

Capital Allowance and Tax Depreciation Schedule

Maximising the cash return from investment properties

Alison Fortuna - 50.00% per cent
64 Concord Circuit
ROBINA QLD 4226

28 August 2023

Alison Fortuna

Dear Alison,

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

This document outlines the relevant information, legislation and methodology used in the assessment of the potential capital works deductions for 64 Concord Circuit, ROBINA QLD 4226.

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

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

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

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

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

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

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

Yours sincerely,



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

Maximising Property
Tax Depreciation Deductions

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BMT Capital Allowance and Tax Depreciation Schedule overview

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

Schedule prepared for:	Alison Fortuna
Property address:	64 Concord Circuit, ROBINA QLD 4226
Ownership interest:	50.00% per cent

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

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

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

Property type:	Residential
Purchase price:	\$1,175,000
Settlement date:	21 July 2021
Construction completion date:	24 September 1996
Schedule start date:	21 July 2021
Date available to provide income:	21 July 2021

The contents of this page are subject to and must be read in conjunction with the disclaimer on page 8

Methodology

The Capital Allowance and Tax Depreciation Schedule prepared for Alison Fortuna on 64 Concord Circuit, ROBINA QLD 4226 has been prepared and calculated in accordance with the legislation applicable on 28 August 2023.

The following Capital Allowance and Tax Depreciation Schedule has been prepared on the basis of a co-ownership as joint tenants with a 50.00% equal interest in the property and assets within.

All values shown within this schedule reflect this percentage of ownership unless otherwise stated.

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

- Capital allowances in accordance with Division 10D ITAA 1936, (Sections 124ZEB-ZM and Section 124ZFB), Division 40 and 43 ITAA 1997

It is a requirement to advise BMT Tax Depreciation when any actual costs in whole or part thereof are available prior to the preparation of the Capital Allowance and Tax Depreciation Schedule. Where costs have been provided, they have been used and noted accordingly in this schedule. In the event that costs are not available, BMT Tax Depreciation use estimating procedures and methodology to adjust estimates to that on the historical date in which the actual construction or installation took place.

The construction expenditure has been determined on the basis of the estimated cost incurred in relation to the construction of a building including fixed elements, extensions, alterations and structural improvements.

Construction expenditure calculated includes:

- Preliminary expenses such as professional Architect, Engineer and Surveyor's fees and the cost of foundation excavations
- Builder's or Contractor's margin
- Allowance for contingencies

Construction expenditure calculated excludes:

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

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

- Written and verbal information provided by Alison Fortuna & Damien Fortuna
- Verbal information provided by Gold Coast City Council
- Site inspection conducted by BMT Tax Depreciation on 17 July 2023
- Purchase price of \$1,175,000

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

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

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

Recent law changes were made relating to plant and equipment deductions (i.e., depreciation deductions).

The amendments to the ITAA 1997 will generally affect asset holders who acquired depreciating assets after 7:30pm on 9 May 2017, and will additionally affect some asset holders who acquired assets before this time, but were not using the asset for a taxable purpose at anytime during the 2017 income year. For completeness, the amendments should not affect asset holders who are using the assets in the course of carrying on a business. Additionally, the amendments should not apply to certain entity classes, such as corporate tax entities.

The key changes include the following:

- Subsequent owners (those who purchase a second-hand residential property) who exchange contracts after 9 May 2017 will not be able to claim depreciation on existing plant and equipment assets
- Any qualifying additional assets added to a property can be depreciated as normal if the only use at that time will be or has been for a taxable purpose
- Owners of brand new properties will generally be able to depreciate plant and equipment assets within the property if the only use at that time will be or has been for a taxable purpose
- Investors will still be eligible to claim qualifying capital works deductions, which are deductions available on the structure of the building. This includes any additional capital works carried out by themselves or a previous owner. The capital works deduction is available on residential properties whose construction commenced after 16 September 1987; and structural improvements are claimable for alterations whose construction commenced after 26 February 1992
- Under the changes, existing residential property investments will be grandfathered. This means that any investor who exchanged contracts for the acquisition of a property prior to 7.30pm 9 May 2017 can still claim plant and equipment depreciation (for assets within the property) per normal. However, if the property was not used for a taxable purpose at all during the 2017 income year and became income producing after 1 July 2017 then the amendments will apply.

Disclaimer

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

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

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Experience and qualifications

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

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

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

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

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

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

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

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

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

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

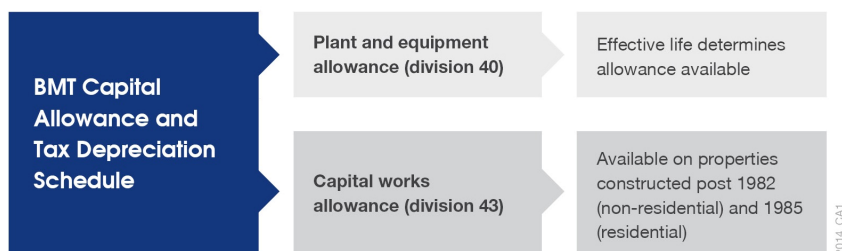
- **Registered Tax Agent**

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

Summary of capital expenditure

The following summary of capital expenditure is based on 100 per cent ownership ratio.

Purchase price	\$1,175,000
Expenditure after purchase	\$4,386
Total expenditure	\$1,179,386



Division 43 – capital works allowance total as at 21 July 2021	\$127,123
Division 43 – original capital works allowance total	\$264,288

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

Division 40 – plant and equipment	\$3,186
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The owner of the property exchanged contracts after 7.30pm 9 May 2017 or were not using the property for a taxable purpose prior to 1 July 2017. Therefore, the owner of this property is unable to claim depreciation under division 40 in relation to existing plant and equipment assets (within the property). However, the owner is able to claim any qualifying plant and equipment assets they add to the property after purchase (which are used for a taxable purpose and not second hand) and an updated schedule should be prepared when this occurs.

Balance of capital expenditure	\$1,047,877
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This represents all items included in the purchase price that do not qualify for capital works deductions or decline in value and any capital works deductions which are already exhausted. Construction expenditure that cannot be claimed (as per Australian Taxation Office (ATO) guidelines) include:

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

Division 43 – capital works allowance (Ownership percentage 50.00% per cent)

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

Works	Date	Rate	Original cost (\$)	Split cost (\$)
Original works	24-Sep-96	2.5%	264,288	132,144
Additional works	15-Jul-19	2.5%	28,263	14,132
Additional works	1-Aug-21	2.5%	1,200	600

Calculation for write-off provision:

Period	Original division 43 (\$)	Split division 43 (\$)
21-Jul-21 to 30-Jun-22	6,940	3,471
1-Jul-22 to 30-Jun-23	7,344	3,673
1-Jul-23 to 30-Jun-24	7,344	3,673
1-Jul-24 to 30-Jun-25	7,344	3,673
1-Jul-25 to 30-Jun-26	7,344	3,673
1-Jul-26 to 30-Jun-27	7,344	3,673
1-Jul-27 to 30-Jun-28	7,344	3,673
1-Jul-28 to 30-Jun-29	7,344	3,673
1-Jul-29 to 30-Jun-30	7,344	3,673
1-Jul-30 to 30-Jun-31	7,344	3,673

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Diminishing value method summary (Ownership percentage 50.00%)

Date	Division 40 plant	Division 40 pooled plant	Total division 40	Total division 43	Total
21-Jul-21 to 30-Jun-22	0	104	104	3,471	3,575
1-Jul-22 to 30-Jun-23	293	309	602	3,673	4,275
1-Jul-23 to 30-Jun-24	0	333	333	3,673	4,006
1-Jul-24 to 30-Jun-25	0	208	208	3,673	3,881
1-Jul-25 to 30-Jun-26	0	130	130	3,673	3,803
1-Jul-26 to 30-Jun-27	0	81	81	3,673	3,754
1-Jul-27 to 30-Jun-28	0	51	51	3,673	3,724
1-Jul-28 to 30-Jun-29	0	32	32	3,673	3,705
1-Jul-29 to 30-Jun-30	0	19	19	3,673	3,692
1-Jul-30 to 30-Jun-31	0	12	12	3,673	3,685
1-Jul-31 to 30-Jun-32	0	8	8	3,673	3,681
1-Jul-32 to 30-Jun-33	0	6	6	3,673	3,679
1-Jul-33 to 30-Jun-34	0	3	3	3,673	3,676
1-Jul-34 to 30-Jun-35	0	2	2	3,673	3,675
1-Jul-35 to 30-Jun-36	0	1	1	3,673	3,674
1-Jul-36 to 30-Jun-37	0	1	1	1,140	1,141
1-Jul-37 to 30-Jun-38	0	0	0	369	369
1-Jul-38 to 30-Jun-39	0	0	0	369	369
1-Jul-39 to 30-Jun-40	0	0	0	369	369
1-Jul-40 to 30-Jun-41	0	0	0	369	369
1-Jul-41 to 30-Jun-42	0	0	0	369	369
1-Jul-42 to 30-Jun-43	0	0	0	369	369
1-Jul-43 to 30-Jun-44	0	0	0	369	369
1-Jul-44 to 30-Jun-45	0	0	0	369	369
1-Jul-45 to 30-Jun-46	0	0	0	369	369
1-Jul-46 to 30-Jun-47	0	0	0	369	369
1-Jul-47 to 30-Jun-48	0	0	0	369	369
1-Jul-48 to 30-Jun-49	0	0	0	369	369
1-Jul-49 to 30-Jun-50	0	0	0	369	369
1-Jul-50 to 30-Jun-51	0	0	0	369	369
1-Jul-51 to 30-Jun-52	0	0	0	369	369
1-Jul-52 to 30-Jun-53	0	0	0	369	369
1-Jul-53 to 30-Jun-54	0	0	0	369	369
1-Jul-54 to 30-Jun-55	0	0	0	369	369
1-Jul-55 to 30-Jun-56	0	0	0	369	369
1-Jul-56 to 30-Jun-57	0	0	0	369	369
1-Jul-57 to 30-Jun-58	0	0	0	369	369
1-Jul-58 to 30-Jun-59	0	0	0	369	369
1-Jul-59 to 30-Jun-60	0	0	0	21	21
1-Jul-60 to 30-Jun-61	0	0	0	15	15
1-Jul-61 to 30-Jun-62	0	0	0	2	2
Total	293	1,300	1,593	64,189	65,782

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Prime cost method summary (Ownership percentage 50.00%)

Date	Division 40	Division 43	Total
21-Jul-21 to 30-Jun-22	8	3,471	3,479
1-Jul-22 to 30-Jun-23	390	3,673	4,063
1-Jul-23 to 30-Jun-24	170	3,673	3,843
1-Jul-24 to 30-Jun-25	170	3,673	3,843
1-Jul-25 to 30-Jun-26	170	3,673	3,843
1-Jul-26 to 30-Jun-27	170	3,673	3,843
1-Jul-27 to 30-Jun-28	170	3,673	3,843
1-Jul-28 to 30-Jun-29	121	3,673	3,794
1-Jul-29 to 30-Jun-30	46	3,673	3,719
1-Jul-30 to 30-Jun-31	46	3,673	3,719
1-Jul-31 to 30-Jun-32	46	3,673	3,719
1-Jul-32 to 30-Jun-33	46	3,673	3,719
1-Jul-33 to 30-Jun-34	41	3,673	3,714
1-Jul-34 to 30-Jun-35	0	3,673	3,673
1-Jul-35 to 30-Jun-36	0	3,673	3,673
1-Jul-36 to 30-Jun-37	0	1,140	1,140
1-Jul-37 to 30-Jun-38	0	369	369
1-Jul-38 to 30-Jun-39	0	369	369
1-Jul-39 to 30-Jun-40	0	369	369
1-Jul-40 to 30-Jun-41	0	369	369
1-Jul-41 to 30-Jun-42	0	369	369
1-Jul-42 to 30-Jun-43	0	369	369
1-Jul-43 to 30-Jun-44	0	369	369
1-Jul-44 to 30-Jun-45	0	369	369
1-Jul-45 to 30-Jun-46	0	369	369
1-Jul-46 to 30-Jun-47	0	369	369
1-Jul-47 to 30-Jun-48	0	369	369
1-Jul-48 to 30-Jun-49	0	369	369
1-Jul-49 to 30-Jun-50	0	369	369
1-Jul-50 to 30-Jun-51	0	369	369
1-Jul-51 to 30-Jun-52	0	369	369
1-Jul-52 to 30-Jun-53	0	369	369
1-Jul-53 to 30-Jun-54	0	369	369
1-Jul-54 to 30-Jun-55	0	369	369
1-Jul-55 to 30-Jun-56	0	369	369
1-Jul-56 to 30-Jun-57	0	369	369
1-Jul-57 to 30-Jun-58	0	369	369
1-Jul-58 to 30-Jun-59	0	369	369
1-Jul-59 to 30-Jun-60	0	21	21
1-Jul-60 to 30-Jun-61	0	15	15
1-Jul-61 to 30-Jun-62	0	2	2
Total	1,594	64,189	65,783

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Diminishing value method schedule (years 1 - 5)

Tax grouping	Total cost @ 21-Jul-21 (\$) Based on 100%	Total cost @ 21-Jul-21 (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-26 (\$)
					21-Jul-21 30-Jun-22 Year 1 (\$)	1-Jul-22 30-Jun-23 Year 2 (\$)	1-Jul-23 30-Jun-24 Year 3 (\$)	1-Jul-24 30-Jun-25 Year 4 (\$)	1-Jul-25 30-Jun-26 Year 5 (\$)	
Division 40 - plant & equipment (Based on effective life rates)										
Additional unit specific										
Cooktops (01-May-22)	1,110	555	12	37.5%	0*	0	0	0	0	69
Light Fittings and Shades (01-Nov-22)	585	293	5	100.0%	0	293	0	0	0	0
Curtains (01-Feb-23)	1,491	746	6	37.5%	0	0*	0	0	0	148
Subtotal	3,186	1,594			0	293	0	0	0	216
Total division 40 - plant	3,186	1,039			0	293	0	0	0	0
Total division 40 - pooled plant (Page 18)	0	555			104	309	333	208	130	217
Total division 40	3,186	1,594			104	602	333	208	130	216
Division 43 - capital works allowance										
Total division 43 (Page 11)	128,323	64,162			3,471	3,673	3,673	3,673	3,673	46,004
Total depreciation	131,509	65,756			3,575	4,275	4,006	3,881	3,803	46,220

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

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Diminishing value method schedule (years 6 - 10)

Tax grouping	Total cost @ 1-Jul-26 (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-31 (\$)
				1-Jul-26 30-Jun-27 Year 6 (\$)	1-Jul-27 30-Jun-28 Year 7 (\$)	1-Jul-28 30-Jun-29 Year 8 (\$)	1-Jul-29 30-Jun-30 Year 9 (\$)	1-Jul-30 30-Jun-31 Year 10 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Additional unit specific									
Cooktops (01-May-22)	69	12	37.5%	0	0	0	0	0	7
Light Fittings and Shades (01-Nov-22)	0	5	100.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	148	6	37.5%	0	0	0	0	0	15
Subtotal	216			0	0	0	0	0	21
Total division 40 - plant	0			0	0	0	0	0	0
Total division 40 - pooled plant (Page 19)	217			81	51	32	19	12	22
Total division 40	216			81	51	32	19	12	21
Division 43 - capital works allowance									
Total division 43 (Page 11)	46,004			3,673	3,673	3,673	3,673	3,673	27,644
Total depreciation	46,220			3,754	3,724	3,705	3,692	3,685	27,665

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

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Diminishing value method schedule (years 11 - 15)

Tax grouping	Total cost @ 1-Jul-31 (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-36 (\$)
				1-Jul-31 30-Jun-32 Year 11 (\$)	1-Jul-32 30-Jun-33 Year 12 (\$)	1-Jul-33 30-Jun-34 Year 13 (\$)	1-Jul-34 30-Jun-35 Year 14 (\$)	1-Jul-35 30-Jun-36 Year 15 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Additional unit specific									
Cooktops (01-May-22)	7	12	37.5%	0	0	0	0	0	0
Light Fittings and Shades (01-Nov-22)	0	5	100.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	15	6	37.5%	0	0	0	0	0	2
Subtotal	21			0	0	0	0	0	1
Total division 40 - plant	0			0	0	0	0	0	0
Total division 40 - pooled plant (Page 20)	22			8	6	3	2	1	2
Total dvision 40	21			8	6	3	2	1	1
Division 43 - capital works allowance									
Total division 43 (Page 11)	27,644			3,673	3,673	3,673	3,673	3,673	9,284
Total depreciation	27,665			3,681	3,679	3,676	3,675	3,674	9,285

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

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Diminishing value method schedule (years 16 - 20)

Tax grouping	Total cost @ 1-Jul-36 (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-41 (\$)
				1-Jul-36 30-Jun-37 Year 16 (\$)	1-Jul-37 30-Jun-38 Year 17 (\$)	1-Jul-38 30-Jun-39 Year 18 (\$)	1-Jul-39 30-Jun-40 Year 19 (\$)	1-Jul-40 30-Jun-41 Year 20 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Additional unit specific									
Cooktops (01-May-22)	0	12	37.5%	0	0	0	0	0	0
Light Fittings and Shades (01-Nov-22)	0	5	100.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	2	6	37.5%	0	0	0	0	0	1
Subtotal	1			0	0	0	0	0	0
Total division 40 - plant	0			0	0	0	0	0	0
Total division 40 - pooled plant (Page 21)	2			1	0	0	0	0	0
Total division 40	1			1	0	0	0	0	0
Division 43 - capital works allowance									
Total division 43 (Page 11)	9,284			1,140	369	369	369	369	6,670
Total depreciation	9,285			1,141	369	369	369	369	6,670

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

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Diminishing value method pooling schedule (years 1 - 5)

Tax grouping	Total cost @ Pooling start (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-26 (\$)
				21-Jul-21 30-Jun-22 Year 1 (\$)	1-Jul-22 30-Jun-23 Year 2 (\$)	1-Jul-23 30-Jun-24 Year 3 (\$)	1-Jul-24 30-Jun-25 Year 4 (\$)	1-Jul-25 30-Jun-26 Year 5 (\$)	
Division 40 - plant & equipment (Based on pooling rates)									
Additional unit specific									
Cooktops (01-May-22)	555	12	37.5%	104	169	106	66	41	69
Light Fittings and Shades (01-Nov-22)	0	5	0.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	*746	6	37.5%	0	140	227	142	89	148
Subtotal	555			104	309	333	208	130	217
Total - pooled items	555			104	309	333	208	130	217

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Items marked by an * are not calculated into the total cost column as they are allocated to the low value pool in later years.

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Diminishing value method pooling schedule (years 6 - 10)

Tax grouping	Total cost @ Pooling start (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-31 (\$)
				1-Jul-26 30-Jun-27 Year 6 (\$)	1-Jul-27 30-Jun-28 Year 7 (\$)	1-Jul-28 30-Jun-29 Year 8 (\$)	1-Jul-29 30-Jun-30 Year 9 (\$)	1-Jul-30 30-Jun-31 Year 10 (\$)	
Division 40 - plant & equipment (Based on pooling rates)									
Additional unit specific									
Cooktops (01-May-22)	69	12	37.5%	26	16	10	6	4	7
Light Fittings and Shades (01-Nov-22)	0	5	0.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	148	6	37.5%	55	35	22	13	8	15
Subtotal	217			81	51	32	19	12	22
Total - pooled items	217			81	51	32	19	12	22

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Items marked by an * are not calculated into the total cost column as they are allocated to the low value pool in later years.

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Diminishing value method pooling schedule (years 11 - 15)

Tax grouping	Total cost @ Pooling start (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-36 (\$)
				1-Jul-31 30-Jun-32 Year 11 (\$)	1-Jul-32 30-Jun-33 Year 12 (\$)	1-Jul-33 30-Jun-34 Year 13 (\$)	1-Jul-34 30-Jun-35 Year 14 (\$)	1-Jul-35 30-Jun-36 Year 15 (\$)	
Division 40 - plant & equipment (Based on pooling rates)									
Additional unit specific									
Cooktops (01-May-22)	7	12	37.5%	3	2	1	1	0	0
Light Fittings and Shades (01-Nov-22)	0	5	0.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	15	6	37.5%	5	4	2	1	1	2
Subtotal	22			8	6	3	2	1	2
Total - pooled items	22			8	6	3	2	1	2

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Items marked by an * are not calculated into the total cost column as they are allocated to the low value pool in later years.

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Diminishing value method pooling schedule (years 16 - 20)

Tax grouping	Total cost @ Pooling start (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-41 (\$)
				1-Jul-36 30-Jun-37 Year 16 (\$)	1-Jul-37 30-Jun-38 Year 17 (\$)	1-Jul-38 30-Jun-39 Year 18 (\$)	1-Jul-39 30-Jun-40 Year 19 (\$)	1-Jul-40 30-Jun-41 Year 20 (\$)	
Division 40 - plant & equipment (Based on pooling rates)									
Additional unit specific									
Cooktops (01-May-22)	0	12	0.0%	0	0	0	0	0	0
Light Fittings and Shades (01-Nov-22)	0	5	0.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	2	6	37.5%	1	0	0	0	0	1
Subtotal	2			1	0	0	0	0	1
Total - pooled items	2			1	0	0	0	0	0

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Items marked by an * are not calculated into the total cost column as they are allocated to the low value pool in later years.

Prime cost method schedule (years 1 - 5)

Tax grouping	Total cost @ 21-Jul-21 (\$) Based on 100%	Total cost @ 21-Jul-21 (\$) Based on 50.00%	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-26 (\$)
					21-Jul-21 30-Jun-22 Year 1 (\$)	1-Jul-22 30-Jun-23 Year 2 (\$)	1-Jul-23 30-Jun-24 Year 3 (\$)	1-Jul-24 30-Jun-25 Year 4 (\$)	1-Jul-25 30-Jun-26 Year 5 (\$)	
Division 40 - plant & equipment (Based on effective life rates)										
Additional unit specific										
Cooktops (01-May-22)	1,110	555	12	8.3%	8	46	46	46	46	363
Light Fittings and Shades (01-Nov-22)	585	293	5	100.0%	0	293	0	0	0	0
Curtains (01-Feb-23)	1,491	746	6	16.7%	0	51	124	124	124	323
Subtotal	3,186	1,594			8	390	170	170	170	685
Total division 40 - plant	3,186	1,594			8	390	170	170	170	685
Division 43 - capital works allowance										
Total division 43 (Page 11)	128,323	64,162			3,471	3,673	3,673	3,673	3,673	46,004
Total depreciation	131,509	65,756			3,479	4,063	3,843	3,843	3,843	46,689

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

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Prime cost method schedule (years 6 - 10)

Tax grouping	Total cost @ 1-Jul-26 (\$) Based on 50.00%	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-31 (\$)
				1-Jul-26 30-Jun-27 Year 6 (\$)	1-Jul-27 30-Jun-28 Year 7 (\$)	1-Jul-28 30-Jun-29 Year 8 (\$)	1-Jul-29 30-Jun-30 Year 9 (\$)	1-Jul-30 30-Jun-31 Year 10 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Additional unit specific									
Cooktops (01-May-22)	363	12	8.3%	46	46	46	46	46	133
Light Fittings and Shades (01-Nov-22)	0	5	100.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	323	6	16.7%	124	124	75	0	0	0
Subtotal	685			170	170	121	46	46	131
Total division 40 - plant	685			170	170	121	46	46	131
Division 43 - capital works allowance									
Total division 43 (Page 11)	46,004			3,673	3,673	3,673	3,673	3,673	27,644
Total depreciation	46,689			3,843	3,843	3,794	3,719	3,719	27,775

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

The contents of this page are subject to and must be read in conjunction with the disclaimer on page 8

Prime cost method schedule (years 11 - 15)

Tax grouping	Total cost @ 1-Jul-31 (\$) Based on 50.00%	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-36 (\$)
				1-Jul-31 30-Jun-32 Year 11 (\$)	1-Jul-32 30-Jun-33 Year 12 (\$)	1-Jul-33 30-Jun-34 Year 13 (\$)	1-Jul-34 30-Jun-35 Year 14 (\$)	1-Jul-35 30-Jun-36 Year 15 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Additional unit specific									
Cooktops (01-May-22)	133	12	8.3%	46	46	41	0	0	0
Light Fittings and Shades (01-Nov-22)	0	5	100.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	0	6	16.7%	0	0	0	0	0	0
Subtotal	131			46	46	41	0	0	0
Total division 40 - plant	131			46	46	41	0	0	0
Division 43 - capital works allowance									
Total division 43 (Page 11)	27,644			3,673	3,673	3,673	3,673	3,673	9,284
Total depreciation	27,775			3,719	3,719	3,714	3,673	3,673	9,282

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

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Prime cost method schedule (years 16 - 20)

Tax grouping	Total cost @ 1-Jul-36 (\$) Based on 50.00%	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-41 (\$)
				1-Jul-36 30-Jun-37 Year 16 (\$)	1-Jul-37 30-Jun-38 Year 17 (\$)	1-Jul-38 30-Jun-39 Year 18 (\$)	1-Jul-39 30-Jun-40 Year 19 (\$)	1-Jul-40 30-Jun-41 Year 20 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Additional unit specific									
Cooktops (01-May-22)	0	12	8.3%	0	0	0	0	0	0
Light Fittings and Shades (01-Nov-22)	0	5	100.0%	0	0	0	0	0	0
Curtains (01-Feb-23)	0	6	16.7%	0	0	0	0	0	0
Subtotal	0			0	0	0	0	0	0
Total division 40 - plant	0			0	0	0	0	0	0
Division 43 - capital works allowance									
Total division 43 (Page 11)	9,284			1,140	369	369	369	369	6,670
Total depreciation	9,282			1,140	369	369	369	369	6,668

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

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Appendix - capital loss (plant and equipment) (Ownership percentage 50.00% per cent)

Capital Gains Tax (CGT) is a form of income tax which a property owner is liable to pay within the financial year that they sell their property.

Introduced on 20 September 1985, CGT is the tax payable on the difference between what it cost you to purchase an asset and the amount you received when you disposed of it.

Selling price minus transaction costs	Minus	Original purchase price plus associated transaction costs	Equals	Capital gain (or loss)
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When you sell a property this triggers a 'CGT event'. Investors may not be liable for paying CGT if they fall within any of the exemption rules provided by the ATO. This includes a main residence exemption, and the CGT discount available to those who sell a property they have held for longer than twelve months. For further details, refer to www.bmtqs.com.au/capital-gains-tax

The recent law changes affecting claims for plant and equipment in a residential investment property allow a capital loss to be calculated when an asset is disposed of (e.g., scrapped or sold as part of the sale of the property) for less than its original cost, and depreciation claims for the asset were denied because of the changes. Under the CGT rules, a capital loss can generally be offset against a capital gain and if there is no capital gain in the current year, the capital loss can generally be carried forward and offset against a future capital gain.

In order to calculate a capital loss on disposal, the original value or cost of the asset would need to have been determined at the time of purchase. The asset's termination value (e.g., selling price or scrap value) would then need to be determined on the disposal of the asset. The capital loss as outlined above would be calculated as the difference between the asset's termination value and its original value or cost, assuming no depreciation amounts for the asset were allowed as deductions.

The calculation of a capital loss is particularly relevant in certain situations, including when an asset is scrapped, where there is a partial or full CGT main residence exemption, and where the contract date and settlement date for the sale of the property occur in separate financial years.

The capital loss amount on the disposal of an asset will include the depreciation amount that could not be claimed by the owner (as a result of the recent changes). Further, the capital loss on disposal should be equal to the depreciation amount that could not be claimed in relation to the asset, where the termination value happens to be equal to the asset's written down value. However, in accordance with ATO guidelines, an asset's termination value does not necessarily equate to its selling or market value.

The following tables allow a property investor to calculate a capital loss when a depreciating asset (affected by the recent changes) is disposed of, by providing information on the values of such assets at the time of purchase. The tables also provide information on the depreciation amount that could not be claimed for each affected asset as a result of the recent changes. We recommend that property investors speak with an Accountant or Tax Adviser when using these tables and completing the above calculation process.

Original division 40 cost

\$13,998

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Capital loss as @	Capital loss division 40 diminishing value (\$)	Cumulative capital loss division 40 diminishing value (\$)	Capital loss division 40 prime cost (\$)	Cumulative capital loss division 40 prime cost (\$)
21-Jul-21 to 30-Jun-22	3,579	3,579	2,339	2,339
1-Jul-22 to 30-Jun-23	2,946	6,525	1,535	3,874
1-Jul-23 to 30-Jun-24	2,475	9,000	1,535	5,409
1-Jul-24 to 30-Jun-25	1,628	10,628	1,535	6,944
1-Jul-25 to 30-Jun-26	1,080	11,708	1,535	8,479
1-Jul-26 to 30-Jun-27	720	12,428	1,321	9,800
1-Jul-27 to 30-Jun-28	589	13,017	1,244	11,044
1-Jul-28 to 30-Jun-29	369	13,386	1,242	12,286
1-Jul-29 to 30-Jun-30	230	13,616	641	12,927
1-Jul-30 to 30-Jun-31	143	13,759	610	13,537
1-Jul-31 to 30-Jun-32	90	13,849	156	13,693
1-Jul-32 to 30-Jun-33	58	13,907	126	13,819
1-Jul-33 to 30-Jun-34	38	13,945	59	13,878
1-Jul-34 to 30-Jun-35	22	13,967	59	13,937
1-Jul-35 to 30-Jun-36	13	13,980	59	13,996
1-Jul-36 to 30-Jun-37	7	13,987	2	13,998
1-Jul-37 to 30-Jun-38	5	13,992	0	13,998
1-Jul-38 to 30-Jun-39	3	13,995	0	13,998
1-Jul-39 to 30-Jun-40	2	13,997	0	13,998
1-Jul-40 to 30-Jun-41	1	13,998	0	13,998
1-Jul-41 to 30-Jun-42	0	13,998	0	13,998
1-Jul-42 to 30-Jun-43	0	13,998	0	13,998
1-Jul-43 to 30-Jun-44	0	13,998	0	13,998
1-Jul-44 to 30-Jun-45	0	13,998	0	13,998
1-Jul-45 to 30-Jun-46	0	13,998	0	13,998
1-Jul-46 to 30-Jun-47	0	13,998	0	13,998
1-Jul-47 to 30-Jun-48	0	13,998	0	13,998
1-Jul-48 to 30-Jun-49	0	13,998	0	13,998
1-Jul-49 to 30-Jun-50	0	13,998	0	13,998
1-Jul-50 to 30-Jun-51	0	13,998	0	13,998
1-Jul-51 to 30-Jun-52	0	13,998	0	13,998
1-Jul-52 to 30-Jun-53	0	13,998	0	13,998
1-Jul-53 to 30-Jun-54	0	13,998	0	13,998
1-Jul-54 to 30-Jun-55	0	13,998	0	13,998
1-Jul-55 to 30-Jun-56	0	13,998	0	13,998
1-Jul-56 to 30-Jun-57	0	13,998	0	13,998
1-Jul-57 to 30-Jun-58	0	13,998	0	13,998
1-Jul-58 to 30-Jun-59	0	13,998	0	13,998
1-Jul-59 to 30-Jun-60	0	13,998	0	13,998
1-Jul-60 to 30-Jun-61	0	13,998	0	13,998
1-Jul-61 to 30-Jun-62	0	13,998	0	13,998

The contents of this page are subject to and must be read in conjunction with the disclaimer on page 8

Capital loss diminishing value method schedule (years 1 - 5)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ 21-Jul-21 (\$) Based on 100%	Total cost @ 21-Jul-21 (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-26 (\$)
					21-Jul-21 30-Jun-22 Year 1 (\$)	1-Jul-22 30-Jun-23 Year 2 (\$)	1-Jul-23 30-Jun-24 Year 3 (\$)	1-Jul-24 30-Jun-25 Year 4 (\$)	1-Jul-25 30-Jun-26 Year 5 (\$)	
Division 40 - plant & equipment (Based on effective life rates)										
Existing unit specific										
Air Conditioner - Split Systems	7,399	3,700	10	20.0%	699	600	0*	0	0	586
Automatic Garage Door - Controls	165	83	5	100.0%	83	0	0	0	0	0
Automatic Garage Door - Motors	699	350	10	37.5%	0*	0	0	0	0	43
Bathroom Accessories - Freestanding	219	110	3	100.0%	110	0	0	0	0	0
Blinds	1,477	739	10	37.5%	0*	0	0	0	0	91
Carpet	9,148	4,574	8	25.0%	1,081	873	655	491	369	1,105
Ceiling Fans	519	260	5	100.0%	260	0	0	0	0	0
Dishwashers	953	477	8	37.5%	0*	0	0	0	0	59
Door Closers	51	26	10	100.0%	26	0	0	0	0	0
Exhaust Fans	182	91	10	100.0%	91	0	0	0	0	0
Garbage Bins	142	71	10	100.0%	71	0	0	0	0	0
Heat, Light & Exhaust Units	287	144	10	100.0%	144	0	0	0	0	0
Hot Water Systems	998	499	12	37.5%	0*	0	0	0	0	62
Light Fittings and Shades	1,617	809	5	37.5%	0*	0	0	0	0	101
Ovens	709	355	12	37.5%	0*	0	0	0	0	44
Rangehoods	212	106	12	100.0%	106	0	0	0	0	0
Smoke Alarms	823	412	6	37.5%	0*	0	0	0	0	51
Water Pumps - Tanks	616	308	5	37.5%	0*	0	0	0	0	38
Water Tanks - Polyethylene	1,767	884	15	37.5%	0*	0	0	0	0	110
Subtotal	27,983	13,998			2,671	1,473	655	491	369	2,290
Total division 40 - plant	19,572	9,165			2,671	1,473	655	491	369	1,105
Total division 40 - pooled plant (Page 32)	8,411	4,833			908	1,473	1,820	1,137	711	1,185
Total division 40	27,983	13,998			3,579	2,946	2,475	1,628	1,080	2,290
Cumulative capital loss total					3,579	6,525	9,000	10,628	11,708	

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

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Capital loss diminishing value method schedule (years 6 - 10)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ 1-Jul-26 (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-31 (\$)
				1-Jul-26 30-Jun-27 Year 6 (\$)	1-Jul-27 30-Jun-28 Year 7 (\$)	1-Jul-28 30-Jun-29 Year 8 (\$)	1-Jul-29 30-Jun-30 Year 9 (\$)	1-Jul-30 30-Jun-31 Year 10 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	586	10	37.5%	0	0	0	0	0	56
Automatic Garage Door - Controls	0	5	100.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	43	10	37.5%	0	0	0	0	0	4
Bathroom Accessories - Freestanding	0	3	100.0%	0	0	0	0	0	0
Blinds	91	10	37.5%	0	0	0	0	0	9
Carpet	1,105	8	25.0%	276	0*	0	0	0	126
Ceiling Fans	0	5	100.0%	0	0	0	0	0	0
Dishwashers	59	8	37.5%	0	0	0	0	0	6
Door Closers	0	10	100.0%	0	0	0	0	0	0
Exhaust Fans	0	10	100.0%	0	0	0	0	0	0
Garbage Bins	0	10	100.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	100.0%	0	0	0	0	0	0
Hot Water Systems	62	12	37.5%	0	0	0	0	0	6
Light Fittings and Shades	101	5	37.5%	0	0	0	0	0	9
Ovens	44	12	37.5%	0	0	0	0	0	4
Rangehoods	0	12	100.0%	0	0	0	0	0	0
Smoke Alarms	51	6	37.5%	0	0	0	0	0	4
Water Pumps - Tanks	38	5	37.5%	0	0	0	0	0	4
Water Tanks - Polyethylene	110	15	37.5%	0	0	0	0	0	11
Subtotal	2,290			276	0	0	0	0	239
Total division 40 - plant	1,105			276	0	0	0	0	0
Total division 40 - pooled plant (Page 33)	1,185			444	589	369	230	143	239
Total division 40	2,290			720	589	369	230	143	239
Cumulative capital loss total				12,428	13,017	13,386	13,616	13,759	

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

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Capital loss diminishing value method schedule (years 11 - 15)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ 1-Jul-31 (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-36 (\$)
				1-Jul-31 30-Jun-32 Year 11 (\$)	1-Jul-32 30-Jun-33 Year 12 (\$)	1-Jul-33 30-Jun-34 Year 13 (\$)	1-Jul-34 30-Jun-35 Year 14 (\$)	1-Jul-35 30-Jun-36 Year 15 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	56	10	37.5%	0	0	0	0	0	6
Automatic Garage Door - Controls	0	5	100.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	4	10	37.5%	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	3	100.0%	0	0	0	0	0	0
Blinds	9	10	37.5%	0	0	0	0	0	0
Carpet	126	8	37.5%	0	0	0	0	0	12
Ceiling Fans	0	5	100.0%	0	0	0	0	0	0
Dishwashers	6	8	37.5%	0	0	0	0	0	0
Door Closers	0	10	100.0%	0	0	0	0	0	0
Exhaust Fans	0	10	100.0%	0	0	0	0	0	0
Garbage Bins	0	10	100.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	100.0%	0	0	0	0	0	0
Hot Water Systems	6	12	37.5%	0	0	0	0	0	0
Light Fittings and Shades	9	5	37.5%	0	0	0	0	0	0
Ovens	4	12	37.5%	0	0	0	0	0	0
Rangehoods	0	12	100.0%	0	0	0	0	0	0
Smoke Alarms	4	6	37.5%	0	0	0	0	0	0
Water Pumps - Tanks	4	5	37.5%	0	0	0	0	0	0
Water Tanks - Polyethylene	11	15	37.5%	0	0	0	0	0	0
Subtotal	239			0	0	0	0	0	18
Total division 40 - plant	0			0	0	0	0	0	0
Total division 40 - pooled plant (Page 34)	239			90	58	38	22	13	18
Total division 40	239			90	58	38	22	13	18
Cumulative capital loss total				13,849	13,907	13,945	13,967	13,980	

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

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Capital loss diminishing value method schedule (years 16 - 20)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ 1-Jul-36 (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-41 (\$)
				1-Jul-36 30-Jun-37 Year 16 (\$)	1-Jul-37 30-Jun-38 Year 17 (\$)	1-Jul-38 30-Jun-39 Year 18 (\$)	1-Jul-39 30-Jun-40 Year 19 (\$)	1-Jul-40 30-Jun-41 Year 20 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	6	10	37.5%	0	0	0	0	0	0
Automatic Garage Door - Controls	0	5	100.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	37.5%	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	3	100.0%	0	0	0	0	0	0
Blinds	0	10	37.5%	0	0	0	0	0	0
Carpet	12	8	37.5%	0	0	0	0	0	0
Ceiling Fans	0	5	100.0%	0	0	0	0	0	0
Dishwashers	0	8	37.5%	0	0	0	0	0	0
Door Closers	0	10	100.0%	0	0	0	0	0	0
Exhaust Fans	0	10	100.0%	0	0	0	0	0	0
Garbage Bins	0	10	100.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	100.0%	0	0	0	0	0	0
Hot Water Systems	0	12	37.5%	0	0	0	0	0	0
Light Fittings and Shades	0	5	37.5%	0	0	0	0	0	0
Ovens	0	12	37.5%	0	0	0	0	0	0
Rangehoods	0	12	100.0%	0	0	0	0	0	0
Smoke Alarms	0	6	37.5%	0	0	0	0	0	0
Water Pumps - Tanks	0	5	37.5%	0	0	0	0	0	0
Water Tanks - Polyethylene	0	15	37.5%	0	0	0	0	0	0
Subtotal	18			0	0	0	0	0	0
Total division 40 - plant	0			0	0	0	0	0	0
Total division 40 - pooled plant (Page 35)	18			7	5	3	2	1	0
Total division 40	18			7	5	3	2	1	0
Cumulative capital loss total				13,987	13,992	13,995	13,997	13,998	

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

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Capital loss diminishing value method pooling schedule (years 1 - 5)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ Pooling start (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-26 (\$)
				21-Jul-21 30-Jun-22 Year 1 (\$)	1-Jul-22 30-Jun-23 Year 2 (\$)	1-Jul-23 30-Jun-24 Year 3 (\$)	1-Jul-24 30-Jun-25 Year 4 (\$)	1-Jul-25 30-Jun-26 Year 5 (\$)	
Division 40 - plant & equipment (Based on pooling rates)									
Existing unit specific									
Air Conditioner - Split Systems	*2,401	10	37.5%	0	0	900	563	352	586
Automatic Garage Door - Controls	0	5	0.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	350	10	37.5%	66	107	66	42	26	43
Bathroom Accessories - Freestanding	0	3	0.0%	0	0	0	0	0	0
Blinds	739	10	37.5%	139	225	141	88	55	91
Carpet	*829	8	0.0%	0	0	0	0	0	0
Ceiling Fans	0	5	0.0%	0	0	0	0	0	0
Dishwashers	477	8	37.5%	89	146	91	57	35	59
Door Closers	0	10	0.0%	0	0	0	0	0	0
Exhaust Fans	0	10	0.0%	0	0	0	0	0	0
Garbage Bins	0	10	0.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	0.0%	0	0	0	0	0	0
Hot Water Systems	499	12	37.5%	94	152	95	59	37	62
Light Fittings and Shades	809	5	37.5%	152	246	154	96	60	101
Ovens	355	12	37.5%	67	108	68	42	26	44
Rangehoods	0	12	0.0%	0	0	0	0	0	0
Smoke Alarms	412	6	37.5%	77	126	78	49	31	51
Water Pumps - Tanks	308	5	37.5%	58	94	59	36	23	38
Water Tanks - Polyethylene	884	15	37.5%	166	269	168	105	66	110
Subtotal	4,833			908	1,473	1,820	1,137	711	1,185
Total - pooled items	4,833			908	1,473	1,820	1,137	711	1,185
Cumulative capital loss total				908	2,381	4,201	5,338	6,049	

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Items marked by an * are not calculated into the total cost column as they are allocated to the low value pool in later years.

Capital loss diminishing value method pooling schedule (years 6 - 10)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ Pooling start (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-31 (\$)
				1-Jul-26 30-Jun-27 Year 6 (\$)	1-Jul-27 30-Jun-28 Year 7 (\$)	1-Jul-28 30-Jun-29 Year 8 (\$)	1-Jul-29 30-Jun-30 Year 9 (\$)	1-Jul-30 30-Jun-31 Year 10 (\$)	
Division 40 - plant & equipment (Based on pooling rates)									
Existing unit specific									
Air Conditioner - Split Systems	586	10	37.5%	220	137	86	54	33	56
Automatic Garage Door - Controls	0	5	0.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	43	10	37.5%	16	10	6	4	3	4
Bathroom Accessories - Freestanding	0	3	0.0%	0	0	0	0	0	0
Blinds	91	10	37.5%	34	21	14	8	5	9
Carpet	*829	8	37.5%	0	311	194	122	76	126
Ceiling Fans	0	5	0.0%	0	0	0	0	0	0
Dishwashers	59	8	37.5%	22	14	9	5	3	6
Door Closers	0	10	0.0%	0	0	0	0	0	0
Exhaust Fans	0	10	0.0%	0	0	0	0	0	0
Garbage Bins	0	10	0.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	0.0%	0	0	0	0	0	0
Hot Water Systems	62	12	37.5%	23	15	9	6	3	6
Light Fittings and Shades	101	5	37.5%	38	24	15	9	6	9
Ovens	44	12	37.5%	17	10	6	4	3	4
Rangehoods	0	12	0.0%	0	0	0	0	0	0
Smoke Alarms	51	6	37.5%	19	12	8	5	3	4
Water Pumps - Tanks	38	5	37.5%	14	9	6	3	2	4
Water Tanks - Polyethylene	110	15	37.5%	41	26	16	10	6	11
Subtotal	1,185			444	589	369	230	143	239
Total - pooled items	1,185			444	589	369	230	143	239
Cumulative capital loss total				6,493	7,082	7,451	7,681	7,824	

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Items marked by an * are not calculated into the total cost column as they are allocated to the low value pool in later years.

Capital loss diminishing value method pooling schedule (years 11 - 15)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ Pooling start (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-36 (\$)
				1-Jul-31 30-Jun-32 Year 11 (\$)	1-Jul-32 30-Jun-33 Year 12 (\$)	1-Jul-33 30-Jun-34 Year 13 (\$)	1-Jul-34 30-Jun-35 Year 14 (\$)	1-Jul-35 30-Jun-36 Year 15 (\$)	
Division 40 - plant & equipment (Based on pooling rates)									
Existing unit specific									
Air Conditioner - Split Systems	56	10	37.5%	21	13	8	5	3	6
Automatic Garage Door - Controls	0	5	0.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	4	10	37.5%	2	1	1	0	0	0
Bathroom Accessories - Freestanding	0	3	0.0%	0	0	0	0	0	0
Blinds	9	10	37.5%	3	2	2	1	1	0
Carpet	126	8	37.5%	47	30	18	12	7	12
Ceiling Fans	0	5	0.0%	0	0	0	0	0	0
Dishwashers	6	8	37.5%	2	2	1	1	0	0
Door Closers	0	10	0.0%	0	0	0	0	0	0
Exhaust Fans	0	10	0.0%	0	0	0	0	0	0
Garbage Bins	0	10	0.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	0.0%	0	0	0	0	0	0
Hot Water Systems	6	12	37.5%	2	2	1	1	0	0
Light Fittings and Shades	9	5	37.5%	3	2	2	1	1	0
Ovens	4	12	37.5%	2	1	1	0	0	0
Rangehoods	0	12	0.0%	0	0	0	0	0	0
Smoke Alarms	4	6	37.5%	2	1	1	0	0	0
Water Pumps - Tanks	4	5	37.5%	2	1	1	0	0	0
Water Tanks - Polyethylene	11	15	37.5%	4	3	2	1	1	0
Subtotal	239			90	58	38	22	13	18
Total - pooled items	239			90	58	38	22	13	18
Cumulative capital loss total				7,914	7,972	8,010	8,032	8,045	

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Items marked by an * are not calculated into the total cost column as they are allocated to the low value pool in later years.

Capital loss diminishing value method pooling schedule (years 16 - 20)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ Pooling start (\$) Based on 50.00%	Effective life (Years)	Basic rate (DV)	Depreciation allowance					TWDV @ 1-Jul-41 (\$)
				1-Jul-36 30-Jun-37 Year 16 (\$)	1-Jul-37 30-Jun-38 Year 17 (\$)	1-Jul-38 30-Jun-39 Year 18 (\$)	1-Jul-39 30-Jun-40 Year 19 (\$)	1-Jul-40 30-Jun-41 Year 20 (\$)	
Division 40 - plant & equipment (Based on pooling rates)									
Existing unit specific									
Air Conditioner - Split Systems	6	10	37.5%	2	2	1	1	0	0
Automatic Garage Door - Controls	0	5	0.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	0.0%	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	3	0.0%	0	0	0	0	0	0
Blinds	0	10	0.0%	0	0	0	0	0	0
Carpet	12	8	37.5%	5	3	2	1	1	0
Ceiling Fans	0	5	0.0%	0	0	0	0	0	0
Dishwashers	0	8	0.0%	0	0	0	0	0	0
Door Closers	0	10	0.0%	0	0	0	0	0	0
Exhaust Fans	0	10	0.0%	0	0	0	0	0	0
Garbage Bins	0	10	0.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	0.0%	0	0	0	0	0	0
Hot Water Systems	0	12	0.0%	0	0	0	0	0	0
Light Fittings and Shades	0	5	0.0%	0	0	0	0	0	0
Ovens	0	12	0.0%	0	0	0	0	0	0
Rangehoods	0	12	0.0%	0	0	0	0	0	0
Smoke Alarms	0	6	0.0%	0	0	0	0	0	0
Water Pumps - Tanks	0	5	0.0%	0	0	0	0	0	0
Water Tanks - Polyethylene	0	15	0.0%	0	0	0	0	0	0
Subtotal	18			7	5	3	2	1	0
Total - pooled items	18			7	5	3	2	1	0
Cumulative capital loss total				8,052	8,057	8,060	8,062	8,063	

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

Items marked by an * are not calculated into the total cost column as they are allocated to the low value pool in later years.

Capital loss prime cost method schedule (years 1 - 5)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ 21-Jul-21 (\$) Based on 100%	Total cost @ 21-Jul-21 (\$) Based on 50.00%	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-26 (\$)
					21-Jul-21 30-Jun-22 Year 1 (\$)	1-Jul-22 30-Jun-23 Year 2 (\$)	1-Jul-23 30-Jun-24 Year 3 (\$)	1-Jul-24 30-Jun-25 Year 4 (\$)	1-Jul-25 30-Jun-26 Year 5 (\$)	
Division 40 - plant & equipment (Based on effective life rates)										
Existing unit specific										
Air Conditioner - Split Systems	7,399	3,700	10	10.0%	350	370	370	370	370	1,870
Automatic Garage Door - Controls	165	83	5	100.0%	83	0	0	0	0	0
Automatic Garage Door - Motors	699	350	10	10.0%	33	35	35	35	35	177
Bathroom Accessories - Freestanding	219	110	3	100.0%	110	0	0	0	0	0
Blinds	1,477	739	10	10.0%	70	74	74	74	74	373
Carpet	9,148	4,574	8	12.5%	540	572	572	572	572	1,746
Ceiling Fans	519	260	5	100.0%	260	0	0	0	0	0
Dishwashers	953	477	8	12.5%	56	60	60	60	60	181
Door Closers	51	26	10	100.0%	26	0	0	0	0	0
Exhaust Fans	182	91	10	100.0%	91	0	0	0	0	0
Garbage Bins	142	71	10	100.0%	71	0	0	0	0	0
Heat, Light & Exhaust Units	287	144	10	100.0%	144	0	0	0	0	0
Hot Water Systems	998	499	12	8.3%	39	42	42	42	42	292
Light Fittings and Shades	1,617	809	5	20.0%	153	162	162	162	162	8
Ovens	709	355	12	8.3%	28	30	30	30	30	207
Rangehoods	212	106	12	100.0%	106	0	0	0	0	0
Smoke Alarms	823	412	6	16.7%	65	69	69	69	69	71
Water Pumps - Tanks	616	308	5	20.0%	58	62	62	62	62	2
Water Tanks - Polyethylene	1,767	884	15	6.7%	56	59	59	59	59	592
Subtotal	27,983	13,998			2,339	1,535	1,535	1,535	1,535	5,519
Total division 40	27,983	13,998			2,339	1,535	1,535	1,535	1,535	5,519
Cumulative capital loss total					2,339	3,874	5,409	6,944	8,479	

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

The contents of this page are subject to and must be read in conjunction with the disclaimer on page 8

Capital loss prime cost method schedule (years 6 - 10)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ 1-Jul-26 (\$) Based on 50.00%	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-31 (\$)
				1-Jul-26 30-Jun-27 Year 6 (\$)	1-Jul-27 30-Jun-28 Year 7 (\$)	1-Jul-28 30-Jun-29 Year 8 (\$)	1-Jul-29 30-Jun-30 Year 9 (\$)	1-Jul-30 30-Jun-31 Year 10 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	1,870	10	10.0%	370	370	370	370	370	20
Automatic Garage Door - Controls	0	5	100.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	177	10	10.0%	35	35	35	35	35	2
Bathroom Accessories - Freestanding	0	3	100.0%	0	0	0	0	0	0
Blinds	373	10	10.0%	74	74	74	74	74	3
Carpet	1,746	8	12.5%	572	572	572	30	0	0
Ceiling Fans	0	5	100.0%	0	0	0	0	0	0
Dishwashers	181	8	12.5%	60	60	60	1	0	0
Door Closers	0	10	100.0%	0	0	0	0	0	0
Exhaust Fans	0	10	100.0%	0	0	0	0	0	0
Garbage Bins	0	10	100.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	100.0%	0	0	0	0	0	0
Hot Water Systems	292	12	8.3%	42	42	42	42	42	82
Light Fittings and Shades	8	5	20.0%	8	0	0	0	0	0
Ovens	207	12	8.3%	30	30	30	30	30	57
Rangehoods	0	12	100.0%	0	0	0	0	0	0
Smoke Alarms	71	6	16.7%	69	2	0	0	0	0
Water Pumps - Tanks	2	5	20.0%	2	0	0	0	0	0
Water Tanks - Polyethylene	592	15	6.7%	59	59	59	59	59	297
Subtotal	5,519			1,321	1,244	1,242	641	610	461
Total division 40	5,519			1,321	1,244	1,242	641	610	461
Cumulative capital loss total				9,800	11,044	12,286	12,927	13,537	

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

The contents of this page are subject to and must be read in conjunction with the disclaimer on page 8

Capital loss prime cost method schedule (years 11 - 15)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ 1-Jul-31 (\$) Based on 50.00%	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-36 (\$)
				1-Jul-31 30-Jun-32 Year 11 (\$)	1-Jul-32 30-Jun-33 Year 12 (\$)	1-Jul-33 30-Jun-34 Year 13 (\$)	1-Jul-34 30-Jun-35 Year 14 (\$)	1-Jul-35 30-Jun-36 Year 15 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	20	10	10.0%	20	0	0	0	0	0
Automatic Garage Door - Controls	0	5	100.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	2	10	10.0%	2	0	0	0	0	0
Bathroom Accessories - Freestanding	0	3	100.0%	0	0	0	0	0	0
Blinds	3	10	10.0%	3	0	0	0	0	0
Carpet	0	8	12.5%	0	0	0	0	0	0
Ceiling Fans	0	5	100.0%	0	0	0	0	0	0
Dishwashers	0	8	12.5%	0	0	0	0	0	0
Door Closers	0	10	100.0%	0	0	0	0	0	0
Exhaust Fans	0	10	100.0%	0	0	0	0	0	0
Garbage Bins	0	10	100.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	100.0%	0	0	0	0	0	0
Hot Water Systems	82	12	8.3%	42	40	0	0	0	0
Light Fittings and Shades	0	5	20.0%	0	0	0	0	0	0
Ovens	57	12	8.3%	30	27	0	0	0	0
Rangehoods	0	12	100.0%	0	0	0	0	0	0
Smoke Alarms	0	6	16.7%	0	0	0	0	0	0
Water Pumps - Tanks	0	5	20.0%	0	0	0	0	0	0
Water Tanks - Polyethylene	297	15	6.7%	59	59	59	59	59	2
Subtotal	461			156	126	59	59	59	2
Total division 40	461			156	126	59	59	59	2
Cumulative capital loss total				13,693	13,819	13,878	13,937	13,996	

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

The contents of this page are subject to and must be read in conjunction with the disclaimer on page 8

Capital loss prime cost method schedule (years 16 - 20)

These values are only claimable as a capital loss and are not claimable under division 40 (see page 10)

Tax grouping	Total cost @ 1-Jul-36 (\$) Based on 50.00%	Effective life (Years)	Basic rate (PC)	Depreciation allowance					TWDV @ 1-Jul-41 (\$)
				1-Jul-36 30-Jun-37 Year 16 (\$)	1-Jul-37 30-Jun-38 Year 17 (\$)	1-Jul-38 30-Jun-39 Year 18 (\$)	1-Jul-39 30-Jun-40 Year 19 (\$)	1-Jul-40 30-Jun-41 Year 20 (\$)	
Division 40 - plant & equipment (Based on effective life rates)									
Existing unit specific									
Air Conditioner - Split Systems	0	10	10.0%	0	0	0	0	0	0
Automatic Garage Door - Controls	0	5	100.0%	0	0	0	0	0	0
Automatic Garage Door - Motors	0	10	10.0%	0	0	0	0	0	0
Bathroom Accessories - Freestanding	0	3	100.0%	0	0	0	0	0	0
Blinds	0	10	10.0%	0	0	0	0	0	0
Carpet	0	8	12.5%	0	0	0	0	0	0
Ceiling Fans	0	5	100.0%	0	0	0	0	0	0
Dishwashers	0	8	12.5%	0	0	0	0	0	0
Door Closers	0	10	100.0%	0	0	0	0	0	0
Exhaust Fans	0	10	100.0%	0	0	0	0	0	0
Garbage Bins	0	10	100.0%	0	0	0	0	0	0
Heat, Light & Exhaust Units	0	10	100.0%	0	0	0	0	0	0
Hot Water Systems	0	12	8.3%	0	0	0	0	0	0
Light Fittings and Shades	0	5	20.0%	0	0	0	0	0	0
Ovens	0	12	8.3%	0	0	0	0	0	0
Rangehoods	0	12	100.0%	0	0	0	0	0	0
Smoke Alarms	0	6	16.7%	0	0	0	0	0	0
Water Pumps - Tanks	0	5	20.0%	0	0	0	0	0	0
Water Tanks - Polyethylene	2	15	6.7%	2	0	0	0	0	0
Subtotal	2			2	0	0	0	0	0
Total division 40	2			2	0	0	0	0	0
Cumulative capital loss total				13,998	13,998	13,998	13,998	13,998	

The above table of figures are calculated using the ownership percentage of 50.00% per cent.

The contents of this page are subject to and must be read in conjunction with the disclaimer on page 8

Glossary of terms

Building first use

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

Building cost index

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

Division 40 - plant and equipment

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

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

Division 43

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

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

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

Diminishing value method

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

The formulas for the diminishing value method are:

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

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

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

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

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

Effective life

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

Immediate write-off

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

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

Low-value pooling

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

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

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

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

Low-cost assets

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

Low-value assets

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

Non-depreciable components

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

Preliminaries

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

Prime cost method

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

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

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

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

Pro-rata calculations

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

Substantial renovations

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

Split schedule

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

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1300 728 726

bmtqs.com.au

Sydney

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

Parramatta

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

Brisbane

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

Gold Coast

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

Newcastle

19 Brunker Road
Broadmeadow NSW 2292
Ph: 02 4978 6477

Melbourne

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

Darwin

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

Perth

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

Cairns

181 Mulgrave Road
Cairns QLD 4870
Ph: 07 4031 5699

Canberra

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

Adelaide

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

Hobart

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

BMT Tax Depreciation
QUANTITY SURVEYORS