of this schedule being completed. See plant and equipment assets.

See the definitions also provided for division 40 and plant and equipment assets within this glossary of terms.

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% 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 Australian Taxation Office.

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 1st of July 2001 that are the same asset type (or are considered to be identical or substantially identical in accordance with Australian Taxation Office 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.

Life of the property

From the date of construction completion, the Australian Taxation Office has determined that the owner of any property eligible to claim depreciation can do so for forty years. Therefore investors can claim the full forty years on a brand new building, while only the balance of the forty year period from the construction completion date can be claimed for an older property.

Low-value pooling

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

Under the UCA, 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 a rate of 18.75% in the year of purchase and 37.5% 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 Australian Taxation Office legislation, for example soft landscaping.

Not one of a number of identical or substantially identical items

Items are identical if they are the same in all respects. Items are substantially identical if they are the same in most respects even though there may be some minor or incidental differences. Factors to consider include colour, shape, function, texture, composition, brand and design.

The total cost of the asset and any other identical or substantially identical asset that you acquire in the income year must not exceed \$300. Do not take into account assets that you acquired in another income year.

Not part of a set

You need to determine whether items form a set on a case-by-case basis. You can regard items as a set if they are, dependent on each other, marketed as a set, or designed and intended to be used together. It is the cost of a set of assets you acquire in the income year that must not exceed \$300. You cannot avoid the test by buying parts of a set separately.

Plant and equipment items

Depreciation can be claimed for assets recognised as plant and equipment items by current Australian Taxation Office legislation. Each asset is assigned an effective life by the Australian Taxation Office and is depreciated based on this effective life. Some examples of plant and equipment assets include carpet, blinds, ovens as well as less obvious items such as door closers.

See the definitions also provided for division 40 and effective life within this glossary of terms.

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 heating of a site office, rather than the actual building working materials like the bricks and mortar.

Prime cost method

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% ----- 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 to the property owner that they consult with an Accountant or a Financial Advisor 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 part way through a year, depreciation claims 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.

Split report

Ownership structures influence how depreciation deductions are calculated. Properties with multiple owners can create a complex tax situation. A BMT Tax Depreciation Schedule makes life 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 2 owners at 60:40 or even 4 owners at 70:15:10:5.

Uniform Capital Allowance

Under the Uniform Capital Allowance a depreciating asset starts to decline in value when you first use it (or install it ready for use) to produce income. You can deduct an amount equal to the decline in value for an income year of a depreciating asset that you held for any time during the year.

You must decide whether to calculate the decline in value of a depreciating asset using the prime cost or diminishing value method. Please refer to the definitions for prime cost and diminishing value method within this glossary of terms for further information on these methods.

Generally, the effective life of a depreciating asset is how long it can be used by any entity for a taxable purpose, or for the purpose of producing income. The effective life of an asset is based on the wear and tear, assuming that it will be maintained in reasonably good order and condition. BMT Tax

Depreciation always adopt the effective life of particular assets as determined by the Commissioner of Taxation unless advised otherwise.

Disclaimer

BMT Tax Depreciation Pty Ltd does not accept any contractual, tortious or any other form of liability for any consequences, loss or damage as a result of any other person acting upon or using this tax depreciation schedule.

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