



1 February 2020

Mr & Mrs Doe
15 Depreciation Street
Sydney NSW 2000

ACCOUNTS USE ONLY	
Checked By Accounts	Approved By Director
X	X
Date	Date

Payment Received

Re: Depreciation Schedule - **20/15000**
1 Depreciation Street Sydney NSW

Thank you for your recent payment for services rendered. This letter serves as confirmation that your Invoice has been paid in full, for the amount of:

xxx including GST

Please retain your tax invoice and this letter, as costs associated with the preparation of a Tax Depreciation Schedule are fully tax deductible.

We thank you for choosing Australian Tax Depreciation Services for the preparation of your depreciation schedule.

Should you have any queries regarding your report, or any other matter relating to building/construction, please do not hesitate to contact us.

Yours Faithfully

Australian Tax Depreciation Services

Australian Tax Depreciation Services Pty Limited

Leve 4,5 & 12, Plaza Building, 95 Pitt Street, Australia Square, **Sydney** NSW 2000
Level 3, 267 St Georges Terrace, **Perth** WA 6000
Level 5, City Central, Tower 2, 121 King William Street, **Adelaide** SA 5000
Level 23, 127 Creek Street, **Brisbane** QLD 4000
Level 10, 555 Lonsdale Street, **Melbourne** VIC 3000

abn | 28 105 828 448

P: 1300 557 342

1 February 2020

Mr & Mrs Doe
15 Depreciation Street
Sydney NSW 2000**Pay invoice online****Billers Code:** xxxxxx**Invoice Number:** 20/15000**Payment Amount:** xxx

*No Credit Card surcharge will apply.

TAX INVOICE

Invoice No: 20/15000

Terms: **Payment Due Immediately**Project: **1 Depreciation Street Sydney NSW**

Description of Work:	Preparation of a Tax Depreciation Schedule	xxx
	Travel surcharge - properties located outside metro	\$ -

Subtotal: xxx

G.S.T @ 10% xxx

Total including G.S.T. xxx

Please forward payment for the above amount.

abn | 28 105 828 448

Thank you for choosing **A.T.D.S.**Level 3, 267 St Georges Terrace, **Perth** WA 6000

P: 1300 557 342

Level 5, City Central, Tower 2, 121 King William Street, **Adelaide** SA 5000Level 23, 127 Creek Street, **Brisbane** QLD 4000Level 10, 555 Lonsdale Street, **Melbourne** VIC 3000Level 4, 5 & 12, Plaza Building, 95 Pitt Street, Australia Square, **Sydney** NSW 2000

email | admin@austtaxonline.com.au

www.austtaxonline.com.au

PAYMENT OPTIONS

1) Bpay

Billers Code: xxxxx**Customer Ref No:** 150009Log on to internet banking or call your bank to make this payment from your cheque, savings or credit card account.
More info: www.bpay.com.au

4) Credit card - pay online

Pay invoice online**Payway Billers Code:** xxxxxx**Invoice Number:** 20/15000**Payment Amount:** xxx

Please ensure that your tax invoice number is correct so we can match the payment to your file.

*No credit card surcharge will apply.

2) Direct Deposit:

Account Name: Australian Tax Depreciation Services**BSB:** xxx xxx - Westpac Banking Corporation**Account No:** xxx xxx**Invoice Number:** 20/15000Please quote the **invoice number** in the description

3) Credit Card

Please call the accounts department
on (02) xxxx xxxx to provide your
credit card details.
*no credit card surcharge will apply.

1 February 2020

Mr & Mrs Doe
15 Depreciation Street
Sydney NSW 2000

RE: Depreciation Schedule 20/15000
1 Depreciation Street Sydney NSW

As requested, we have prepared estimates of tax depreciation values for the abovementioned property. The schedules are based on the first 40 years of ownership, beginning from the start date of the report. Please note that the estimates have been calculated in accordance with the current depreciation legislation, based on the indicated life expectancy rates. These may change over the course of the 40 years, in accordance with changes to the relevant tax rulings.

The depreciation deductions for the first year have been apportioned in accordance with the period of "ownership/income producing operation", which may be less than 12 months.

Finally, please be aware that endorsement/validation of your tax depreciation schedule will not be recognised by this firm until all accounts have been settled. Australian Tax Depreciation Services will not ratify any claims for depreciation or assist the Australian Taxation Office should an audit be carried out pursuant to your claim, until all monies owed are paid in full.

We thank you for allowing us the opportunity to submit our fee proposal and to subsequently complete your report, and inspection if required. We welcome any further opportunities to be of assistance.

Should you have any queries or wish to discuss any aspect of the above, please do not hesitate to contact us.

Yours Faithfully,
Australian Tax Depreciation Services P/L



Yenktesh Reddy - Director

abn | 28 105 828 448

Level 13, 135 King Street, **Sydney** NSW 2000
Ground Floor, 430 Little Collins Street, **Melbourne** VIC 3000
Level 10, 15 Green Square Close, Fortitude Valley, **Brisbane** QLD 4006
Level 2, Building C, 355 Scarborough Beach Road, Osborne Park, **Perth** WA 6017
Level 3, 169 Fullarton Road, Dulwich, **Adelaide** SA 5065

P: 1300 557 342



Tax Depreciation Schedule

4 Bedroom Residence

at

1 Depreciation Street Sydney NSW

for

Mr & Mrs Doe

February 2020

20/15000

Australian Tax Depreciation Services Pty Limited

abn | 28 105 828 448

Level 4,5 & 12, Plaza Building, 95 Pitt Street, Australia Square, **Sydney** NSW 2000
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P: 1300 557 342

email | admin@austtaxonline.com.au

www.austtaxonline.com.au

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1.0 Introduction – Basis of Report

Basis of Report

This report is based on the following information:

Client:	Mr & Mrs Doe
Percentage ownership:	100%
Location:	Sydney NSW
Purchase price:	\$ 400,000
Date of Exchange:	1/07/2017
Date of Settlement:	1/07/2018
Date of First Lease:	3/07/2018
Start date of schedule:	3/07/2018

Total Division 40 (Plant and Equipment)	\$	43,749
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Total Division 43 (Capital Works)	\$	223,069
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Total Assessed Depreciation:	\$	266,818
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Note: This report is based on information provided to our firm by the client and is to be used for the purpose of income tax returns only.

Please note that the figures above refer to the property as a whole, rather than the percentage ownership of the property.

2.0 General Notes Relating to the Schedules

- ▶ The estimates are based on the assumption that the property was acquired after September 1999 and therefore the depreciation values have been calculated using the effective life method. In cases where the property has been acquired pre-Sept 1999, the same methodology has been adopted in accordance with the Taxation Ruling IT 2685 and Depreciation and Taxation Ruling TR 2000/18 – Income Tax: Depreciation Effective Life.
- ▶ The estimates for Year 1 have been apportioned in the case that the “ownership/income producing” period is less than a full year for tax purposes. Therefore, the first year claim listed is the amount of depreciation available in the first year between the date of first lease and the end of the financial year.
- ▶ Owners are advised to discuss and confirm that above assumptions with their tax adviser before using this tax depreciation information.
- ▶ For the purpose of this valuation we understand that all items of plant and equipment listed in the schedule are owned by the tax payer.
- ▶ Land apportionment, land improvements and other building costs not eligible for allowances have not been included in this report. Non-eligible items include expenditure on clearing the land prior to construction & landscaping costs.
- ▶ Depreciation has been calculated using both the diminishing value and prime cost methods. We advise that you speak to your financial advisor before deciding which of these methods to use.
- ▶ 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.
- ▶ Items of plant and equipment with an individual value of less than \$300 have been depreciated at 100% in accordance with section 55(2), low cost/short life items.
- ▶ In the case that the percentage ownership of the property is less than 100%, the depreciation claims reflect the percentage ownership as indicated on page 6 of the report. The low value pool and low cost/short life items have also been calculated in line with the percentage ownership of that item (i.e. once the percentage owned cost of an item falls below \$1000, it will be dropped into the low value pool.

2.0 General Notes Relating to the Schedules (cont.)

- ▶ The diminishing value method of depreciation incorporates writing off low-cost plant (i.e. plant costing less than \$1,000) through a low value pool where applicable. Items of plant and equipment with an individual value of less than \$1000 have been allocated to this "pool". This is effective as at 1 July 2000 and plant in this "pool" is depreciated at a rate of 37.50%, with the rate halved during the first year of depreciation. Depreciation values for items in the "pool" are not required to be apportioned.
- ▶ The basis of depreciation of an item of Plant and Equipment includes its purchase price (ITAA Sect 42-65) and also delivery costs, installation costs (IT 2197) and the cost associated with bringing the plant into full operation (ITAA97 Sect 8-1)
- ▶ Due to the undefined nature of Plant and Articles it is at the owner/s (or their accountants) discretion as to whether or not a claim for any particular item should be made.

REGARDING PROPERTIES PURCHASED AFTER 9TH MAY 2017:

As per *"Treasury Laws Amendment (Housing Tax Integrity) Bill 2017: Limiting deductions for plant and equipment in residential premises"*. All properties acquired after 7.30pm on 9 May 2017 cannot deduct amounts under Division 40 for depreciating assets used in gaining or producing assessable income from the use of residential premises for residential accommodation UNLESS

- the entity has held the asset at the first time the asset was first used i.e first came to hold the asset when it was used in a new residential premises which has never been lived in before becoming a rental property as per the definition of new property in GSTR 2003/3. If you have claimed the first owners grant you cannot claim Division 40.
- the entity has purchased the asset from a retailer and has held the asset from the time it was first used or installed – must be able to provide proof of purchase of actual cost.

REGARDING PROPERTIES RENTED AFTER 1ST JULY 2017:

- A property owner will not be able to claim depreciation on pre-existing plant and equipment assets within properties which have been lived in as a primary place of residence where the owner has first made the property available to rent after 1st July 2017. Plant and equipment assets are considered previously-used under these conditions.

Division 40 - Plant and Equipment

Division 40 is the legislation that covers the depreciation of 'plant and equipment', i.e. the removable fixtures and fittings within an investment property. Each plant and equipment item has an effective life set by the Australian Taxation Office (ATO) and the depreciation deduction available on that item is calculated using this effective life.

Division 43 - Capital Works Allowance

Division 43 covers the deduction available to owners for the structural elements of a building and the items within the property that are deemed irremovable. It includes the foundations, walls, ceiling, roof and also includes fixed assets like tiles, toilets, built-in cupboards, windows and doors. Properties qualify for this allowance depending on their age and type; either 2.5% or 4% of a property's historical construction cost or estimated cost can be claimed.

Structural Improvements

Structural improvements can be claimed if the improvements were undertaken after 26th February 1992.

July 2019 Effective Lifespan Changes

As of July 2019, the effective lifespans of several depreciating assets have been revised, and several new items defined in Taxation Ruling 2019/5. If the start date of your report was after this date, these items will be included in your report. If the start date of your report is prior to July 2019, depreciation will be calculated based on the life spans in effect at the start date.

3.0 Disclaimer

- ▶ The schedules and values included in this report have been prepared for the sole purpose of claims under the Income Tax Assessment Act and are for the use of the current owners of the premises, or their agents in dealings with tax claims only.
- ▶ Australian Tax Depreciation Services (ATDS) does not accept any contractual, tortious or other form of liability for any consequences, loss or damage, which may arise as a result relying on this document.

4.0 Certification

Tax Depreciation Schedule

We hereby certify that in our opinion the capital costs related to:

1. Depreciable items – as scheduled in accordance with 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 bring the plant into full operation (ITAA97 Sect 8-1).
2. Electrical Mains Connection – is in accordance with Division 3A, Section 70(A).
3. Building Allowance – is in accordance with Division 10D, Sections 124ZF-ZH. General Capital Allowances in accordance with the ITTA 1997, Division 40. Capital Allowances in accordance with Division 42 & Capital Works in accordance with Division 43.
4. Structural Improvement Allowance –is in accordance with Division 10D, Section 1234ZFB.
5. This report incorporate changes from the ‘Ralph Review of Business Taxation’ of 21 September 1999.
6. Addendum to 2000/18
7. Draft Ruling 2004/D3
8. Withdrawal of IT 242
9. Tax Laws Amendment (Personal Tax Reduction and improved Depreciation Arrangements) ACT 2006 (55 of 2006) introduced 11th May 2006 and received Royal Assent on 22nd June 2006
10. Taxation Ruling TR 2019/5 - Income Tax: Effective live of depreciating assets
11. Treasury Laws Amendment (Housing Tax Integrity) Bill 2017: Limiting deductions for plant and equipment in residential premises and travel expenditure for residential rental properties.

Australian Tax Depreciation Services Pty Limited

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Level 10, 555 Lonsdale Street, **Melbourne** VIC 3000

5.0 Referenced Material

The following publications were used as referenced material for the preparation of this report.

- ▶ An Indicative Guide to the Preparation of QS Reports – Tax Depreciation Schedules for Investment/Rental properties published by the Australian Institute of Quantity Surveyors – January 2002.
- ▶ Rental Properties 2017 – published by the Australian Taxation Office.
- ▶ Guide to Depreciating Assets 2017 published by the Australian Taxation Office.
- ▶ Australian Tax Master Guide 2017 – published by CCH Australia Limited.

Other referenced material includes the following:

- ▶ Rawlinsons Australian Construction Handbook – 2017.
- ▶ Cordells Construction Cost Guide – Quarterly Updates .
- ▶ Australian Institute of Quantity Surveyors Quarterly Cost Updates.

Appendix A
Tax Depreciation Schedule Summary- Diminishing Value Method



Tax Depreciation Schedule Summary

1 Depreciation Street Sydney NSW

Financial Year Ended	Plant + Equipment	Pooled Plant + Equipment	Building Allowance	Structural Improvements	Total
1 July 2018 - 30 June 2019 *	\$ 7,860	\$ 475	\$ 5,577	\$ -	\$ 13,912
30 June 2020	\$ 4,471	\$ 2,070	\$ 5,577	\$ -	\$ 12,118
30 June 2021	\$ 3,462	\$ 1,986	\$ 5,577	\$ -	\$ 11,025
30 June 2022	\$ 2,772	\$ 1,594	\$ 5,577	\$ -	\$ 9,943
30 June 2023	\$ 2,039	\$ 1,703	\$ 5,577	\$ -	\$ 9,318
30 June 2024	\$ 1,616	\$ 1,409	\$ 5,577	\$ -	\$ 8,602
30 June 2025	\$ 1,378	\$ 881	\$ 5,577	\$ -	\$ 7,836
30 June 2026	\$ 1,028	\$ 887	\$ 5,577	\$ -	\$ 7,492
30 June 2027	\$ 703	\$ 892	\$ 5,577	\$ -	\$ 7,171
30 June 2028	\$ 616	\$ 557	\$ 5,577	\$ -	\$ 6,749
30 June 2029	\$ 412	\$ 706	\$ 5,577	\$ -	\$ 6,694
30 June 2030	\$ 362	\$ 441	\$ 5,577	\$ -	\$ 6,380
30 June 2031	\$ 318	\$ 276	\$ 5,577	\$ -	\$ 6,171
30 June 2032	\$ 280	\$ 172	\$ 5,577	\$ -	\$ 6,029
30 June 2033	\$ 147	\$ 480	\$ 5,577	\$ -	\$ 6,203
30 June 2034	\$ -	\$ 658	\$ 5,577	\$ -	\$ 6,235
30 June 2035	\$ -	\$ 412	\$ 5,577	\$ -	\$ 5,988
30 June 2036	\$ -	\$ 257	\$ 5,577	\$ -	\$ 5,834
30 June 2037	\$ -	\$ 161	\$ 5,577	\$ -	\$ 5,737
30 June 2038	\$ -	\$ 100	\$ 5,577	\$ -	\$ 5,677
TOTAL	\$ 27,465	\$ 16,117	\$ 111,534	\$ -	\$ 155,116

Information current at

February 2020

*Values for first year are apportioned in line with income producing portion of that year, if start date has been indicated. Please note that the indicative depreciation and building allowance figures may change in accordance with changes to taxation laws.

The values listed in the table above have been calculated based on the percentage ownership of the property listed on
Australian Tax Depreciation Services Pty Ltd

Tax Depreciation Schedule Summary

1 Depreciation Street Sydney NSW

Financial Year	Plant & Equipment	Pooled Plant + Equipment	Building Allowance	Structural Improvements	Total
30 June 2039	\$ -	\$ 63	\$ 5,577	\$ -	\$ 5,640
30 June 2040	\$ -	\$ 39	\$ 5,577	\$ -	\$ 5,616
30 June 2041	\$ -	\$ 25	\$ 5,577	\$ -	\$ 5,601
30 June 2042	\$ -	\$ 15	\$ 5,577	\$ -	\$ 5,592
30 June 2043	\$ -	\$ 10	\$ 5,577	\$ -	\$ 5,586
30 June 2044	\$ -	\$ 6	\$ 5,577	\$ -	\$ 5,583
30 June 2045	\$ -	\$ 4	\$ 5,577	\$ -	\$ 5,580
30 June 2046	\$ -	\$ 2	\$ 5,577	\$ -	\$ 5,579
30 June 2047	\$ -	\$ 1	\$ 5,577	\$ -	\$ 5,578
30 June 2048	\$ -	\$ 1	\$ 5,577	\$ -	\$ 5,578
30 June 2049	\$ -	\$ 1	\$ 5,577	\$ -	\$ 5,577
30 June 2050	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2051	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2052	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2053	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2054	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2055	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2056	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2057	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2058	\$ -	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2059					
TOTAL	\$ 27,465	\$ 16,284	\$ 223,069	\$ -	\$ 266,818

Information current at
February 2020

Please note that the indicative depreciation and building allowance figures may change in accordance with changes to taxation laws.

The values listed in the table above have been calculated based on the percentage ownership of the property listed on page 6.

Appendix B

Tax Depreciation Schedule Worksheet- Diminishing Value Method



1 Depreciation Street Sydney NSW

Diminishing Value Method

[illegible]

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.

(b) Items with a percentage-owned value less than \$1000 are allocated to the low value pool and depreciated at an accelerated rate of 37.5% per annum. This rate is halved in the first financial year. Pooled items are not apportioned.

1 Depreciation Street Sydney NSW

Diminishing Value Method

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	Total Apportioned Cost	FINANCIAL YEAR 1 (\$)	FINANCIAL YEAR 2 (\$)	FINANCIAL YEAR 3 (\$)	FINANCIAL YEAR 4 (\$)	FINANCIAL YEAR 5 (\$)	FINANCIAL YEAR 6 (\$)	FINANCIAL YEAR 7 (\$)	FINANCIAL YEAR 8 (\$)	FINANCIAL YEAR 9 (\$)	FINANCIAL YEAR 10 (\$)	FINANCIAL YEARS 11+ (\$)
	Brought Forward			13,857	1,871	708	16,435	16,435	2,388	1,635	1,299	974	726	516	456	402	356	315	520
4	Kitchen Appliances																		
a	Cooktops	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Freezers	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Ovens	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Refrigerators	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Stove	12.00	16.67	2,715	367	139	3,220	3,220	537	447	373	311	259	216	180	LVP	-	-	-
f	Microwave ovens	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Rangehoods	12.00	37.50	620	84	32	735	735	LVP	-	-	-	-	-	-	-	-	-	-
h	Water filters - electrical	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Dishwashers	10.00	20.00	900	122	46	1,067	1,067	213	LVP	-	-	-	-	-	-	-	-	-
j	Garbage disposal units	10.00	20.00	1,000	135	51	1,186	1,186	237	LVP	-	-	-	-	-	-	-	-	-
5	Floor Finishes																		
a	Vinyl	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	carpets- inc common areas	10.00	20.00	4,515	610	231	5,355	5,355	1071	857	685	548	439	351	281	225	LVP	-	-
c	Linoleum	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Floating Timber Flooring	15.00	13.33	6,900	932	352	8,184	8,184	1091	946	820	710	616	534	462	401	347	301	1000
6	Window Coverings																		
a	Blinds	10.00	20.00	1,881	254	96	2,231	2,231	446	357	286	228	LVP	-	-	-	-	-	-
b	Curtains	6.00	33.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	External Equipment																		
a	Operable pergola louvres - controls / motors	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Swimming pool chlorinators / filtration (incl pumps)	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Swimming pool cleaning devices	7.00	28.57	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	pumps, timing devices	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Garden lights - solar	8.00	25.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Artificial grass & matting	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Automatic garage door controls	5.00	100.00	175	24	9	208	208	208	-	-	-	-	-	-	-	-	-	-
h	Automatic garage door motors	10.00	37.50	550	74	28	652	652	LVP	-	-	-	-	-	-	-	-	-	-
i	Freestanding bbqs	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j	Garden sheds/ storage cage	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
k	Automatic gate door controls	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	Automatic gate door motors	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
m	Sauna heating assets	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
n	umpire chairs	3.00	66.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
o	Resistance gym equipment	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
p	Cardio vascular gym equipment	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
q	Window shutter controls / motors	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Bathroom Assets																		
a	Bathroom accessories (freestanding - shower caddies, soap holders, toilet brushes)	5.00	40.00	1,075	145	55	1,275	1,275	510	LVP	-	-	-	-	-	-	-	-	-
b	Exhaust fans (including lighting / heating)	10.00	20.00	1,210	163	62	1,435	1,435	287	230	LVP	-	-	-	-	-	-	-	-
c	Heated towel rails - electric	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Shower curtains	2.00	100.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Spa bath pumps / chlorinators/ heaters	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Hand dryers - electrical	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Laundry Assets																		
a	Washing machines	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Clothes dryer	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			35,397	4,779	1,808	41,984	41,984	6,988	4,471	3,462	2,772	2,039	1,616	1,378	1,028	703	616	1,520

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.

(b) Items with a percentage-owned value less than \$1000 are allocated to the low value pool and depreciated at an accelerated rate of 37.5% per annum. This rate is halved in the first financial year. Pooled items are not apportioned.

1 Depreciation Street Sydney NSW

Diminishing Value Method

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	Total Apportioned Cost (\$)	FINANCIAL YEAR 1 (\$)	FINANCIAL YEAR 2 (\$)	FINANCIAL YEAR 3 (\$)	FINANCIAL YEAR 4 (\$)	FINANCIAL YEAR 5 (\$)	FINANCIAL YEAR 6 (\$)	FINANCIAL YEAR 7 (\$)	FINANCIAL YEAR 8 (\$)	FINANCIAL YEAR 9 (\$)	FINANCIAL YEAR 10 (\$)	FINANCIAL YEARS 11+ (\$)
	Brought Forward			35,397	4,779	1,808	41,984	41,984	6,988	4,471	3,462	2,772	2,039	1,616	1,378	1,028	703	616	1,520
10	Common Area Property																		
a	Lifts: Electric	30.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Lifts: Hydraulic	30.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Escalators (machinery & moving parts)	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Stair pressurisation - pressurisation and extraction fans	25.00	8.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Stair pressurisation - AC Variable drives	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Stair pressurisation - sensors	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Sewerage treatment motors / controls	8.00	25.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Garbage compacting systems	6.67	29.99	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Ventilation fans	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Fire Services																		
a	Hydrant booster pump	25.00	8.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Fire alarm - bell	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Fire indicator panel (FIP)	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	EWIS (master emergency panel, speakers, strobe light, warden intercom phone)	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Fire hose reels & nozzles	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Fire alarm - heat / smoke	6.00	33.33	1,130	153	58	1,340	1,340	447	LVP	-	-	-	-	-	-	-	-	-
g	Detectors (addressable manual call points, heat, multi point type & smoke)	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Fire extinguishers	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Furnishings																		
a	electrical appliances & misc utensils	13.33	15.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Garbage bins	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Outdoor / Common area furniture - freestanding	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Telephone handsets	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Clock electric	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Digital video display (DVD) player	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Linen	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Radios	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Rugs	7.00	28.57	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j	Stereo system	7.00	28.57	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
k	Surround sound system	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	Cordless phone	4.00	50.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
m	Television set	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
n	Portable vacuum cleaner	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
o	Video cassette recorders (VCR)	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
p	Crockery	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
q	Cutlery	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
r	Door stops (free standing)	(a)	100.00	118	16	6	141	141	141	-	-	-	-	-	-	-	-	-	-
s	Door closers	(a)	100.00	240	32	12	285	285	285	-	-	-	-	-	-	-	-	-	-
t	Chillers - absorption	25.00	8.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			36,886	4,980	1,884	43,749	43,749	7,860	4,471	3,462	2,772	2,039	1,616	1,378	1,028	703	616	1,520

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.

(b) Items with a percentage-owned value less than \$1000 are allocated to the low value pool and depreciated at an accelerated rate of 37.5% per annum. This rate is halved in the first financial year. Pooled items are not apportioned.

1 Depreciation Street Sydney NSW

Diminishing Value Method

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	Total Apportioned Cost (\$)	FINANCIAL YEAR 1 (\$)	FINANCIAL YEAR 2 (\$)	FINANCIAL YEAR 3 (\$)	FINANCIAL YEAR 4 (\$)	FINANCIAL YEAR 5 (\$)	FINANCIAL YEAR 6 (\$)	FINANCIAL YEAR 7 (\$)	FINANCIAL YEAR 8 (\$)	FINANCIAL YEAR 9 (\$)	FINANCIAL YEAR 10 (\$)	FINANCIAL YEARS 11+ (\$)
	Brought Forward			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
13	Balance of Construction Cost Attributable As an allowance for Residential Building Works (Section 43 Capital Works)	40.00	2.50	188,073	25,390	9,606	223,069	223,069	5,577	5,577	5,577	5,577	5,577	5,577	5,577	5,577	5,577	5,577	167,302
14	Structural Improvements/Improvements	22.00	2.50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL				224,959	30,369	11,490	266,818	266,818	13,437	10,048	9,039	8,349	7,615	7,193	6,955	6,605	6,280	6,192	168,821

Appendix C

Tax Depreciation Schedule Summary- Low Value Pool



1 Depreciation Street Sydney NSW

Low Value Pool

[illegible]

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.

(b) Items with a percentage-owned value less than \$1000 are allocated to the low value pool and depreciated at an accelerated rate of 37.5% per annum. This rate is halved in the first financial year. Pooled items are not apportioned.

1 Depreciation Street Sydney NSW

Low Value Pool

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	Total Apportioned Cost (\$)	FINANCIAL YEAR 1 (\$)	FINANCIAL YEAR 2 (\$)	FINANCIAL YEAR 3 (\$)	FINANCIAL YEAR 4 (\$)	FINANCIAL YEAR 5 (\$)	FINANCIAL YEAR 6 (\$)	FINANCIAL YEAR 7 (\$)	FINANCIAL YEAR 8 (\$)	FINANCIAL YEAR 9 (\$)	FINANCIAL YEAR 10 (\$)	FINANCIAL YEARS 11+ (\$)
	Brought Forward			13,857	1,871	708	16,435	12,450	215	349	566	707	805	848	530	331	207	129	2,160
4	Kitchen Appliances																		
a	Cooktops	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Freezers	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Ovens	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Refrigerators	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Stove	12.00	16.67	2,715	367	139	3,220	3,220	-	-	-	-	-	-	-	337	211	132	219
f	Microwave ovens	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Rangehoods	12.00	37.50	620	84	32	735	735	138	224	140	88	55	34	21	13	8	5	9
h	Water filters - electrical	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Dishwashers	10.00	20.00	900	122	46	1,067	1,067	-	320	200	125	78	49	31	19	12	7	12
j	Garbage disposal units	10.00	20.00	1,000	135	51	1,186	1,186	-	356	222	139	87	54	34	21	13	8	14
5	Floor Finishes																		
a	Vinyl	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	carpets- inc common areas	10.00	20.00	4,515	610	231	5,355	5,355	-	-	-	-	-	-	-	-	337	211	351
c	Linoeum	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Floating Timber Flooring	15.00	13.33	6,900	932	352	8,184	8,184	-	-	-	-	-	-	-	-	-	-	957
6	Window Coverings																		
a	Blinds	10.00	20.00	1,881	254	96	2,231	2,231	-	-	-	-	343	214	134	84	52	33	54
b	Curtains	6.00	33.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	External Equipment																		
a	Operable pergola louvres - controls / motors	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Swimming pool chlorinators / filtration (incl pumps)	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Swimming pool cleaning devices	7.00	28.57	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	pumps, timing devices	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Garden lights - solar	8.00	25.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Artificial grass & matting	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Automatic garage door controls	5.00	100.00	175	24	9	208	208	-	-	-	-	-	-	-	-	-	-	-
h	Automatic garage door motors	10.00	37.50	550	74	28	652	652	122	199	124	78	49	30	19	12	7	5	8
i	Freestanding bbqs	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j	Garden sheds/ storage cage	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
k	Automatic gate door controls	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	Automatic gate door motors	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
m	Sauna heating assets	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
n	rollers, umpire chairs	3.00	66.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
o	Resistance gym equipment	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
p	Cardio vascular gym equipment	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
q	Window shutter controls / motors	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Bathroom Assets																		
a	caddies, soap holders, toilet brushes)	5.00	40.00	1,075	145	55	1,275	1,275	-	287	179	112	70	44	27	17	11	7	11
b	Exhaust fans (including lighting / heating)	10.00	20.00	1,210	163	62	1,435	1,435	-	-	344	215	135	84	53	33	21	13	21
c	Heated towel rails - electric	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Shower curtains	2.00	100.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Spa bath pumps / chlorinators/ heaters	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Hand dryers - electrical	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Laundry Assets																		
a	Washing machines	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Clothes dryer	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			35,397	4,779	1,808	41,984	37,999	475	1,735	1,777	1,463	1,621	1,358	849	867	879	549	3,817

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.

(b) Items with a percentage-owned value less than \$1000 are allocated to the low value pool and depreciated at an accelerated rate of 37.5% per annum. This rate is halved in the first financial year. Pooled items are not apportioned.

1 Depreciation Street Sydney NSW

Low Value Pool

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	Total Apportioned Cost (\$)	FINANCIAL YEAR 1 (\$)	FINANCIAL YEAR 2 (\$)	FINANCIAL YEAR 3 (\$)	FINANCIAL YEAR 4 (\$)	FINANCIAL YEAR 5 (\$)	FINANCIAL YEAR 6 (\$)	FINANCIAL YEAR 7 (\$)	FINANCIAL YEAR 8 (\$)	FINANCIAL YEAR 9 (\$)	FINANCIAL YEAR 10 (\$)	FINANCIAL YEARS 11+ (\$)
	Brought Forward			35,397	4,779	1,808	41,984	37,999	475	1,735	1,777	1,463	1,621	1,358	849	867	879	549	3,817
10	Common Area Property																		
a	Lifts: Electric	30.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Lifts: Hydraulic	30.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Escalators (machinery & moving parts)	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	extraction fans	25.00	8.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Stair pressurisation - AC Variable drives	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Stair pressurisation - sensors	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Sewerage treatment motors / controls	8.00	25.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Garbage compacting systems	6.67	29.99	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Ventilation fans	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Fire Services																		
a	Hydrant booster pump	25.00	8.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Fire alarm - bell	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Fire indicator panel (FIP)	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	EWIS (master emergency panel, speakers, strobe light, warden intercom phone)	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Fire hose reels & nozzles	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Fire alarm - heat / smoke	6.00	33.33	1,130	153	58	1,340	1,340	-	335	209	131	82	51	32	20	12	8	13
g	heat, multi point type & smoke)	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Fire extinguishers	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Furnishings																		
a	electrical appliances & misc utensils	13.33	15.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Garbage bins	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Outdoor / Common area furniture - freestanding	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Telephone handsets	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Clock electric	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Digital video display (DVD) player	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Linen	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Radios	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Rugs	7.00	28.57	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j	Stereo system	7.00	28.57	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
k	Surround sound system	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	Cordless phone	4.00	50.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
m	Television set	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
n	Portable vacuum cleaner	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
o	Video cassette recorders (VCR)	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
p	Crockery	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
q	Cutlery	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
r	Door stops (free standing)	-	100.00	118	16	6	141	141	-	-	-	-	-	-	-	-	-	-	-
s	Door closers	-	100.00	240	32	12	285	285	-	-	-	-	-	-	-	-	-	-	-
t	Chillers - absorption	25.00	8.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			36,886	4,980	1,884	43,749	39,764	475	2,070	1,986	1,594	1,703	1,409	881	887	892	557	3,830

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.
(b) Items with a percentage-owned value less than \$1000 are allocated to the low value pool and depreciated at an accelerated rate of 37.5% per annum. This rate is halved in the first financial year. Pooled items are not apportioned.

Appendix D
Tax Depreciation Schedule Summary- Prime Cost Method



Tax Depreciation Schedule Summary

1 Depreciation Street Sydney NSW

Financial Year Ended	Plant & Equipment	Building Allowance	Structural Improvements	Total
1 July 2018 - 30 June 2019 *	\$ 4,856	\$ 5,577	\$ -	\$ 10,433
30 June 2020	\$ 3,716	\$ 5,577	\$ -	\$ 9,293
30 June 2021	\$ 3,716	\$ 5,577	\$ -	\$ 9,293
30 June 2022	\$ 3,716	\$ 5,577	\$ -	\$ 9,293
30 June 2023	\$ 3,716	\$ 5,577	\$ -	\$ 9,293
30 June 2024	\$ 3,231	\$ 5,577	\$ -	\$ 8,808
30 June 2025	\$ 3,008	\$ 5,577	\$ -	\$ 8,585
30 June 2026	\$ 3,008	\$ 5,577	\$ -	\$ 8,585
30 June 2027	\$ 3,008	\$ 5,577	\$ -	\$ 8,585
30 June 2028	\$ 3,008	\$ 5,577	\$ -	\$ 8,585
30 June 2029	\$ 1,815	\$ 5,577	\$ -	\$ 7,392
30 June 2030	\$ 1,815	\$ 5,577	\$ -	\$ 7,392
30 June 2031	\$ 1,350	\$ 5,577	\$ -	\$ 6,927
30 June 2032	\$ 1,350	\$ 5,577	\$ -	\$ 6,927
30 June 2033	\$ 1,350	\$ 5,577	\$ -	\$ 6,927
30 June 2034	\$ 217	\$ 5,577	\$ -	\$ 5,793
30 June 2035	\$ 217	\$ 5,577	\$ -	\$ 5,793
30 June 2036	\$ 217	\$ 5,577	\$ -	\$ 5,793
30 June 2037	\$ 217	\$ 5,577	\$ -	\$ 5,793
30 June 2038	\$ 217	\$ 5,577	\$ -	\$ 5,793
TOTAL	\$ 43,749	\$ 111,534	\$ -	\$ 155,284

Information current at
February 2020

*Values for year 1 are apportioned in line with income producing period for that year, if start date has been indicated.
Please note that the indicative depreciation and building allowance figures may change in accordance with changes to
taxation laws.

∞ values listed in the table above have been calculated based on the percentage ownership of the property listed on page

Tax Depreciation Schedule Summary

1 Depreciation Street Sydney NSW

Financial Year Ended	Plant & Equipment	Building Allowance	Structural Improvements	Total
30 June 2039	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2040	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2041	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2042	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2043	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2044	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2045	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2046	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2047	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2048	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2049	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2050	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2051	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2052	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2053	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2054	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2055	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2056	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2057	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2058	\$ -	\$ 5,577	\$ -	\$ 5,577
30 June 2059	\$ -	\$ 0	\$ -	\$ 0
TOTAL	\$ 43,749	\$ 223,069	\$ -	\$ 266,818

Information current at
February 2020

Please note that the indicative depreciation and building allowance figures may change in accordance with changes to taxation laws.

» values listed in the table above have been calculated based on the percentage ownership of the property listed on page

Appendix E

Tax Depreciation Schedule Worksheet- Prime Cost Method



1 Depreciation Street Sydney NSW

Prime Cost Method

[illegible]

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.

1 Depreciation Street Sydney NSW

Prime Cost Method

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	Total Apportioned Cost (\$)	FINANCIAL YEAR 1 (\$)	FINANCIAL YEAR 2 (\$)	FINANCIAL YEAR 3 (\$)	FINANCIAL YEAR 4 (\$)	FINANCIAL YEAR 5 (\$)	FINANCIAL YEAR 6 (\$)	FINANCIAL YEAR 7 (\$)	FINANCIAL YEAR 8 (\$)	FINANCIAL YEAR 9 (\$)	FINANCIAL YEAR 10 (\$)	FINANCIAL YEARS 11+ (\$)
	Brought Forward			13,857	1,871	708	16,435	16,435	1,677	1,170	1,170	1,170	1,170	940	940	940	940	940	5,378
4	Kitchen Appliances																		
a	Cooktops	12.00	8.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Freezers	12.00	8.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Ovens	12.00	8.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Refrigerators	12.00	8.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Stove	12.00	8.33	2,715	367	139	3,220	3,220	268	268	268	268	268	268	268	268	268	268	537
f	Microwave ovens	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Rangehoods	12.00	8.33	620	84	32	735	735	61	61	61	61	61	61	61	61	61	61	123
h	Water filters - electrical	15.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Dishwashers	10.00	10.00	900	122	46	1,067	1,067	107	107	107	107	107	107	107	107	107	107	-
j	Garbage disposal units	10.00	10.00	1,000	135	51	1,186	1,186	119	119	119	119	119	119	119	119	119	119	-
5	Floor Finishes																		
a	Vinyl	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	carpets- inc common areas	10.00	10.00	4,515	610	231	5,355	5,355	536	536	536	536	536	536	536	536	536	536	0
c	Linoleum	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Floating Timber Flooring	15.00	6.67	6,900	932	352	8,184	8,184	546	546	546	546	546	546	546	546	546	546	2728
6	Window Coverings																		
a	Blinds	10.00	10.00	1,881	254	96	2,231	2,231	223	223	223	223	223	223	223	223	223	223	-0
b	Curtains	6.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	External Equipment																		
a	Operable pergola louvres - controls / motors	15.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Swimming pool chlorinators / filtration (incl pumps)	12.00	8.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Swimming pool cleaning devices	7.00	14.29	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Garden watering installations - control panels, pumps, timing devices	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Garden lights - solar	8.00	12.50	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Artificial grass & matting	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Automatic garage door controls	5.00	100.00	175	24	9	208	208	208	-	-	-	-	-	-	-	-	-	-
h	Automatic garage door motors	10.00	10.00	550	74	28	652	652	65	65	65	65	65	65	65	65	65	65	0
i	Freestanding bbqs	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j	Garden sheds/ storage cage	15.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
k	Automatic gate door controls	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	Automatic gate door motors	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
m	Sauna heating assets	15.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
n	rollers, umpire chairs	3.00	33.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
o	Resistance gym equipment	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
p	Cardio vascular gym equipment	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
q	Window shutter controls / motors	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Bathroom Assets																		
	Bathroom accessories (freestanding - shower caddies, soap holders, toilet brushes)	5.00	20.00	1,075	145	55	1,275	1,275	255	255	255	255	255	-	-	-	-	-	-
a	Exhaust fans (including lighting / heating)	10.00	10.00	1,210	163	62	1,435	1,435	144	144	144	144	144	144	144	144	144	144	-0
c	Heated towel rails - electric	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Shower curtains	2.00	50.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Spa bath pumps / chlorinators/ heaters	20.00	5.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Hand dryers - electrical	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Laundry Assets																		
a	Washing machines	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Clothes dryer	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			35,397	4,779	1,808	41,984	41,984	4,208	3,493	3,493	3,493	3,493	3,008	3,008	3,008	3,008	3,008	8,766

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.

1 Depreciation Street Sydney NSW

Prime Cost Method

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	Total Apportioned Cost (\$)	FINANCIAL YEAR 1 (\$)	FINANCIAL YEAR 2 (\$)	FINANCIAL YEAR 3 (\$)	FINANCIAL YEAR 4 (\$)	FINANCIAL YEAR 5 (\$)	FINANCIAL YEAR 6 (\$)	FINANCIAL YEAR 7 (\$)	FINANCIAL YEAR 8 (\$)	FINANCIAL YEAR 9 (\$)	FINANCIAL YEAR 10 (\$)	FINANCIAL YEARS 11+ (\$)
	Brought Forward			35,397	4,779	1,808	41,984	41,984	4,208	3,493	3,493	3,493	3,493	3,008	3,008	3,008	3,008	3,008	8,766
10	Common Area Property																		
a	Lifts: Electric	30.00	3.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Lifts: Hydraulic	30.00	3.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Escalators (machinery & moving parts)	20.00	5.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Stair pressurisation - pressurisation and extraction fans	25.00	4.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Stair pressurisation - AC Variable drives	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Stair pressurisation - sensors	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Sewerage treatment motors / controls	8.00	12.50	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Garbage compacting systems	6.67	14.99	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Ventilation fans	20.00	5.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Fire Services																		
a	Hydrant booster pump	25.00	4.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Fire alarm - bell	12.00	8.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Fire indicator panel (FIP)	12.00	8.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	EWIS (master emergency panel, speakers, strobe light, warden intercom phone)	12.00	8.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Fire hose reels & nozzles	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Fire alarm - heat / smoke	6.00	16.67	1,130	153	58	1,340	1,340	223	223	223	223	223	223	-	-	-	-	-
g	Detectors (addressable manual call points, heat, multi point type & smoke)	20.00	5.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Fire extinguishers	15.00	6.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Furnishings																		
a	Furniture (freestanding), free standing sundry electrical appliances & misc utensils	13.33	7.50	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	Garbage bins	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Outdoor / Common area furniture - freestanding	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Telephone handsets	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	Clock electric	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Digital video display (DVD) player	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Linen	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Radios	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Rugs	7.00	14.29	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
j	Stereo system	7.00	14.29	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
k	Surround sound system	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	Cordless phone	4.00	25.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
m	Television set	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
n	Portable vacuum cleaner	10.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
o	Video cassette recorders (VCR)	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
p	Crockery	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
q	Cutlery	5.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
r	Door stops (free standing)	(a) 1.00	100.00	118	16	6	141	141	141	-	-	-	-	-	-	-	-	-	-
s	Door closers	(a) 1.00	100.00	240	32	12	285	285	285	-	-	-	-	-	-	-	-	-	-
t	Chillers - absorption	25.00	4.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			36,886	4,980	1,884	43,749	43,749	4,856	3,716	3,716	3,716	3,716	3,231	3,008	3,008	3,008	3,008	8,766

(a) Items with a percentage-owned value less than \$300 installed are written off immediately at a rate of 100% in the first year. These items are not apportioned.

1 Depreciation Street Sydney NSW

Prime Cost Method

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	Total Apportioned Cost (\$)	FINANCIAL YEAR 1 (\$)	FINANCIAL YEAR 2 (\$)	FINANCIAL YEAR 3 (\$)	FINANCIAL YEAR 4 (\$)	FINANCIAL YEAR 5 (\$)	FINANCIAL YEAR 6 (\$)	FINANCIAL YEAR 7 (\$)	FINANCIAL YEAR 8 (\$)	FINANCIAL YEAR 9 (\$)	FINANCIAL YEAR 10 (\$)	FINANCIAL YEARS 11+ (\$)
	Brought Forward			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
13	Balance of Construction Cost Attributable As an allowance for Residential Building Works (Section 43 Capital Works)	40.00	2.50	188,073	25,390	9,606	223,069	223,069	5,577	5,577	5,577	5,577	5,577	5,577	5,577	5,577	5,577	5,577	167,302
14	Structural improvements/improvements	22.00	2.50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL				224,959	30,369	11,490	266,818	266,818	10,433	9,293	9,293	9,293	9,293	8,808	8,585	8,585	8,585	8,585	176,067

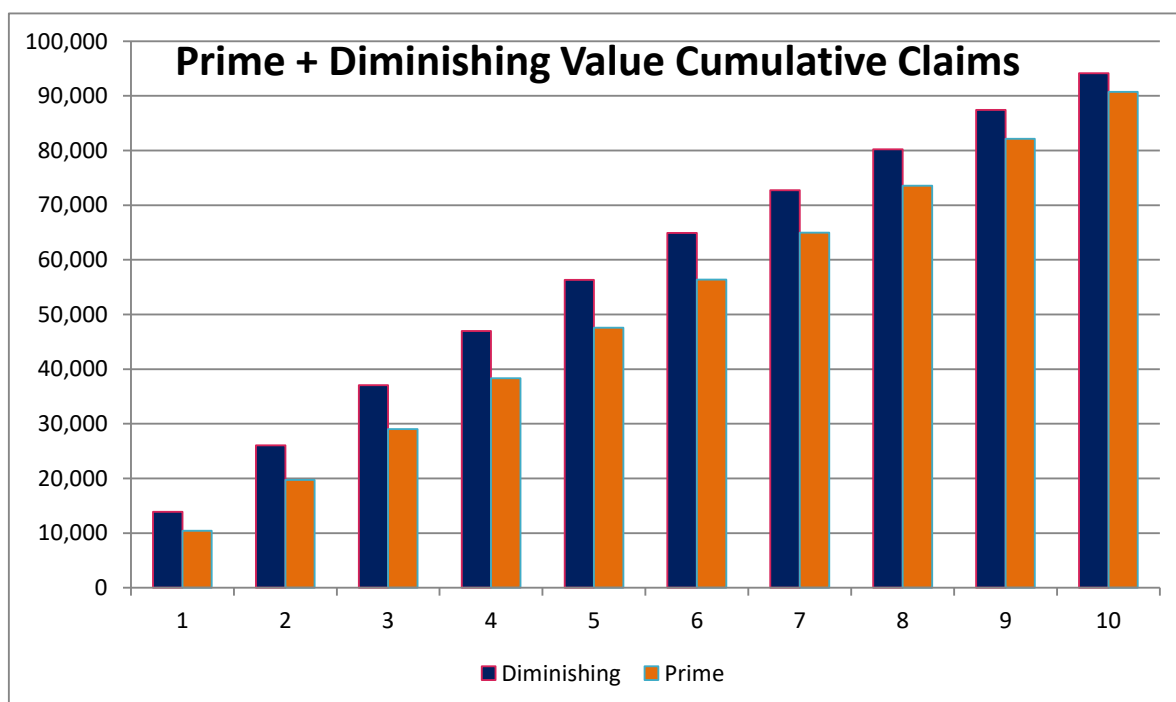
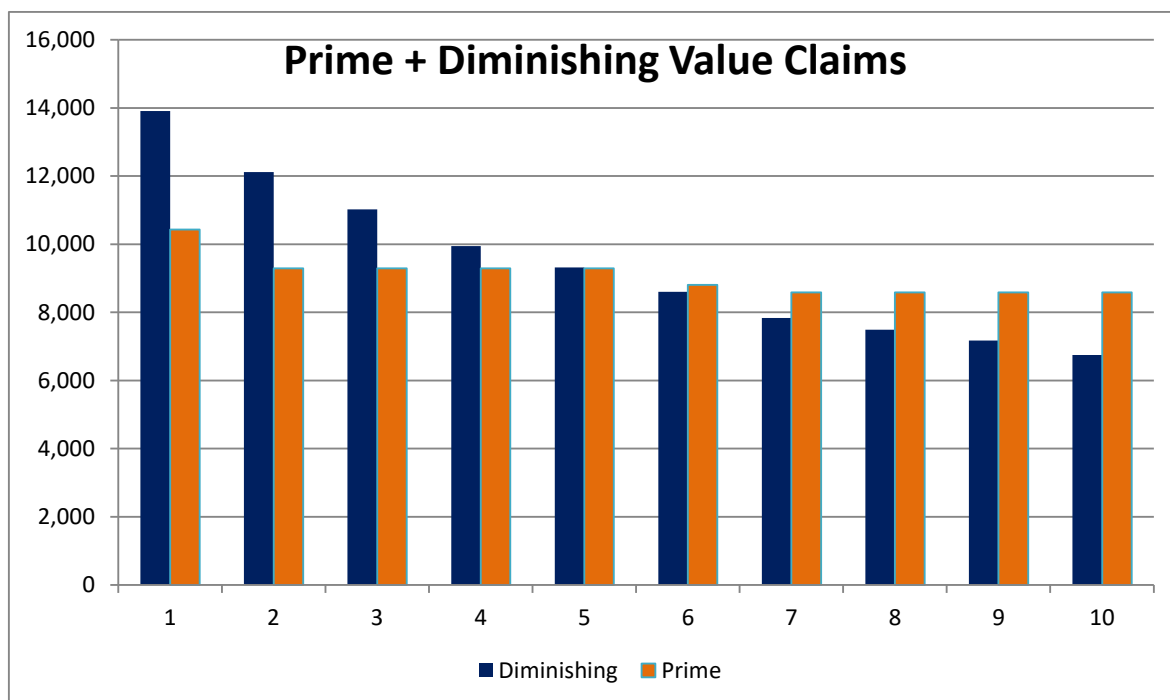
Appendix F

Graphical comparison of Diminishing Value and Prime Cost Method Claims

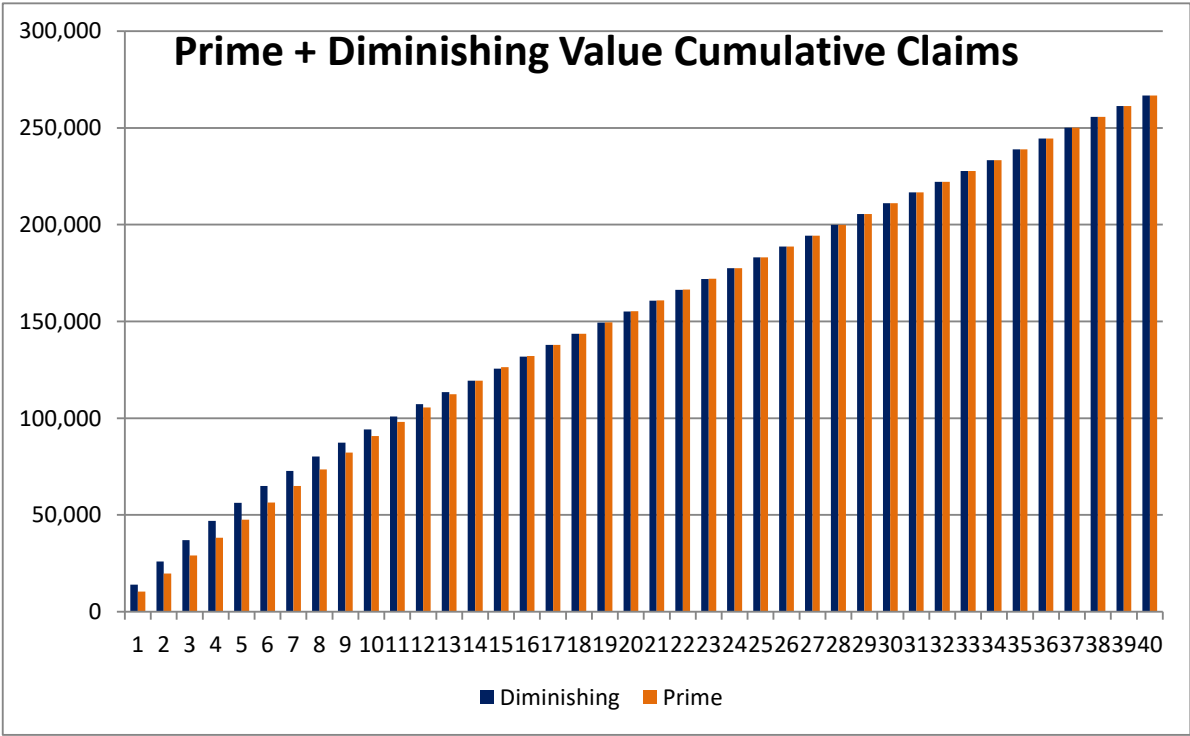
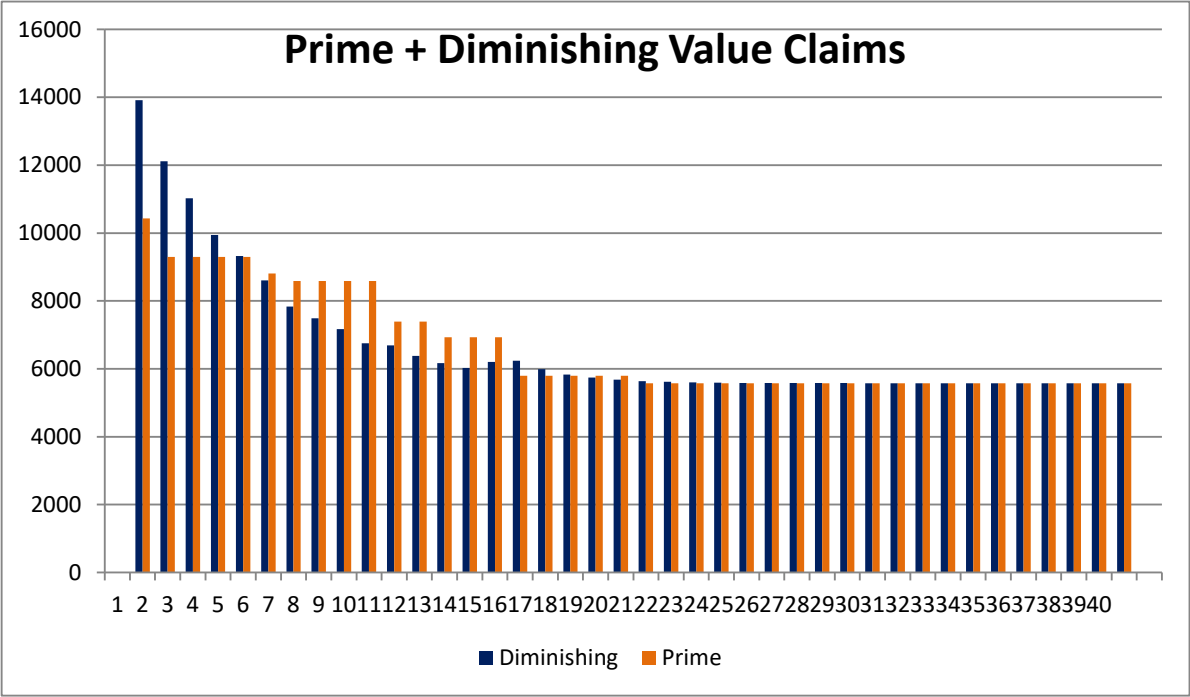


Graphical Representation of Yearly Claims & Cumulative Claims

Years 1-10



Graphical Representation of Yearly Claims & Cumulative Claims
40 years



Notes to your Accountant

The following information is provided to assist your accountant.

We have been engaged to prepare a Tax Depreciation Schedule for the attached property. We have prepared this report on the following basis, which is in accordance with the following documents:

- ▶ Relevant Australian Taxation Office (ATO) rulings [see report].
- ▶ An Indicative Guide to the Preparation of QS Reports – Tax Depreciation Schedules for Investment/Rental properties published by the Australian Institute of Quantity Surveyors – January 2002.
- ▶ Rental Properties 2017 – published by the Australian Taxation Office.
- ▶ Guide to Depreciation 2017 published by the Australian Taxation Office.
- ▶ Australian Tax Master Guide 2012 – published by CGH Australia Limited.

Other referenced material includes the following:

- ▶ Rawlinsons Australian Construction Handbook – 2017
- ▶ Cordells Construction Cost Guide – Quarterly Updates.

The report contains several elements, which are of major significance.

Date of construction: We have made an assessment of the date of which construction commenced (if not advised by the client or if not obtainable from documentation) and have assumed that it falls into one of the following categories, on which our assessment is based. In essence the following dates of particular importance:

- ▶ 18 July 1985 or prior (residential properties) and 21 July 1982 (non residential) attracts no capital works deduction.
- ▶ Construction commencing between 18 July 1985 and 15 September 1987 attracts a capital works deduction of 4%.
- ▶ Construction commencing after 15 September 1987 attracts capital works deduction of 2.50%.

Tax Depreciation Schedule

Capital Works Deduction or Special Building Write off: has been calculated based on an estimation of cost. This cost is based on the year construction commenced. This figure is exclusive of the following items:

- ▶ Fixtures & fittings (plant & equipment)
- ▶ Land cost
- ▶ Site preparation (demolition and tree removal)
- ▶ Developers profit
- ▶ Soft landscaping (plants, trees, soil, pebbles, etc)

Costs which are included in the above assessment include architectural fees, engineering fees, a reasonable allowance for variations and foundation excavation costs.

Schedule Start Date: is based on the date of settlement or when the property becomes first available for income producing purposes unless advised otherwise.

Second Hand Properties: In regards to second hand properties we have made an assessment of the construction cost of the year the building was completed. This amount encompasses the original cost of construction, plus allowable expenses including builder's preliminaries and professional fees.

Structural Improvements & Improvements (Noted under Improvements on page 3 of the report): is the cost associated with the improvement once completed, less the value of Plant & Equipment (which is depreciated separately). The valuation for structural improvements are related to specific works such as sealed driveways, retaining walls, fences, etc carried out after 26th February 1992.

Improvements include items such as refurbishment, alterations and additions.

Plant & Equipment: the values for these items are based on the value at the start date of the report. In the case where fixtures and fittings have been updated, they are still assessed at their value on the date the report begins. The value of this plant and equipment is based on our professional opinion and is derived from a combination of our knowledge of cost and the market value of the plant itself compared with the purchase price. **For details regarding properties purchased after 9th May 2017 and/or rented after 1st July 2017, see page 8.**

The Report

Our report is dissected and should be read as follows:

Title page (page 4) – highlighting the address of the property, job number and month the report was commissioned. Should you have any queries, please refer to this job number.

Page 5 – contents page, which is a summary of items contained within the report.

Page 6 – Basis of the report. The total assessed depreciation is the value of construction cost the year the building was completed. This amount has been derived from obtaining the purchase price and adding improvements and structural improvements (less plant), adding stamp duty and legal costs and then deducting land value, landscaping and site clearance, stamp duty and legal fees and all other items not associated with construction costs including capital gain & developer's profit.

The date of first lease/schedule start date represents the date on which this report is based on. The values for the first financial year have been apportioned as required, in both the diminishing value and prime cost method summaries.

Page 7 & 8 – Explains some general notes relating to the schedule.

Page 9 – Disclaimer

Page 10 – Certification of the report

Page 11 – Referenced material

Appendix A – Summary of depreciation claims eligible for the diminishing value method of depreciation. These values are apportioned. The total claim for each financial year is comprised of plant and equipment, building allowance, improvements & structural improvements.

Appendix B – Tax depreciation schedule worksheet for the diminishing value method of depreciation. This highlights all plant and equipment eligible for depreciation, the base installed cost, a reasonable allowance for builders' preliminaries & professional fees, and a total installed cost. Once the total installed cost of the item has dropped below \$1000, it is moved to the low value pool.

The total installed cost will have a total figure of the total amount of depreciation eligible. This is calculated from an assessment of the plant and equipment and also the original construction cost.

Appendix C – Summary of low value pool claims for the diminishing value method of depreciation. This complements Appendix B, and gives the values of all items included in the low value pool.

Appendix D – Summary of depreciation claims eligible for the prime cost method of depreciation. These values are apportioned. The total claim for each financial year is comprised of plant and equipment, building allowance, improvements & structural improvements.

Appendix E – Tax depreciation schedule worksheet for the prime cost method of depreciation. This highlights all plant and equipment eligible for depreciation, the base installed cost, a reasonable allowance for builders' preliminaries & professional fees, and a total installed cost.

Plant & Equipment

For the diminishing value method, depreciation is calculated by multiplying the total installed cost against the diminishing value rate, which provides a total value for the first year of depreciation. After subtracting this value from the total installed cost, this new value is then multiplied by the diminishing value rate to give values for year two, and so on. The rate has been derived from the effective life of each particular item of plant and is as per TR 2000/18 unless assessed otherwise.

For the prime cost method, depreciation is calculated by multiplying the total installed cost of each asset by the prime cost rate, which gives the total value for the first year of depreciation. This same value will be claimable each year for the remaining lifespan of the asset. The rate has been derived from the effective life of each particular item of plant and is as per TR 2000/18 unless assessed otherwise.

Section 43 Capital Works

This is the total cost of construction less plant & equipment. These works are depreciated at either 4.00% or 2.50% depending on the date of construction. For properties with a 4.00% write off, the capital cost is written off for 25 years. Alternatively, for buildings with a 2.50% write off, the capital cost is written off over a period of 40 years. This is the same for both the prime cost and diminishing value methods.

Note that the effective life for these two items is depended on the age of the building. For example a new property will have an effective life of 40 years and the owner will have the benefit of the total allowable depreciation. For older properties, the owner will have the benefit of the depreciation for the balance of effective life. See below:

This is an excerpt from “Rental Properties” published by the ATO.

“The Coulsons purchased a rental property in 1 July 1998 for \$150,000. The property was built in March 1992 for \$65,000. Therefore, the Coulsons are entitled to claim a capital works deduction (special building write-off) at a rate of 2.50% per annum”

As the property is 6 years old, they will be entitled to claim this for a total of 34 years only, rather than 40.

Structural Improvements / Improvements

This is the value of all capital improvements (less plant) and is depreciated at a rate of 2.50% over the period of effective life (derived from when the improvements were carried out). Structural improvements include for items such as sealed driveways, retaining walls and fences carried out after 26 February 1992

Improvements include for capital works such as building an extension (such as adding on a room or garage), alterations (removing a wall) or improvements such as erecting a pergola, patio or carport.

Summary

The values for the first year of depreciation have been generated by obtaining the depreciation allowance for Year 1 and apportioning it with the schedule start date. See below:

Example

Total Capital Works Depreciation Year 1:	\$8,681
Schedule start date / Settlement date:	20 July 2000
Number of day's property is owned from 20th July 2000 to 30th June 2001:	346

Thus:

$$\frac{346}{365} \times 8,681 = \$8,229 \text{ total capital works claim for year one (income tax return 2000/01)}$$

The difference between the total installed cost (Appendix C) and the total in (Appendix A) represents depreciation that cannot be claimed. This is the depreciation of the building at 4.00% or 2.50% over the age of the property prior to this particular client purchasing it, and plant & equipment ineligible for depreciation for properties purchased post 9th May 2017 and/or rented after 1st July 2017. This loss of depreciation is not realised upfront, but in the latter years.

Despite the fact that depreciation may never have been claimed, the tax office makes the following clear:

- ▶ that depreciation is available for either 25 years or 40 years only
- ▶ a purchaser is allowed to depreciate the total construction cost at the respective percentage
- ▶ plant and equipment can be assessed irrespective of the age of the property
- ▶ Any structural improvements after 26 February 1992 will be eligible for depreciation.