

1 January 2018

Sample Client
Residential Address
Suburb State Postcode

**RE: Depreciation Schedule
1 Sample Street Suburb State**

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 date of first lease. 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. MyDepreciation 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,
Mydepreciation

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Tax Depreciation Schedule

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1.0 Introduction – Basis of Report

Basis of Report

This report is based on the following information:

1. Capital cost comprising the following:

| | | |
|--|-----------|----------------|
| (a) Purchase Price | \$ | 500,000 |
| (b) Improvements – Capital Works | \$ | - |
| (c) Stamp Duty (Approx.) | \$ | 5,000 |
| (d) Legal Costs (Approx.) | \$ | 1,000 |
| Total Disbursements | \$ | 506,000 |
| (e) Deduct Land Value | \$ | (122,000) |
| (f) Deduct items not eligible for depreciation (landscaping and site clearance) | \$ | (3,850) |
| (g) Deduct other costs not attributable to Construction Costs | \$ | (97,148) |
| Total Assessed Construction Cost | \$ | 283,002 |

- | | |
|---|-----------------|
| 2. Date of Exchange: | 01 January 2012 |
| 3. Date of Settlement: | 01 January 2012 |
| 4. Date of first lease / schedule start date: | 01 January 2012 |
| 5. Unit Entitlement: | - |

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.

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.

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.

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.

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.
- ▶ Mydepreciation 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 2013/4 - 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.

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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

Tax Depreciation Schedule Summary

1 Sample Street Suburb State

| Financial Year Ended | Plant + Equipment | Pooled Plant + Equipment | Building Allowance | Structural Improvements | Total |
|---------------------------------|-------------------|--------------------------|--------------------|-------------------------|-------------------|
| 1 January 2012 - 30 June 2012 * | \$ 4,372 | \$ 2,052 | \$ 3,008 | \$ - | \$ 9,433 |
| 30 June 2013 | \$ 4,406 | \$ 4,420 | \$ 6,032 | \$ - | \$ 14,858 |
| 30 June 2014 | \$ 3,205 | \$ 3,072 | \$ 6,032 | \$ - | \$ 12,309 |
| 30 June 2015 | \$ 2,504 | \$ 1,920 | \$ 6,032 | \$ - | \$ 10,456 |
| 30 June 2016 | \$ 1,438 | \$ 2,129 | \$ 6,032 | \$ - | \$ 9,599 |
| 30 June 2017 | \$ 1,220 | \$ 1,331 | \$ 6,032 | \$ - | \$ 8,582 |
| 30 June 2018 | \$ 872 | \$ 1,202 | \$ 6,032 | \$ - | \$ 8,106 |
| 30 June 2019 | \$ 628 | \$ 1,083 | \$ 6,032 | \$ - | \$ 7,743 |
| 30 June 2020 | \$ 363 | \$ 1,003 | \$ 6,032 | \$ - | \$ 7,398 |
| 30 June 2021 | \$ 321 | \$ 627 | \$ 6,032 | \$ - | \$ 6,979 |
| 30 June 2022 | \$ 155 | \$ 753 | \$ 6,032 | \$ - | \$ 6,940 |
| 30 June 2023 | \$ 140 | \$ 470 | \$ 6,032 | \$ - | \$ 6,642 |
| 30 June 2024 | \$ 126 | \$ 294 | \$ 6,032 | \$ - | \$ 6,452 |
| 30 June 2025 | \$ 113 | \$ 184 | \$ 6,032 | \$ - | \$ 6,329 |
| 30 June 2026 | \$ 102 | \$ 115 | \$ 6,032 | \$ - | \$ 6,249 |
| 30 June 2027 | \$ - | \$ 416 | \$ 6,032 | \$ - | \$ 6,448 |
| 30 June 2028 | \$ - | \$ 260 | \$ 6,032 | \$ - | \$ 6,292 |
| 30 June 2029 | \$ - | \$ 162 | \$ 6,032 | \$ - | \$ 6,194 |
| 30 June 2030 | \$ - | \$ 102 | \$ 6,032 | \$ - | \$ 6,133 |
| 30 June 2031 | \$ - | \$ 63 | \$ 6,032 | \$ - | \$ 6,095 |
| TOTAL | \$ 19,964 | \$ 21,657 | \$ 117,613 | \$ - | \$ 159,235 |

Information current at

January 2018

*Values for first year are apportioned in line with income producing portion of that year.

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

Tax Depreciation Schedule

Tax Depreciation Schedule Summary

1 Sample Street Suburb State

| Financial Year | Plant & Equipment | | Building Allowance | Structural Improvements | Total |
|----------------|-------------------|------------------|--------------------|-------------------------|-------------------|
| 30 June 2032 | \$ - | \$ 40 | \$ 6,032 | \$ - | \$ 6,072 |
| 30 June 2033 | \$ - | \$ 25 | \$ 6,032 | \$ - | \$ 6,057 |
| 30 June 2034 | \$ - | \$ 15 | \$ 6,032 | \$ - | \$ 6,047 |
| 30 June 2035 | \$ - | \$ 10 | \$ 6,032 | \$ - | \$ 6,042 |
| 30 June 2036 | \$ - | \$ 6 | \$ 6,032 | \$ - | \$ 6,038 |
| 30 June 2037 | \$ - | \$ 4 | \$ 6,032 | \$ - | \$ 6,036 |
| 30 June 2038 | \$ - | \$ 2 | \$ 6,032 | \$ - | \$ 6,034 |
| 30 June 2039 | \$ - | \$ 1 | \$ 6,032 | \$ - | \$ 6,033 |
| 30 June 2040 | \$ - | \$ 1 | \$ 6,032 | \$ - | \$ 6,033 |
| 30 June 2041 | \$ - | \$ 1 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2042 | \$ - | \$ 0 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2043 | \$ - | \$ 0 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2044 | \$ - | \$ 0 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2045 | \$ - | \$ 0 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2046 | \$ - | \$ 0 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2047 | \$ - | \$ 0 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2048 | \$ - | \$ 0 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2049 | \$ - | \$ 0 | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2050 | \$ - | \$ 0 | \$ 4,532 | \$ - | \$ 4,532 |
| 30 June 2051 | \$ - | \$ 0 | \$ - | \$ - | \$ 0 |
| 30 June 2052 | \$ - | \$ 0 | \$ - | \$ - | \$ 0 |
| | | | | | |
| TOTAL | \$ 19,964 | \$ 21,763 | \$ 230,719 | \$ - | \$ 272,446 |

Information current at
January 2018

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

Appendix B

Tax Depreciation Schedule Worksheet- Diminishing Value Method



1 Sample Street Suburb State

Diminishing Value Method

| Item | Depreciable Item | N e w ? | Effective Life (yrs) | Dim Value Rate % | Base Installed Cost (\$) | Builders' Preliminaries 13.50% (\$) | Professional Fees 4.50% (\$) | Total Installed 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+ (\$) |
|------|---|------------------|----------------------------|---------------------------|-----------------------------------|--|---------------------------------------|------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| | Non Pooled Items | | | | | | | | | | | | | | | | | | |
| 1 | Hydraulic Services | | | | | | | | | | | | | | | | | | |
| a | Hot water system - electric | | 12.00 | 16.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Hot water system - gas | | 12.00 | 16.67 | 1,350 | 182 | 69 | 1,601 | 133 | 245 | 204 | 170 | LVP | - | - | - | - | - | - |
| c | Hot water system - solar | | 15.00 | 13.33 | 3,150 | 425 | 161 | 3,736 | 248 | 465 | 403 | 349 | 303 | 262 | 227 | 197 | 171 | 148 | - |
| d | Pumps | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | Water pumps | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Heating/Cooling | | | | | | | | | | | | | | | | | | |
| a | Gas fireplace - ducted central | | 20.00 | 10.00 | 3,558 | 480 | 182 | 4,220 | 210 | 401 | 361 | 325 | 292 | 263 | 237 | 213 | 192 | 173 | 636 |
| b | Heating - Gas fire - free standing | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | AC - Damper motors (Incl VAVs) | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | AC - Mini split systems up to 20KW | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | AC - Room units | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| f | AC Volumetrics - Air cooled | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Condensing sets | | 15.00 | 13.33 | 1,215 | 164 | 62 | 1,441 | 96 | 179 | 155 | 135 | LVP | - | - | - | - | - | - |
| h | Cooling towers | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Fan coil units | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| j | Packaged AC unit | | 15.00 | 13.33 | 1,887 | 255 | 96 | 2,238 | 149 | 279 | 241 | 209 | 181 | 157 | 136 | LVP | - | - | - |
| k | Electric / Gas heaters | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| l | Ceiling Fans | (b) | 5.00 | 37.50 | 828 | 112 | 42 | 982 | LVP | - | - | - | - | - | - | - | - | - | - |
| m | Air handling units | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| n | AC Chillers - Centrifugal | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| o | AC Voulmetrics - Water cooled | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Electrical Services | | | | | | | | | | | | | | | | | | |
| a | Intercom | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Ducted vacuum system - hoses, motors, wands | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Security code pads | (a) | 5.00 | 100.00 | 112 | 15 | 6 | 133 | 133 | - | - | - | - | - | - | - | - | - | - |
| d | Security control panels | (b) | 5.00 | 37.50 | 264 | 36 | 13 | 313 | LVP | - | - | - | - | - | - | - | - | - | - |
| e | vibration) | | 5.00 | 40.00 | 1,023 | 138 | 52 | 1,213 | 242 | LVP | - | - | - | - | - | - | - | - | - |
| f | Security GSM units | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Security sirens / bells | (a) | 5.00 | 100.00 | 67 | 9 | 3 | 79 | 79 | - | - | - | - | - | - | - | - | - | - |
| h | Access control pads | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Door controllers | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| j | Proximity card readers | | 7.00 | 28.57 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| k | Swipe card readers | | 3.00 | 66.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| l | CCTV cameras | | 4.00 | 50.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| m | CCTV monitors | | 4.00 | 50.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| n | CCTV recorders - digital | | 4.00 | 50.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| o | CCTV recorders - time lapse | | 2.00 | 100.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| p | CCTV recorders - switching units | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| q | Television antennas - freestanding | (b) | 5.00 | 37.50 | 550 | 74 | 28 | 652 | LVP | - | - | - | - | - | - | - | - | - | - |
| r | Light fittings - free standing | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| s | Solar powered generating system | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| t | Generators | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| u | MATV - amplifiers | (a) | 10.00 | 100.00 | 192 | 26 | 10 | 228 | 228 | - | - | - | - | - | - | - | - | - | - |
| v | MATV - Modulators | (a) | 10.00 | 100.00 | 144 | 19 | 7 | 171 | 171 | - | - | - | - | - | - | - | - | - | - |
| w | MATV - power sources | (a) | 10.00 | 100.00 | 92 | 12 | 5 | 109 | 109 | - | - | - | - | - | - | - | - | - | - |
| x | PABX | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Bedroom Assets | | | | | | | | | | | | | | | | | | |
| | Mirrors - freestanding | | 15.00 | 13.33 | 885 | 119 | 45 | 1,050 | 70 | LVP | - | - | - | - | - | - | - | - | - |
| | Subtotal | | | | 15,317 | 2,068 | 782 | 18,167 | 1,868 | 1,569 | 1,365 | 1,188 | 776 | 683 | 600 | 410 | 363 | 321 | 636 |

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

(b) Items valued at 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 Sample Street Suburb State

Diminishing Value Method

| Item | Depreciable Item | New? | Effective Life (yrs) | Dim Value Rate % | Base Installed Cost (\$) | Builders' Preliminaries 13.50% (\$) | Professional Fees 4.50% (\$) | Total Installed 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 | | | | 15,317 | 2,068 | 782 | 18,167 | 1,868 | 1,569 | 1,365 | 1,188 | 776 | 683 | 600 | 410 | 363 | 321 | 636 |
| 4 | Kitchen Appliances | | | | | | | | | | | | | | | | | | |
| a | Cooktops (b) | | 12.00 | 37.50 | 715 | 97 | 37 | 848 | LVP | - | - | - | - | - | - | - | - | - | - |
| b | Freezers | | 12.00 | 16.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Ovens | | 12.00 | 16.67 | 2,258 | 305 | 115 | 2,678 | 223 | 409 | 341 | 284 | 237 | 197 | LVP | - | - | - | - |
| d | Refrigerators | | 12.00 | 16.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | Stove | | 12.00 | 16.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| f | Microwave ovens | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Rangehoods (b) | | 12.00 | 37.50 | 615 | 83 | 31 | 729 | LVP | - | - | - | - | - | - | - | - | - | - |
| h | Water filters - electrical | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Dishwashers | | 10.00 | 20.00 | 881 | 119 | 45 | 1,045 | 104 | LVP | - | - | - | - | - | - | - | - | - |
| j | Garbage disposal units | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Floor Finishes | | | | | | | | | | | | | | | | | | |
| a | Vinyl | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Carpets | | 10.00 | 20.00 | 3,885 | 524 | 198 | 4,608 | 460 | 830 | 664 | 531 | 425 | 340 | 272 | 217 | LVP | - | - |
| c | Linoleum | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | Floating Timber Flooring | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Window Coverings | | | | | | | | | | | | | | | | | | |
| a | Blinds (b) | | 10.00 | 37.50 | 4,125 | 557 | 211 | 4,893 | 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 | 3,665 | 495 | 187 | 4,347 | 867 | 1392 | 835 | 501 | LVP | - | - | - | - | - | - |
| g | Automatic garage door controls | (a) | 5.00 | 100.00 | 110 | 15 | 6 | 130 | 130 | - | - | - | - | - | - | - | - | - | - |
| h | Automatic garage door motors | (b) | 10.00 | 37.50 | 505 | 68 | 26 | 599 | 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) (b) | | 5.00 | 37.50 | 912 | 123 | 47 | 1,082 | LVP | - | - | - | - | - | - | - | - | - | - |
| b | Exhaust fans (including lighting / heating) | | 10.00 | 20.00 | 967 | 131 | 49 | 1,147 | 114 | 207 | LVP | - | - | - | - | - | - | - | - |
| c | Heated towel rails - electric | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | Shower curtains | (b) | 2.00 | 37.50 | 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 | | | | 33,955 | 4,584 | 1,734 | 40,273 | 3,766 | 4,406 | 3,205 | 2,504 | 1,438 | 1,220 | 872 | 628 | 363 | 321 | 636 |

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

(b) Items valued at 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 Sample Street Suburb State

Diminishing Value Method

| Item | Depreciable Item | Ne w ? | Effective Life (yrs) | Dim Value Rate % | Base Installed Cost (\$) | Builders' Preliminaries 13.50% (\$) | Professional Fees 4.50% (\$) | Total Installed 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 | | | | 33,955 | 4,584 | 1,734 | 40,273 | 3,766 | 4,406 | 3,205 | 2,504 | 1,438 | 1,220 | 872 | 628 | 363 | 321 | 636 |
| 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 | (b) | 6.00 | 37.50 | 715 | 97 | 37 | 848 | LVP | - | - | - | - | - | - | - | - | - | - |
| g | 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 | (a) | 10.00 | 100.00 | 165 | 22 | 8 | 196 | 196 | - | - | - | - | - | - | - | - | - | - |
| 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 | 106 | 14 | 5 | 126 | 126 | - | - | - | - | - | - | - | - | - | - |
| s | Door closers | (a) | - | 100.00 | 240 | 32 | 12 | 285 | 285 | - | - | - | - | - | - | - | - | - | - |
| t | Chillers - absorption | | 25.00 | 8.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Subtotal | | | | 35,181 | 4,749 | 1,797 | 41,727 | 4,372 | 4,406 | 3,205 | 2,504 | 1,438 | 1,220 | 872 | 628 | 363 | 321 | 636 |

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

(b) Items valued at 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 Sample Street Suburb State

Diminishing Value Method

[illegible]

Appendix C

Tax Depreciation Schedule Summary- Low Value Pool



1 Sample Street Suburb State

Low Value Pool

| Item | Depreciable Item | New ? | Effective Life (yrs) | Dim Value Rate % | Base Installed Cost (\$) | Builders' Preliminaries 13.50% (\$) | Professional Fees 4.50% (\$) | Total Installed 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+ (\$) |
|------|---|-------|----------------------|------------------|--------------------------|-------------------------------------|------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|--------------------------|
| | Non Pooled Items | | | | | | | | | | | | | | | | | | |
| 1 | Hydraulic Services | | | | | | | | | | | | | | | | | | |
| a | Hot water system - electric | | 12.00 | 16.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Hot water system - gas | | 12.00 | 16.67 | 1,350 | 182 | 69 | 1,601 | - | - | - | - | 319 | 199 | 124 | 78 | 49 | 30 | 51 |
| c | Hot water system - solar | | 15.00 | 13.33 | 3,150 | 425 | 161 | 3,736 | - | - | - | - | - | - | - | - | - | - | 962 |
| d | Pumps | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | Water pumps | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Heating/Cooling | | | | | | | | | | | | | | | | | | |
| a | Gas fireplace - ducted central | | 20.00 | 10.00 | 3,558 | 480 | 182 | 4,220 | - | - | - | - | - | - | - | - | - | - | 917 |
| b | Heating - Gas fire - free standing | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | AC - Damper motors (Incl VAVs) | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | AC - Mini split systems up to 20KW | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | AC - Room units | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| f | AC Volumetrics - Air cooled | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Condensing sets | | 15.00 | 13.33 | 1,215 | 164 | 62 | 1,441 | - | - | - | - | 328 | 205 | 128 | 80 | 50 | 31 | 52 |
| h | Cooling towers | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Fan coil units | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| j | Packaged AC unit | | 15.00 | 13.33 | 1,887 | 255 | 96 | 2,238 | - | - | - | - | - | - | - | 332 | 208 | 130 | 216 |
| k | Electric / Gas heaters | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| l | Ceiling Fans | (b) | 5.00 | 37.50 | 828 | 112 | 42 | 982 | 184 | 299 | 187 | 117 | 73 | 46 | 29 | 18 | 11 | 7 | 12 |
| m | Air handling units | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| n | AC Chillers - Centrifugal | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| o | AC Volumetrics - Water cooled | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Electrical Services | | | | | | | | | | | | | | | | | | |
| a | Intercom | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Ducted vacuum system - hoses, motors, wands | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Security code pads | (a) | 5.00 | 100.00 | 112 | 15 | 6 | 133 | - | - | - | - | - | - | - | - | - | - | - |
| d | Security control panels | (b) | 5.00 | 37.50 | 264 | 36 | 13 | 313 | 59 | 95 | 60 | 37 | 23 | 15 | 9 | 6 | 4 | 2 | 4 |
| e | vibration) | | 5.00 | 40.00 | 1,023 | 138 | 52 | 1,213 | - | 364 | 228 | 142 | 89 | 56 | 35 | 22 | 14 | 8 | 14 |
| f | Security GSM units | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Security sirens / bells | (a) | 5.00 | 100.00 | 67 | 9 | 3 | 79 | - | - | - | - | - | - | - | - | - | - | - |
| h | Access control pads | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Door controllers | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| j | Proximity card readers | | 7.00 | 28.57 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| k | Swipe card readers | | 3.00 | 66.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| l | CCTV cameras | | 4.00 | 50.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| m | CCTV monitors | | 4.00 | 50.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| n | CCTV recorders - digital | | 4.00 | 50.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| o | CCTV recorders - time lapse | | 2.00 | 100.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| p | CCTV recorders - switching units | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| q | Television antennas - freestanding | (b) | 5.00 | 37.50 | 550 | 74 | 28 | 652 | 122 | 199 | 124 | 78 | 49 | 30 | 19 | 12 | 7 | 5 | 8 |
| r | Light fittings - free standing | | 5.00 | 40.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| s | Solar powered generating system | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| t | Generators | | 20.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| u | MATV - amplifiers | (a) | 10.00 | 100.00 | 192 | 26 | 10 | 228 | - | - | - | - | - | - | - | - | - | - | - |
| v | MATV - Modulators | (a) | 10.00 | 100.00 | 144 | 19 | 7 | 171 | - | - | - | - | - | - | - | - | - | - | - |
| w | MATV - power sources | (a) | 10.00 | 100.00 | 92 | 12 | 5 | 109 | - | - | - | - | - | - | - | - | - | - | - |
| x | PABX | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Bedroom Assets | | | | | | | | | | | | | | | | | | |
| | Mirrors - freestanding | | 15.00 | 13.33 | 885 | 119 | 45 | 1,050 | - | 367 | 230 | 144 | 90 | 56 | 35 | 22 | 14 | 9 | 14 |
| | Subtotal | | | | 15,317 | 2,068 | 782 | 18,167 | 365 | 1,325 | 828 | 518 | 971 | 607 | 379 | 569 | 356 | 222 | 2,250 |

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

(b) Items valued at 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 Sample Street Suburb State

Low Value Pool

| Item | Depreciable Item | New? | Effective Life (yrs) | Dim Value Rate % | Base Installed Cost (\$) | Builders' Preliminaries 13.50% (\$) | Professional Fees 4.50% (\$) | Total Installed 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 | | | | 15,317 | 2,068 | 782 | 18,167 | 365 | 1,325 | 828 | 518 | 971 | 607 | 379 | 569 | 356 | 222 | 2,250 |
| 4 | Kitchen Appliances | | | | | | | | | | | | | | | | | | |
| a | Cooktops (b) | | 12.00 | 37.50 | 715 | 97 | 37 | 848 | 159 | 258 | 161 | 101 | 63 | 39 | 25 | 15 | 10 | 6 | 10 |
| b | Freezers | | 12.00 | 16.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Ovens | | 12.00 | 16.67 | 2,258 | 305 | 115 | 2,678 | - | - | - | - | - | - | 370 | 231 | 145 | 90 | 151 |
| d | Refrigerators | | 12.00 | 16.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | Stove | | 12.00 | 16.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| f | Microwave ovens | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Rangehoods (b) | | 12.00 | 37.50 | 615 | 83 | 31 | 729 | 137 | 222 | 139 | 87 | 54 | 34 | 21 | 13 | 8 | 5 | 9 |
| h | Water filters - electrical | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Dishwashers | | 10.00 | 20.00 | 881 | 119 | 45 | 1,045 | - | 353 | 220 | 138 | 86 | 54 | 34 | 21 | 13 | 8 | 14 |
| j | Garbage disposal units | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Floor Finishes | | | | | | | | | | | | | | | | | | |
| a | Vinyl | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Carpets | | 10.00 | 20.00 | 3,885 | 524 | 198 | 4,608 | - | - | - | - | - | - | - | - | 326 | 204 | 340 |
| c | Linoeum | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | Floating Timber Flooring | | 15.00 | 13.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Window Coverings | | | | | | | | | | | | | | | | | | |
| a | Blinds (b) | | 10.00 | 37.50 | 4,125 | 557 | 211 | 4,893 | 917 | 1,491 | 932 | 582 | 364 | 227 | 142 | 89 | 56 | 35 | 58 |
| 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 | 3,665 | 495 | 187 | 4,347 | - | - | - | - | 282 | 176 | 110 | 69 | 43 | 27 | 45 |
| g | Automatic garage door controls | (a) | 5.00 | 100.00 | 110 | 15 | 6 | 130 | - | - | - | - | - | - | - | - | - | - | - |
| h | Automatic garage door motors (b) | | 10.00 | 37.50 | 505 | 68 | 26 | 599 | 112 | 182 | 114 | 71 | 45 | 28 | 17 | 11 | 7 | 4 | 7 |
| 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) (b) | | 5.00 | 37.50 | 912 | 123 | 47 | 1,082 | 203 | 330 | 206 | 129 | 80 | 50 | 31 | 20 | 12 | 8 | 13 |
| b | Exhaust fans (including lighting / heating) | | 10.00 | 20.00 | 967 | 131 | 49 | 1,147 | - | - | 310 | 194 | 121 | 76 | 47 | 30 | 18 | 12 | 19 |
| c | Heated towel rails - electric | | 10.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | Shower curtains (b) | | 2.00 | 37.50 | 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 | | | | 33,955 | 4,584 | 1,734 | 40,273 | 1,893 | 4,161 | 2,911 | 1,819 | 2,066 | 1,291 | 1,177 | 1,068 | 994 | 621 | 2,914 |

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

(b) Items valued at 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 Sample Street Suburb State

Low Value Pool

| Item | Depreciable Item | N e w ? | Effective Life (yrs) | Dim Value Rate % | Base Installed Cost (\$) | Builders' Preliminaries 13.50% (\$) | Professional Fees 4.50% (\$) | Total Installed 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 | | | | 33,955 | 4,584 | 1,734 | 40,273 | 1,893 | 4,161 | 2,911 | 1,819 | 2,066 | 1,291 | 1,177 | 1,068 | 994 | 621 | 2,914 |
| 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 | (b) | 6.00 | 37.50 | 715 | 97 | 37 | 848 | 159 | 258 | 161 | 101 | 63 | 39 | 25 | 15 | 10 | 6 | 10 |
| 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 | (a) | 10.00 | 100.00 | 165 | 22 | 8 | 196 | - | - | - | - | - | - | - | - | - | - | - |
| 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 | 106 | 14 | 5 | 126 | - | - | - | - | - | - | - | - | - | - | - |
| s | Door closers | (a) | - | 100.00 | 240 | 32 | 12 | 285 | - | - | - | - | - | - | - | - | - | - | - |
| t | Chillers - absorption | | 25.00 | 8.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Subtotal | | | | 35,181 | 4,749 | 1,797 | 41,727 | 2,052 | 4,420 | 3,072 | 1,920 | 2,129 | 1,331 | 1,202 | 1,083 | 1,003 | 627 | 2,924 |

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

(b) Items valued at 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 Sample Street Suburb State

| Financial Year Ended | Plant & Equipment | Building Allowance | Structural Improvements | Total |
|---------------------------------|-------------------|--------------------|-------------------------|-------------------|
| 1 January 2012 - 30 June 2012 * | \$ 3,626 | \$ 3,008 | \$ - | \$ 6,634 |
| 30 June 2013 | \$ 4,352 | \$ 6,032 | \$ - | \$ 10,384 |
| 30 June 2014 | \$ 4,352 | \$ 6,032 | \$ - | \$ 10,384 |
| 30 June 2015 | \$ 4,352 | \$ 6,032 | \$ - | \$ 10,384 |
| 30 June 2016 | \$ 4,352 | \$ 6,032 | \$ - | \$ 10,384 |
| 30 June 2017 | \$ 3,495 | \$ 6,032 | \$ - | \$ 9,527 |
| 30 June 2018 | \$ 2,563 | \$ 6,032 | \$ - | \$ 8,595 |
| 30 June 2019 | \$ 2,493 | \$ 6,032 | \$ - | \$ 8,524 |
| 30 June 2020 | \$ 2,493 | \$ 6,032 | \$ - | \$ 8,524 |
| 30 June 2021 | \$ 2,493 | \$ 6,032 | \$ - | \$ 8,524 |
| 30 June 2022 | \$ 1,880 | \$ 6,032 | \$ - | \$ 7,912 |
| 30 June 2023 | \$ 1,263 | \$ 6,032 | \$ - | \$ 7,295 |
| 30 June 2024 | \$ 1,020 | \$ 6,032 | \$ - | \$ 7,052 |
| 30 June 2025 | \$ 775 | \$ 6,032 | \$ - | \$ 6,807 |
| 30 June 2026 | \$ 775 | \$ 6,032 | \$ - | \$ 6,807 |
| 30 June 2027 | \$ 494 | \$ 6,032 | \$ - | \$ 6,526 |
| 30 June 2028 | \$ 211 | \$ 6,032 | \$ - | \$ 6,243 |
| 30 June 2029 | \$ 211 | \$ 6,032 | \$ - | \$ 6,243 |
| 30 June 2030 | \$ 211 | \$ 6,032 | \$ - | \$ 6,243 |
| 30 June 2031 | \$ 211 | \$ 6,032 | \$ - | \$ 6,243 |
| TOTAL | \$ 41,622 | \$ 117,613 | \$ - | \$ 159,235 |

Information current at
January 2018

*Values for year 1 are apportioned in line with income producing period for that year.

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

Tax Depreciation Schedule Summary

1 Sample Street Suburb State

| Financial Year | Plant & Equipment | Building Allowance | Structural Improvements | Total |
|----------------|-------------------|--------------------|-------------------------|-------------------|
| 30 June 2032 | \$ 106 | \$ 6,032 | \$ - | \$ 6,138 |
| 30 June 2033 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2034 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2035 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2036 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2037 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2038 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2039 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2040 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2041 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2042 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2043 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2044 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2045 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2046 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2047 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2048 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2049 | \$ - | \$ 6,032 | \$ - | \$ 6,032 |
| 30 June 2050 | \$ - | \$ 4,532 | \$ - | \$ 4,532 |
| 30 June 2051 | \$ - | \$ - | \$ - | \$ - |
| 30 June 2052 | \$ - | \$ - | \$ - | \$ - |
| TOTAL | \$ 41,727 | \$ 230,719 | \$ - | \$ 272,446 |

Information current at
January 2018

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

Appendix E

Tax Depreciation Schedule Worksheet- Prime Cost Method



1 Sample Street Suburb State

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 (\$) | 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+ (\$) |
|------|---|----------------------|------------------|--------------------------|-------------------------------------|------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|--------------------------|
| | Non Pooled Items | | | | | | | | | | | | | | | | | |
| 1 | Hydraulic Services | | | | | | | | | | | | | | | | | |
| a | Hot water system - electric | 12.00 | 8.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Hot water system - gas | 12.00 | 8.33 | 1,350 | 182 | 69 | 1,601 | 67 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 133 | 334 |
| c | Hot water system - solar | 15.00 | 6.67 | 3,150 | 425 | 161 | 3,736 | 124 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 1370 |
| d | Pumps | 20.00 | 5.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | Water pumps | 20.00 | 5.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Heating/Cooling | | | | | | | | | | | | | | | | | |
| a | Gas fireplace - ducted central | 20.00 | 5.00 | 3,558 | 480 | 182 | 4,220 | 105 | 211 | 211 | 211 | 211 | 211 | 211 | 211 | 211 | 211 | 2216 |
| b | Heating - Gas fire - free standing | 15.00 | 6.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | AC - Damper motors (Incl VAVs) | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | AC - Mini split systems up to 20KW | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | AC - Room units | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| f | AC Volumetrics - Air cooled | 15.00 | 6.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Condensing sets | 15.00 | 6.67 | 1,215 | 164 | 62 | 1,441 | 48 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 96 | 529 |
| h | Cooling towers | 15.00 | 6.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Fan coil units | 15.00 | 6.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| j | Packaged AC unit | 15.00 | 6.67 | 1,887 | 255 | 96 | 2,238 | 74 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 149 | 821 |
| k | Electric / Gas heaters | 15.00 | 6.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| l | Ceiling Fans | 5.00 | 20.00 | 828 | 112 | 42 | 982 | 98 | 196 | 196 | 196 | 196 | 98 | - | - | - | - | - |
| m | Air handling units | 20.00 | 5.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| n | AC Chillers - Centrifugal | 20.00 | 5.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| o | AC Volumetrics - Water cooled | 20.00 | 5.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Electrical Services | | | | | | | | | | | | | | | | | |
| a | Intercom | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Ducted vacuum system - hoses, motors, wands | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Security code pads | 5.00 | 100.00 | 112 | 15 | 6 | 133 | 133 | - | - | - | - | - | - | - | - | - | - |
| d | Security control panels | 5.00 | 20.00 | 264 | 36 | 13 | 313 | 31 | 63 | 63 | 63 | 63 | 31 | - | - | - | - | - |
| e | vibration) | 5.00 | 20.00 | 1,023 | 138 | 52 | 1,213 | 121 | 243 | 243 | 243 | 243 | 122 | - | - | - | - | - |
| f | Security GSM units | 5.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Security sirens / bells | 5.00 | 100.00 | 67 | 9 | 3 | 79 | 79 | - | - | - | - | - | - | - | - | - | - |
| h | Access control pads | 5.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Door controllers | 5.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| j | Proximity card readers | 7.00 | 14.29 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| k | Swipe card readers | 3.00 | 33.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| l | CCTV cameras | 4.00 | 25.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| m | CCTV monitors | 4.00 | 25.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| n | CCTV recorders - digital | 4.00 | 25.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| o | CCTV recorders - time lapse | 2.00 | 50.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| p | CCTV recorders - switching units | 5.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| q | Television antennas - freestanding | 5.00 | 20.00 | 550 | 74 | 28 | 652 | 65 | 130 | 130 | 130 | 130 | 65 | - | - | - | - | - |
| r | Light fittings - free standing | 5.00 | 20.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| s | Solar powered generating system | 20.00 | 5.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| t | Generators | 20.00 | 5.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| u | MATV - amplifiers | 10.00 | 100.00 | 192 | 26 | 10 | 228 | 228 | - | - | - | - | - | - | - | - | - | - |
| v | MATV - Modulators | 10.00 | 100.00 | 144 | 19 | 7 | 171 | 171 | - | - | - | - | - | - | - | - | - | - |
| w | MATV - power sources | 10.00 | 100.00 | 92 | 12 | 5 | 109 | 109 | - | - | - | - | - | - | - | - | - | - |
| x | PABX | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Bedroom Assets | | | | | | | | | | | | | | | | | |
| | Mirrors - freestanding | 15.00 | 6.67 | 885 | 119 | 45 | 1,050 | 35 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 385 |
| | Subtotal | | | 15,317 | 2,068 | 782 | 18,167 | 1,488 | 1,541 | 1,541 | 1,541 | 1,541 | 1,226 | 909 | 909 | 909 | 909 | 5,654 |

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

1 Sample Street Suburb State

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 (\$) | 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 | | | 15,317 | 2,068 | 782 | 18,167 | 1,488 | 1,541 | 1,541 | 1,541 | 1,541 | 1,226 | 909 | 909 | 909 | 909 | 5,654 |
| 4 | Kitchen Appliances | | | | | | | | | | | | | | | | | |
| a | Cooktops | 12.00 | 8.33 | 715 | 97 | 37 | 848 | 35 | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 177 |
| b | Freezers | 12.00 | 8.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Ovens | 12.00 | 8.33 | 2,258 | 305 | 115 | 2,678 | 111 | 223 | 223 | 223 | 223 | 223 | 223 | 223 | 223 | 223 | 558 |
| d | Refrigerators | 12.00 | 8.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | Stove | 12.00 | 8.33 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| f | Microwave ovens | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| g | Rangehoods | 12.00 | 8.33 | 615 | 83 | 31 | 729 | 30 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 61 | 152 |
| h | Water filters - electrical | 15.00 | 6.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| i | Dishwashers | 10.00 | 10.00 | 881 | 119 | 45 | 1,045 | 52 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 52 |
| j | Garbage disposal units | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | Floor Finishes | | | | | | | | | | | | | | | | | |
| a | Vinyl | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Carpets | 10.00 | 10.00 | 3,885 | 524 | 198 | 4,608 | 230 | 461 | 461 | 461 | 461 | 461 | 461 | 461 | 461 | 461 | 231 |
| c | Linoleum | 10.00 | 10.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | Floating Timber Flooring | 15.00 | 6.67 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Window Coverings | | | | | | | | | | | | | | | | | |
| a | Blinds | 10.00 | 10.00 | 4,125 | 557 | 211 | 4,893 | 244 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 489 | 245 |
| 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 | 3,665 | 495 | 187 | 4,347 | 434 | 869 | 869 | 869 | 869 | 436 | - | - | - | - | - |
| g | Automatic garage door controls | 5.00 | 100.00 | 110 | 15 | 6 | 130 | 130 | - | - | - | - | - | - | - | - | - | - |
| h | Automatic garage door motors | 10.00 | 10.00 | 505 | 68 | 26 | 599 | 30 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 30 |
| 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 | 912 | 123 | 47 | 1,082 | 108 | 216 | 216 | 216 | 216 | 108 | - | - | - | - | - |
| b | Exhaust fans (including lighting / heating) | 10.00 | 10.00 | 967 | 131 | 49 | 1,147 | 57 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 58 |
| 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 | | | 33,955 | 4,584 | 1,734 | 40,273 | 2,950 | 4,210 | 4,210 | 4,210 | 4,210 | 3,354 | 2,493 | 2,493 | 2,493 | 2,493 | 7,158 |

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

1 Sample Street Suburb State

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 (\$) | 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 | | | 33,955 | 4,584 | 1,734 | 40,273 | 2,950 | 4,210 | 4,210 | 4,210 | 4,210 | 3,354 | 2,493 | 2,493 | 2,493 | 2,493 | 7,158 |
| 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 | 715 | 97 | 37 | 848 | 70 | 141 | 141 | 141 | 141 | 141 | 71 | - | - | - | - |
| g | 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 (a) | 10.00 | 100.00 | 165 | 22 | 8 | 196 | 196 | - | - | - | - | - | - | - | - | - | - |
| 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) | 1.00 | 100.00 | 106 | 14 | 5 | 126 | 126 | - | - | - | - | - | - | - | - | - | - |
| s | Door closers (a) | 1.00 | 100.00 | 240 | 32 | 12 | 285 | 285 | - | - | - | - | - | - | - | - | - | - |
| t | Chillers - absorption | 25.00 | 4.00 | N/A | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Subtotal | | | 35,181 | 4,749 | 1,797 | 41,727 | 3,626 | 4,352 | 4,352 | 4,352 | 4,352 | 3,495 | 2,563 | 2,493 | 2,493 | 2,493 | 7,158 |

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

1 Sample Street Suburb State

Prime Cost Method

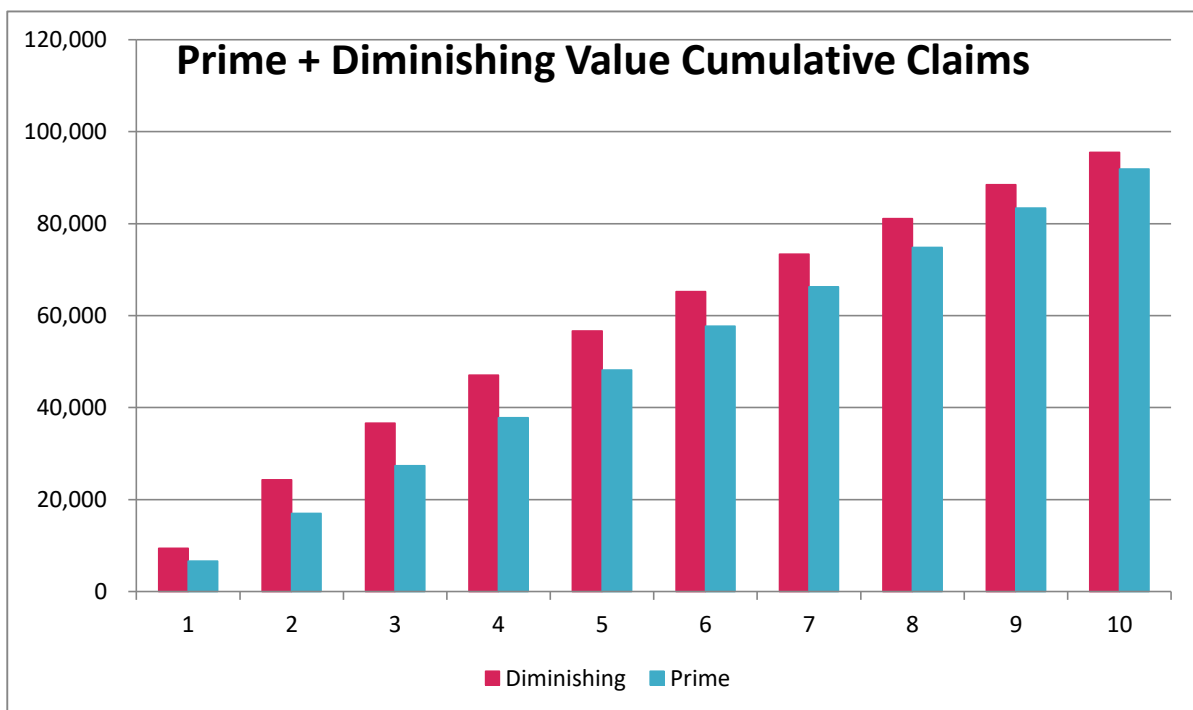
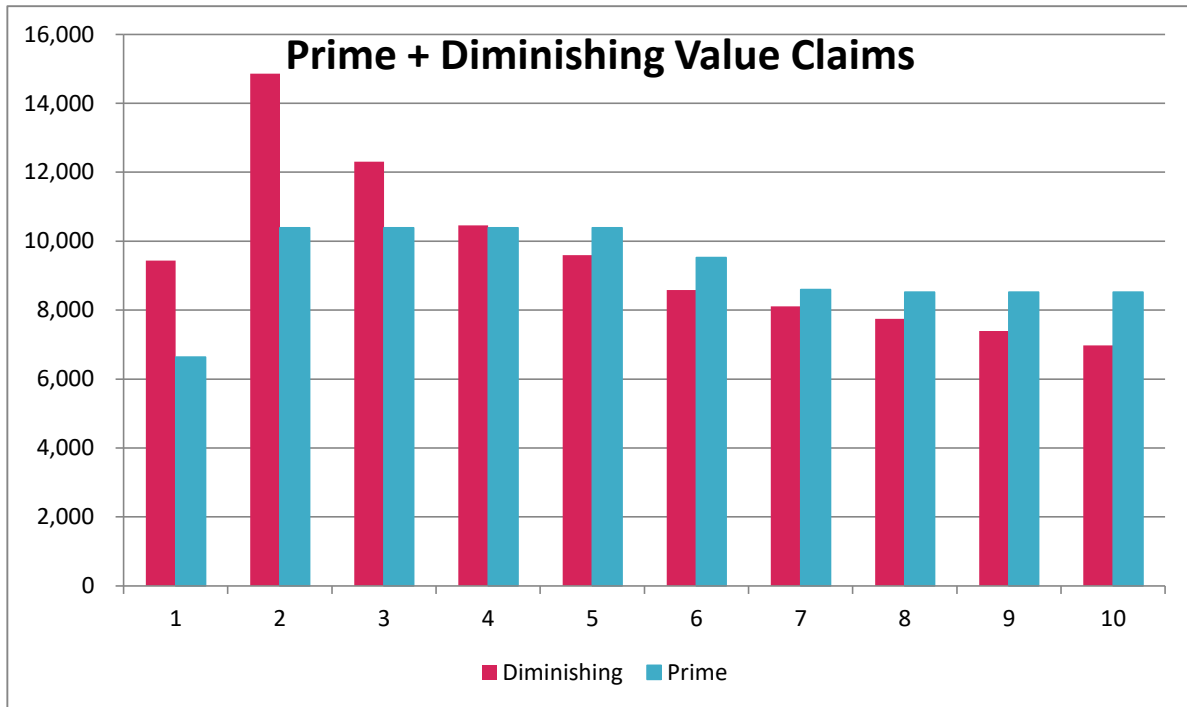
[illegible]

Appendix F

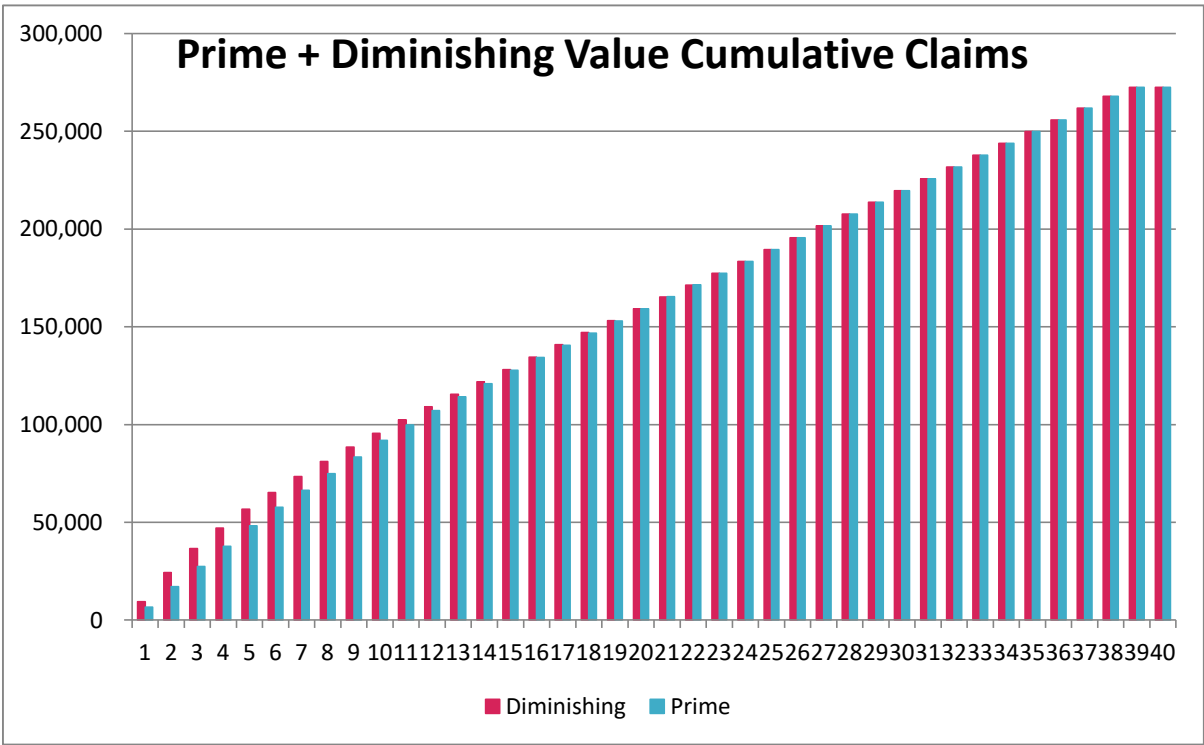
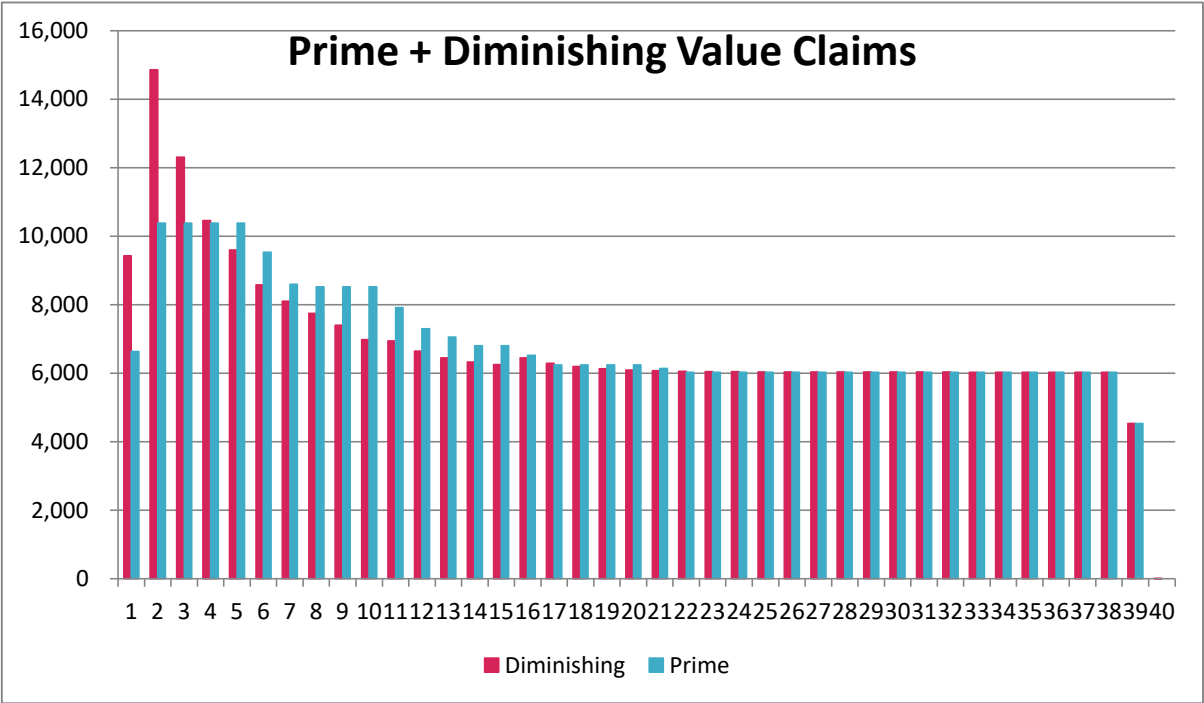
Graphical comparison of Diminishing Value and Prime Cost Method Claims



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.

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 time that the property was first available for rent. In the case where fixtures and fittings have been updated, they are still assessed at their value the day the property is first available for rent. 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.

The Report

Our report is dissected and should be read as follows:

Title page – highlighting the address of the property, job number and month the report was

Page 2 – contents page, which is a summary of items contained within the report.

Page 3 – Basis of the report. The total assessed construction cost 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.

Stamp duty and legal fees are not included within the total assessed construction cost, and are listed for reporting purposes only. These should be dealt with separately.

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 or 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 or 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. 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.