



Enterprises Pty Limited



1 January 2019

John Doe
2 Sample Street
Sample NSW 2000

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

Payment Received

Re: Depreciation Schedule - **20/20000**
1 Sample Street Sample 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 Corpred Enterprises Pty Ltd 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

The Corpred Team

Corpred Enterprises Pty Ltd

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

abn | 32 105 828 466

P: 1300 854 206

email | admin@corpred.com.au

www.corpred.com.au

1 January 2019
John Doe
2 Sample Street
Sample NSW 2000

Pay invoice online

Billers Code: 129619
Invoice Number: 20/20000
Payment Amount: xxx
*No Credit Card surcharge will apply.

TAX INVOICE

Invoice No: 20/20000

Terms: **Payment Due Immediately**

Project: **1 Sample Street Sample 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 | 32 105 828 466

Thank you for choosing **Corpred**

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PAYMENT OPTIONS

1) Bpay

Billers Code: xxx
Customer Ref No: 200008

Log 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 Biller Code: xxx
Invoice Number: xxx
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: Corpred Enterprises
BSB: xxx
Account No: xxx
Invoice Number: 20/20000

Please quote the **invoice number** in the description

3) Credit Card

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





Corpred

Enterprises Pty Limited

John Doe
2 Sample Street
Sample NSW 2000

RE: Depreciation Schedule 20/20000
1 Sample Street Sample 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. Corpred Enterprises Pty Ltd 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,
The Corpred Team

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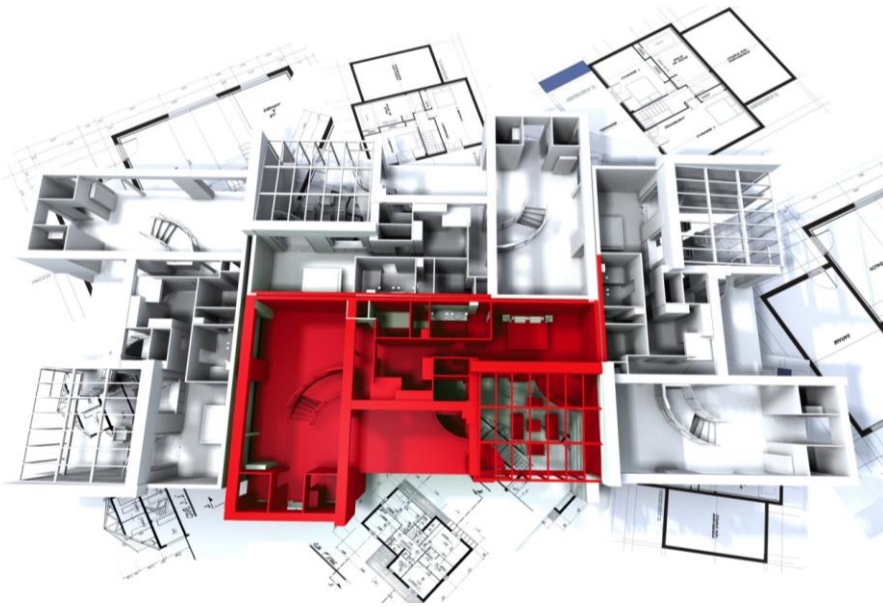
Level 3, 169 Fullarton Road, Dulwich, **Adelaide** SA 5065

email | admin@corpred.com.au

www.corpred.com.au

Corpred

Enterprises Pty Limited



“The difference we make at tax time is clear”

Tax Depreciation Schedule

3 Bedroom Apartment

at

1 Sample Street Sample NSW

for

John Doe

January 2019

20/20000

Corpred Enterprises Pty Ltd

abn | 32 105 828 466

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1.0 Introduction – Basis of Report

Basis of Report

This report is based on the following information:

Client:		John Doe
Percentage ownership:		100%
Location:		Sample NSW
Purchase price:	\$	700,000
Date of Exchange:		15-05-18
Date of Settlement:		02-07-18
Date of First Lease:		02-07-18
Start date of schedule:		02-07-18
Total Division 40 (Plant and Equipment)	\$	47,084
Total Division 43 (Capital Works)	\$	365,442
Total Assessed Depreciation:	\$	459,609

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.

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.
- ▶ Corpred Enterprises Pty Ltd (Corpred) 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.



Corpred Enterprises Pty Ltd

Level 13, 135 King Street
Sydney NSW 2000
Ph: 1300 854 206

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 Sample Street Sample NSW

Financial Year Ended	Plant + Equipment	Pooled Plant + Equipment	Building Allowance	Structural Improvements	Total
2 July 2018 - 30 June 2019 *	\$ 7,087	\$ 1,854	\$ 9,111	\$ -	\$ 18,052
30 June 2020	\$ 3,711	\$ 4,272	\$ 9,136	\$ -	\$ 17,119
30 June 2021	\$ 2,891	\$ 3,044	\$ 9,136	\$ -	\$ 15,072
30 June 2022	\$ 2,268	\$ 2,255	\$ 9,136	\$ -	\$ 13,660
30 June 2023	\$ 1,912	\$ 1,410	\$ 9,136	\$ -	\$ 12,458
30 June 2024	\$ 1,442	\$ 1,214	\$ 9,136	\$ -	\$ 11,792
30 June 2025	\$ 1,237	\$ 758	\$ 9,136	\$ -	\$ 11,132
30 June 2026	\$ 742	\$ 1,136	\$ 9,136	\$ -	\$ 11,014
30 June 2027	\$ 466	\$ 1,075	\$ 9,136	\$ -	\$ 10,676
30 June 2028	\$ 434	\$ 672	\$ 9,136	\$ -	\$ 10,242
30 June 2029	\$ 406	\$ 420	\$ 9,136	\$ -	\$ 9,961
30 June 2030	\$ 378	\$ 262	\$ 9,136	\$ -	\$ 9,777
30 June 2031	\$ 353	\$ 164	\$ 9,136	\$ -	\$ 9,653
30 June 2032	\$ 330	\$ 103	\$ 9,136	\$ -	\$ 9,568
30 June 2033	\$ 308	\$ 64	\$ 9,136	\$ -	\$ 9,508
30 June 2034	\$ 287	\$ 40	\$ 9,136	\$ -	\$ 9,463
30 June 2035	\$ 268	\$ 25	\$ 9,136	\$ -	\$ 9,429
30 June 2036	\$ 250	\$ 16	\$ 9,136	\$ -	\$ 9,402
30 June 2037	\$ 234	\$ 10	\$ 9,136	\$ -	\$ 9,379
30 June 2038	\$ 218	\$ 6	\$ 9,136	\$ -	\$ 9,360
TOTAL	\$ 25,222	\$ 18,800	\$ 182,696	\$ -	\$ 226,718

Information current at

January 2019

**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.*

Tax Depreciation Schedule Summary

1 Sample Street Sample NSW

Financial Year	Plant & Equipment	Pooled Plant + Equipment	Building Allowance	Structural Improvements	Total
30 June 2039	\$ 203	\$ 4	\$ 9,136	\$ -	\$ 9,343
30 June 2040	\$ 190	\$ 2	\$ 9,136	\$ -	\$ 9,328
30 June 2041	\$ 177	\$ 1	\$ 9,136	\$ -	\$ 9,315
30 June 2042	\$ 165	\$ 1	\$ 9,136	\$ -	\$ 9,302
30 June 2043	\$ 154	\$ 1	\$ 9,136	\$ -	\$ 9,291
30 June 2044	\$ 144	\$ -	\$ 9,136	\$ -	\$ 9,280
30 June 2045	\$ 134	\$ -	\$ 9,136	\$ -	\$ 9,271
30 June 2046	\$ 125	\$ -	\$ 9,136	\$ -	\$ 9,262
30 June 2047	\$ 117	\$ -	\$ 9,136	\$ -	\$ 9,253
30 June 2048	\$ 109	\$ -	\$ 9,136	\$ -	\$ 9,245
30 June 2049	\$ 102	\$ -	\$ 9,136	\$ -	\$ 9,238
30 June 2050	\$ 95	\$ -	\$ 9,136	\$ -	\$ 9,231
30 June 2051	\$ 89	\$ -	\$ 9,136	\$ -	\$ 9,225
30 June 2052	\$ 83	\$ -	\$ 9,136	\$ -	\$ 9,219
30 June 2053	\$ 77	\$ -	\$ 9,136	\$ -	\$ 9,213
30 June 2054	\$ 72	\$ -	\$ 9,136	\$ -	\$ 9,208
30 June 2055	\$ 67	\$ -	\$ 9,136	\$ -	\$ 9,203
30 June 2056	\$ -	\$ 354	\$ 9,136	\$ -	\$ 9,490
30 June 2057	\$ -	\$ 221	\$ 9,136	\$ -	\$ 9,357
30 June 2058	\$ -	\$ 138	\$ 9,136	\$ -	\$ 9,274
30 June 2059	\$ -	\$ 86	\$ 25	\$ -	\$ 111
TOTAL	\$ 27,329	\$ 19,610	\$ 365,442	\$ -	\$ 412,381

Information current at
January 2019

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 Sample Street Sample 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+ (\$)
	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	1,370	185	70	1,625	1,625	270	226	188	LVP	-	-	-	-	-	-	-
c	Hot water system - solar	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Pumps	20.00	100.00	79	11	4	94	94	94	-	-	-	-	-	-	-	-	-	-
e	Water pumps	20.00	100.00	111	15	6	132	132	132	-	-	-	-	-	-	-	-	-	-
2	Heating/Cooling																		
a	Gas fireplace - ducted central	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	4,891	660	250	5,801	5,801	1,157	929	743	594	476	380	304	243	LVP	-	-
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	37.50	364	49	19	432	432	LVP	-	-	-	-	-	-	-	-	-	-
h	Cooling towers	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Fan coil units	15.00	37.50	518	70	26	614	614	LVP	-	-	-	-	-	-	-	-	-	-
j	Packaged AC unit	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
k	Electric / Gas heaters	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	Ceiling Fans	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	855	115	44	1,014	1,014	202	LVP	-	-	-	-	-	-	-	-	-
b	Ducted vacuum system - hoses, motors, wands	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Security code pads	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Security control panels	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	(vibration)	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Security GSM units	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Security sirens / bells	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Access control pads	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Door controllers	5.00	37.50	518	70	26	614	614	LVP	-	-	-	-	-	-	-	-	-	-
j	Proximity card readers	7.00	37.50	711	96	36	843	843	LVP	-	-	-	-	-	-	-	-	-	-
k	Swipe card readers	3.00	66.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	CCTV cameras	4.00	37.50	364	49	19	432	432	LVP	-	-	-	-	-	-	-	-	-	-
m	CCTV monitors	4.00	37.50	289	39	15	343	343	LVP	-	-	-	-	-	-	-	-	-	-
n	CCTV recorders - digital	4.00	37.50	274	37	14	325	325	LVP	-	-	-	-	-	-	-	-	-	-
o	CCTV recorders - time lapse	2.00	100.00	88	12	4	104	104	104	-	-	-	-	-	-	-	-	-	-
p	CCTV recorders - switching units	5.00	100.00	55	7	3	65	65	65	-	-	-	-	-	-	-	-	-	-
q	Television antennas - freestanding	5.00	37.50	516	70	26	612	612	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	10.00	100.00	192	26	10	228	228	228	-	-	-	-	-	-	-	-	-	-
v	MATV - Modulators	10.00	100.00	144	19	7	171	171	171	-	-	-	-	-	-	-	-	-	-
w	MATV - power sources	10.00	100.00	92	12	5	109	109	109	-	-	-	-	-	-	-	-	-	-
x	PABX	10.00	37.50	510	69	26	605	605	LVP	-	-	-	-	-	-	-	-	-	-
	Bedroom Assets																		
	Mirrors - freestanding	15.00	13.33	966	130	49	1,146	1,146	152	LVP	-	-	-	-	-	-	-	-	-
	Subtotal			12,907	1,742	659	15,309	15,309	2,684	1,155	931	594	476	380	304	243	0	0	0

(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 Sample 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			12,907	1,742	659	15,309	15,309	2,684	1,155	931	594	476	380	304	243	0	0	0
4	Kitchen Appliances																		
a	Cooktops (b)	12.00	37.50	790	107	40	937	937	LVP	-	-	-	-	-	-	-	-	-	-
b	Freezers	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Ovens	12.00	16.67	2,580	348	132	3,060	3,060	509	425	354	295	246	205	171	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	435	59	22	515	515	LVP	-	-	-	-	-	-	-	-	-	-
h	Water filters - electrical	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Dishwashers	10.00	20.00	1,313	177	67	1,557	1,557	311	249	LVP	-	-	-	-	-	-	-	-
j	Garbage disposal units	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Floor Finishes																		
a	Vinyl	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	carpets- inc common areas	10.00	20.00	2,280	308	116	2,704	2,704	539	433	346	277	222	LVP	-	-	-	-	-
c	Linoleum	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Floating Timber Flooring	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Window Coverings																		
a	Blinds	10.00	20.00	3,654	493	187	4,334	4,334	864	694	555	444	355	284	227	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	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Automatic garage door motors	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Freestanding bbqs (a)	5.00	100.00	46	6	2	55	55	55	-	-	-	-	-	-	-	-	-	-
j	Garden sheds/ storage cage (b)	15.00	37.50	560	76	29	664	664	LVP	-	-	-	-	-	-	-	-	-	-
k	Automatic gate door controls (a)	5.00	100.00	190	26	10	225	225	225	-	-	-	-	-	-	-	-	-	-
l	Automatic gate door motors (b)	10.00	37.50	377	51	19	447	447	LVP	-	-	-	-	-	-	-	-	-	-
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	964	130	49	1,143	1,143	456	LVP	-	-	-	-	-	-	-	-	-
b	Exhaust fans (including lighting / heating)	10.00	20.00	910	123	47	1,080	1,080	215	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 (b)	10.00	37.50	490	66	25	581	581	LVP	-	-	-	-	-	-	-	-	-	-
	Subtotal			27,496	3,712	1,404	32,612	32,612	5,859	2,956	2,187	1,611	1,299	870	703	243	0	0	0

(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 Sample 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 YEAR 11+ (\$)
	Brought Forward			27,496	3,712	1,404	32,612	32,612	5,859	2,956	2,187	1,611	1,299	870	703	243	0	0	0
10	Common Area Property																		
a	Lifts: Electric	30.00	6.67	10,222	1,380	522	12,124	12,124	806	755	704	657	613	573	534	499	466	434	5138
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 (a)	25.00	100.00	132	18	7	157	157	157	-	-	-	-	-	-	-	-	-	-
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 (b)	10.00	37.50	335	45	17	397	397	LVP	-	-	-	-	-	-	-	-	-	-
f	Fire alarm - heat / smoke (b)	6.00	37.50	610	82	31	724	724	LVP	-	-	-	-	-	-	-	-	-	-
g	Detectors (addressable manual call points, heat, multi point type & smoke) (b)	20.00	37.50	390	53	20	463	463	LVP	-	-	-	-	-	-	-	-	-	-
h	Fire extinguishers (b)	15.00	37.50	288	39	15	342	342	LVP	-	-	-	-	-	-	-	-	-	-
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	64	9	3	75	75	-	-	-	-	-	-	-	-	-	-	-
s	Door closers (a)	-	100.00	161	22	8	190	190	-	-	-	-	-	-	-	-	-	-	-
t	Chillers - absorption	25.00	8.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			39,697	5,359	2,028	47,084	47,084	7,087	3,711	2,891	2,268	1,912	1,442	1,237	742	466	434	5,138

(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 Sample 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 (\$)	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	<i>Balance of Construction Cost Attributable As an allowance for Residential Building Works (Section 43 Capital Works)</i>	40.00	2.50	308,110	41,595	15,737	365,442	9,111	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136	274,106
14	<i>Structural Improvements/Improvements</i>	22.00	2.50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL																		
				347,807	46,954	17,764	412,525	16,198	12,847	12,027	11,404	11,048	10,578	10,373	9,878	9,602	9,571	279,245

Appendix C
Tax Depreciation Schedule Summary- Low Value Pool



1 Sample Street Sample 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+ (\$)
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	1,370	185	70	1,625	1,625	-	-	-	353	221	138	86	54	34	21	35
c	Hot water system - solar	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Pumps	20.00	100.00	79	11	4	94	-	-	-	-	-	-	-	-	-	-	-	-
e	Water pumps	(a)	20.00	100.00	111	15	132	132	-	-	-	-	-	-	-	-	-	-	-
2	Heating/Cooling																		
a	Gas fireplace - ducted central	20.00	10.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	4,891	660	250	5,801	5,801	-	-	-	-	-	-	-	-	365	228	380
e	AC - Room units	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	AC Volumetrics - Air cooled	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Condensing sets	(b)	15.00	37.50	364	49	432	432	81	132	82	51	32	20	13	8	5	3	5
h	Cooling towers		15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Fan coil units	(b)	15.00	37.50	518	70	614	614	115	187	117	73	46	29	18	11	7	4	7
j	Packaged AC unit		15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
k	Electric / Gas heaters		15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	Ceiling Fans		5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	855	115	44	1,014	1,014	-	304	190	119	74	46	29	18	11	7	12
b	Ducted vacuum system - hoses, motors, wands	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Security code pads	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Security control panels	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e	(vibration)	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f	Security GSM units	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g	Security sirens / bells	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Access control pads	5.00	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Door controllers	(b)	5.00	37.50	518	70	614	614	115	187	117	73	46	29	18	11	7	4	7
j	Proximity card readers	(b)	7.00	37.50	711	96	843	843	158	257	161	100	63	39	25	15	10	6	10
k	Swipe card readers		3.00	66.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
l	CCTV cameras	(b)	4.00	37.50	364	49	432	432	81	132	82	51	32	20	13	8	5	3	5
m	CCTV monitors	(b)	4.00	37.50	289	39	343	343	64	104	65	41	25	16	10	6	4	2	4
n	CCTV recorders - digital	(b)	4.00	37.50	274	37	325	325	61	99	62	39	24	15	9	6	4	2	4
o	CCTV recorders - time lapse	(a)	2.00	100.00	88	12	4	104	-	-	-	-	-	-	-	-	-	-	-
p	CCTV recorders - switching units	(a)	5.00	100.00	55	7	65	65	-	-	-	-	-	-	-	-	-	-	-
q	Television antennas - freestanding	(b)	5.00	37.50	516	70	612	612	115	186	117	73	46	28	18	11	7	4	7
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	228	228	-	-	-	-	-	-	-	-	-	-	-
v	MATV - Modulators	(a)	10.00	100.00	144	19	171	171	-	-	-	-	-	-	-	-	-	-	-
w	MATV - power sources	(a)	10.00	100.00	92	12	109	109	-	-	-	-	-	-	-	-	-	-	-
x	PABX	(b)	10.00	37.50	510	69	605	605	113	184	115	72	45	28	18	11	7	4	7
	Bedroom Assets																		
	Mirrors - freestanding		15.00	13.33	966	130	1,146	1,146	-	373	233	146	91	57	36	22	14	9	14
	Subtotal			12,907	1,742	659	15,309	15,215	904	2,146	1,341	1,191	744	465	291	182	479	299	499

(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 Sample 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			12,907	1,742	659	15,309	15,215	904	2,146	1,341	1,191	744	465	291	182	479	299	499
4	Kitchen Appliances																		
a	Cooktops (b)	12.00	37.50	790	107	40	937	937	176	285	178	112	70	44	27	17	11	7	11
b	Freezers	12.00	16.67	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Ovens	12.00	16.67	2,580	348	132	3,060	3,060	-	-	-	-	-	-	-	320	200	125	209
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	435	59	22	515	515	97	157	98	61	38	24	15	9	6	4	6
h	Water filters - electrical	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Dishwashers	10.00	20.00	1,313	177	67	1,557	1,557	-	-	374	234	146	91	57	36	22	14	23
j	Garbage disposal units	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Floor Finishes																		
a	Vinyl	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b	carpets- inc common areas	10.00	20.00	2,280	308	116	2,704	2,704	-	-	-	-	-	333	208	130	81	51	85
c	Linoeum	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Floating Timber Flooring	15.00	13.33	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Window Coverings																		
a	Blinds	10.00	20.00	3,654	493	187	4,334	4,334	-	-	-	-	-	-	-	341	213	133	222
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	40.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
h	Automatic garage door motors	10.00	20.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i	Freestanding bbqs (a)	5.00	100.00	46	6	2	55	55	-	-	-	-	-	-	-	-	-	-	-
j	Garden sheds/ storage cage (b)	15.00	37.50	560	76	29	664	664	125	202	126	79	49	31	19	12	8	5	8
k	Automatic gate door controls (a)	5.00	100.00	190	26	10	225	225	-	-	-	-	-	-	-	-	-	-	-
l	Automatic gate door motors (b)	10.00	37.50	377	51	19	447	447	84	136	85	53	33	21	13	8	5	3	5
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5
8	Bathroom Assets																		
a	caddies, soap holders, toilet brushes)	5.00	40.00	964	130	49	1,143	1,143	-	258	161	101	63	39	25	15	10	6	10
b	Exhaust fans (including lighting / heating)	10.00	20.00	910	123	47	1,080	1,080	-	324	203	127	79	49	31	19	12	8	13
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 (b)	10.00	37.50	490	66	25	581	581	109	177	111	69	43	27	17	11	7	4	7
	Subtotal			27,496	3,712	1,404	32,612	32,519	1,493	3,686	2,678	2,026	1,266	1,124	703	1,101	1,053	658	1,102

(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 Sample 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			27,496	3,712	1,404	32,612	32,519	1,493	3,686	2,678	2,026	1,266	1,124	703	1,101	1,053	658	1,102
10	Common Area Property																		
a	Lifts: Electric	30.00	6.67	10,222	1,380	522	12,124	12,124	-	-	-	-	-	-	-	-	-	-	800
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 (a)	25.00	100.00	132	18	7	157	157	-	-	-	-	-	-	-	-	-	-	-
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 (b)	10.00	37.50	335	45	17	397	397	75	121	76	47	30	18	12	7	5	3	5
f	Fire alarm - heat / smoke (b)	6.00	37.50	610	82	31	724	724	136	220	138	86	54	34	21	13	8	5	9
g	heat, multi point type & smoke (b)	20.00	37.50	390	53	20	463	463	87	141	88	55	34	22	13	8	5	3	5
h	Fire extinguishers (b)	15.00	37.50	288	39	15	342	342	64	104	65	41	25	16	10	6	4	2	4
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	64	9	3	75	75	-	-	-	-	-	-	-	-	-	-	-
s	Door closers	-	100.00	161	22	8	190	190	-	-	-	-	-	-	-	-	-	-	-
t	Chillers - absorption	25.00	8.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			39,697	5,359	2,028	47,084	46,990	1,854	4,272	3,044	2,255	1,410	1,214	758	1,136	1,075	672	1,925

(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.

Appendix D
Tax Depreciation Schedule Summary- Prime Cost Method



Tax Depreciation Schedule Summary

1 Sample Street Sample NSW

Financial Year Ended	Plant & Equipment	Building Allowance	Structural Improvements	Total
2 July 2018 - 30 June 2019 *	\$ 5,588	\$ 9,111	\$ -	\$ 14,699
30 June 2020	\$ 3,994	\$ 9,136	\$ -	\$ 13,130
30 June 2021	\$ 3,994	\$ 9,136	\$ -	\$ 13,130
30 June 2022	\$ 3,994	\$ 9,136	\$ -	\$ 13,130
30 June 2023	\$ 3,720	\$ 9,136	\$ -	\$ 12,856
30 June 2024	\$ 3,246	\$ 9,136	\$ -	\$ 12,382
30 June 2025	\$ 3,125	\$ 9,136	\$ -	\$ 12,261
30 June 2026	\$ 3,004	\$ 9,136	\$ -	\$ 12,140
30 June 2027	\$ 3,004	\$ 9,136	\$ -	\$ 12,140
30 June 2028	\$ 3,004	\$ 9,136	\$ -	\$ 12,140
30 June 2029	\$ 1,157	\$ 9,136	\$ -	\$ 10,293
30 June 2030	\$ 1,152	\$ 9,136	\$ -	\$ 10,288
30 June 2031	\$ 642	\$ 9,136	\$ -	\$ 9,778
30 June 2032	\$ 640	\$ 9,136	\$ -	\$ 9,776
30 June 2033	\$ 640	\$ 9,136	\$ -	\$ 9,776
30 June 2034	\$ 428	\$ 9,136	\$ -	\$ 9,564
30 June 2035	\$ 427	\$ 9,136	\$ -	\$ 9,563
30 June 2036	\$ 427	\$ 9,136	\$ -	\$ 9,563
30 June 2037	\$ 427	\$ 9,136	\$ -	\$ 9,563
30 June 2038	\$ 427	\$ 9,136	\$ -	\$ 9,563
TOTAL	\$ 43,041	\$ 182,696	\$ -	\$ 225,737

Information current at
January 2019

*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.

Tax Depreciation Schedule Summary

1 Sample Street Sample NSW

Financial Year Ended	Plant & Equipment	Building Allowance	Structural Improvements	Total
30 June 2039	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2040	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2041	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2042	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2043	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2044	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2045	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2046	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2047	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2048	\$ 404	\$ 9,136	\$ -	\$ 9,540
30 June 2049	\$ 1	\$ 9,136	\$ -	\$ 9,137
30 June 2050	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2051	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2052	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2053	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2054	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2055	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2056	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2057	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2058	\$ -	\$ 9,136	\$ -	\$ 9,136
30 June 2059	\$ -	\$ 25	\$ -	\$ 25
TOTAL	\$ 47,084	\$ 365,442	\$ -	\$ 412,525

Information current at
January 2019

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

³ 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 Sample Street Sample 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			27,496	3,712	1,404	32,612	32,612	4,557	3,384	3,384	3,384	3,109	2,636	2,635	2,515	2,514	2,514	1,982
10	Common Area Property																		
a	Lifts: Electric	30.00	3.33	10,222	1,380	522	12,124	12,124	403	404	404	404	404	404	404	404	404	404	8084
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 (a)	25.00	100.00	132	18	7	157	157	157	-	-	-	-	-	-	-	-	-	-
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	335	45	17	397	397	40	40	40	40	40	40	40	40	40	40	0
f	Fire alarm - heat / smoke	6.00	16.67	610	82	31	724	724	120	121	121	121	121	121	0	-	-	-	-
g	Detectors (addressable manual call points, heat, multi point type & smoke)	20.00	5.00	390	53	20	463	463	23	23	23	23	23	23	23	23	23	23	231
h	Fire extinguishers	15.00	6.67	288	39	15	342	342	23	23	23	23	23	23	23	23	23	23	114
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	64	9	3	75	75	75	-	-	-	-	-	-	-	-	-	-
s	Door closers (a)	1.00	100.00	161	22	8	190	190	190	-	-	-	-	-	-	-	-	-	-
t	Chillers - absorption	25.00	4.00	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal			39,697	5,359	2,028	47,084	47,084	5,588	3,994	3,994	3,994	3,720	3,246	3,125	3,004	3,004	3,004	10,411

(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 Sample NSW

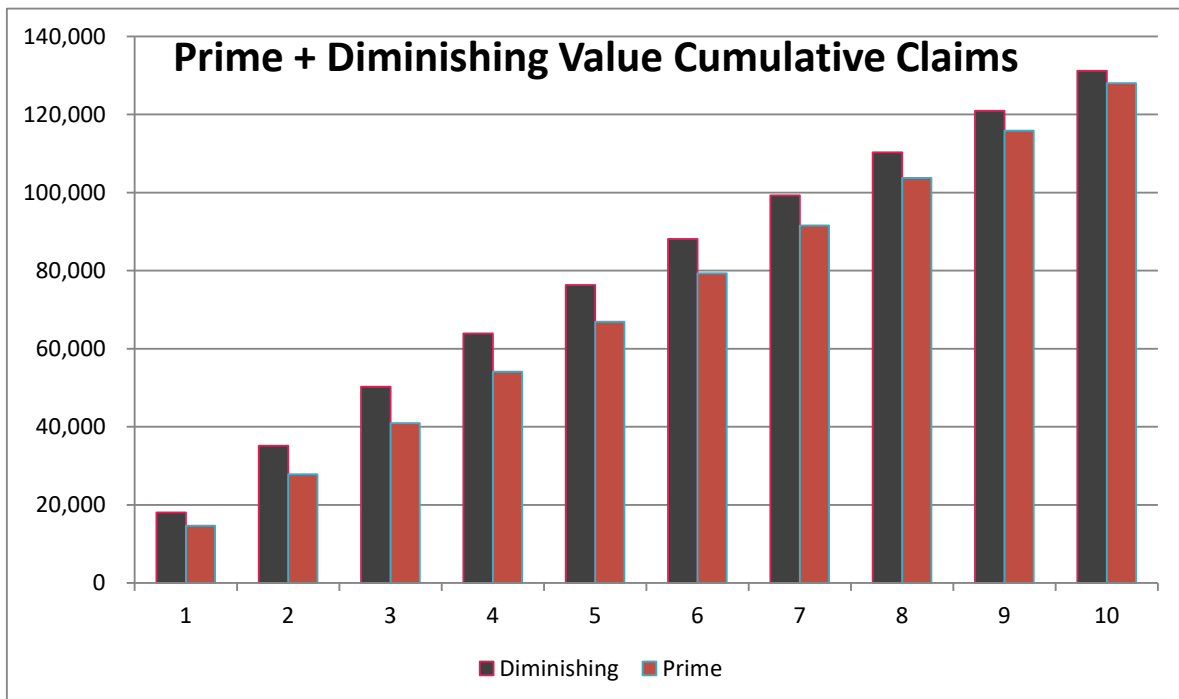
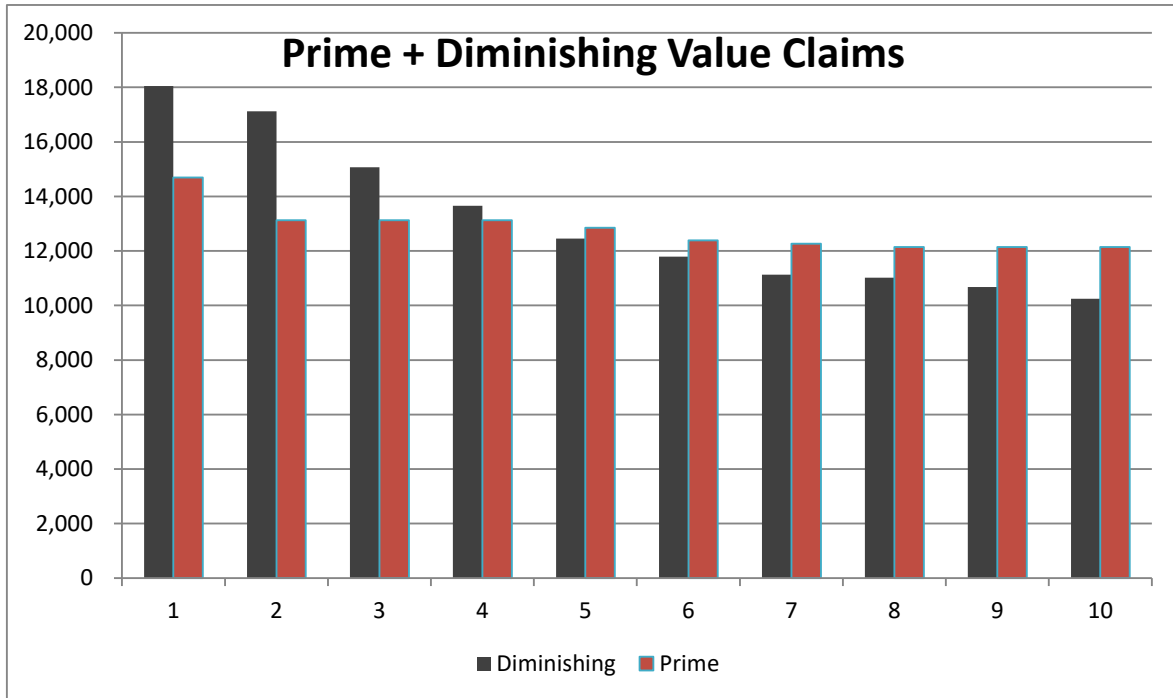
Prime Cost Method

Item	Depreciable Item	Effective Life (yrs)	Dim Value Rate %	Base Installed Cost (\$)	Builders' Preliminaries 13.50% (\$)	Professional Fees 4.50% (\$)	Total Installed Cost (\$)	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	<i>Balance of Construction Cost Attributable As an allowance for Residential Building Works (Section 43 Capital Works)</i>	40.00	2.50	308,110	41,595	15,737	365,442	9,111	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136	9,136	274,106
14	<i>Structural Improvements/Improvements</i>	22.00	2.50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL				347,807	46,954	17,764	412,525	14,699	13,130	13,130	13,130	12,856	12,382	12,261	12,140	12,140	12,140	284,517

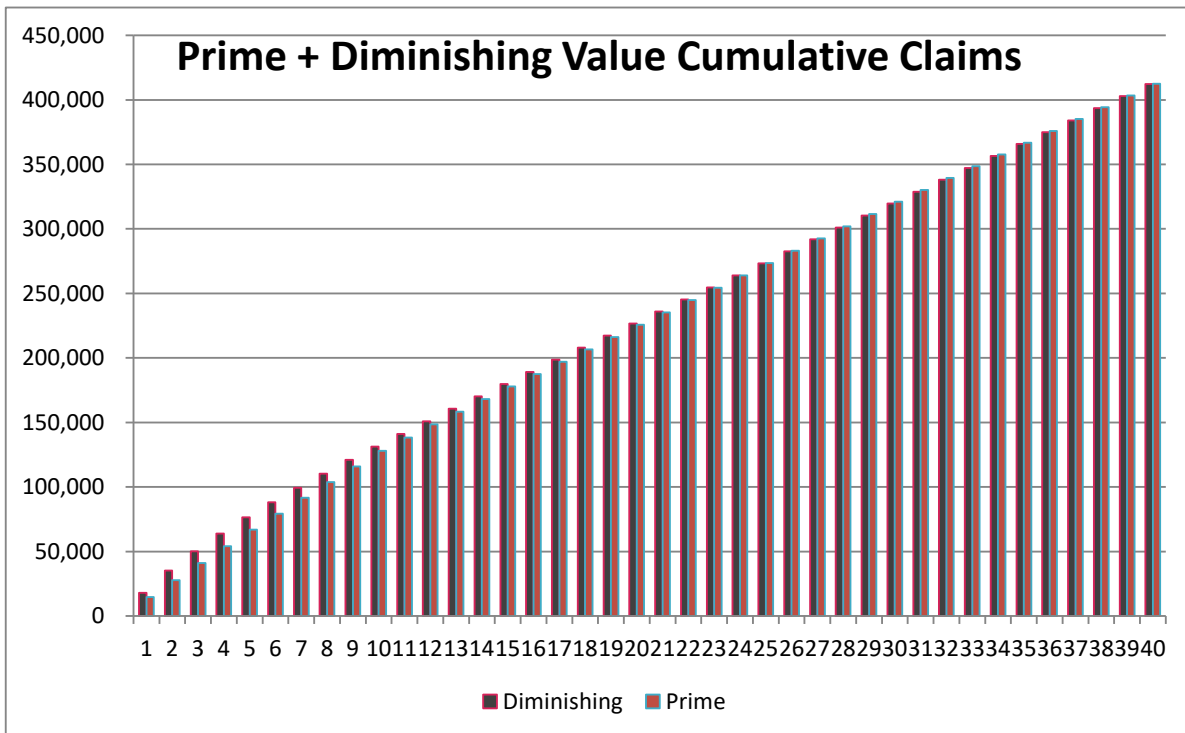
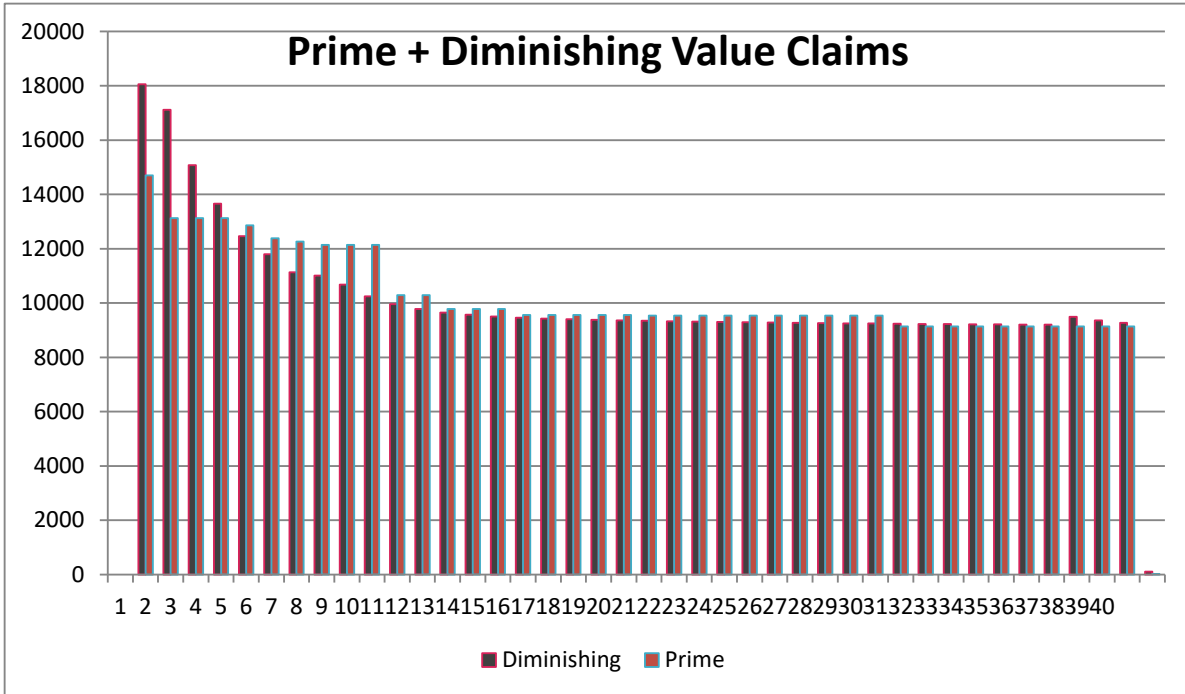
Appendix F
Graphical comparison of Diminishing Value and Prime Cost Method Claims



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 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.