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Washington Brown
QUANTITY SURVEYORS

HOW TO CALCULATE DEPRECIATION AND WHAT TO CLAIM FOR

HOW TO SAVE MONEY ON TAX

TYRON HYDE

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TWO PARTS TO THE PUZZLE

Depreciation allows you to claim a tax deduction for the wear and tear on an investment property over time. This tax deduction recognises the fact that the building itself, as well as its plant and equipment (air-conditioners, blinds, carpet, etc.) will become worn out over time and eventually need to be replaced. It doesn't matter that these items were paid for by someone else – a developer or previous owner – you, the current owner, can continue to claim deductions as they continue to depreciate in value.

As with any tax deduction, depreciation basically reduces your taxable income.

Property depreciation is an area that not many property owners know much about – particularly if they are new to investing. Those who do know what and how depreciation works often know only half the story.

There are two major components of property depreciation:

- building allowance (also known as capital works allowance); and
- plant and equipment.

As I said, most people only know half the story and think that depreciation applies to the building – the actual structure of a house, a unit or any property investment. But the other half of the equation – plant and equipment – is equally important and can be an area of confusion for many property investors.

Many years ago quantity surveyors would have their own interpretation of what was to be considered plant and equipment in a residential building and what was considered as part of the building allowance. But eventually the ATO published the definitive lists which we include at the end of this ebook.

The next two chapters look at each of these two areas in more detail. Make sure that you understand them and can maximise depreciation benefits from your investments.

BUILDING ALLOWANCE

As the term suggests, the building allowance (also known as capital works deductions) refers to the bricks and mortar – the actual structure – of the building. These are also referred to as 'capital costs'. A list of items the building allowance covers is given at the end of this ebook **[follow the link]**.

Deductions in this area are calculated on the construction cost (not the purchase price) of the building. There are several important things you have to be aware of when it comes to claiming building allowances, particularly the age of the building or the year of construction. Keep in mind that residential properties built before July 1985 are not eligible for this deduction. Residential properties built between 18 July 1985 and 15 September 1987 have a 4% depreciation rate, and are depreciated on a straight line basis (i.e. you claim the same amount every year) for 25 years.

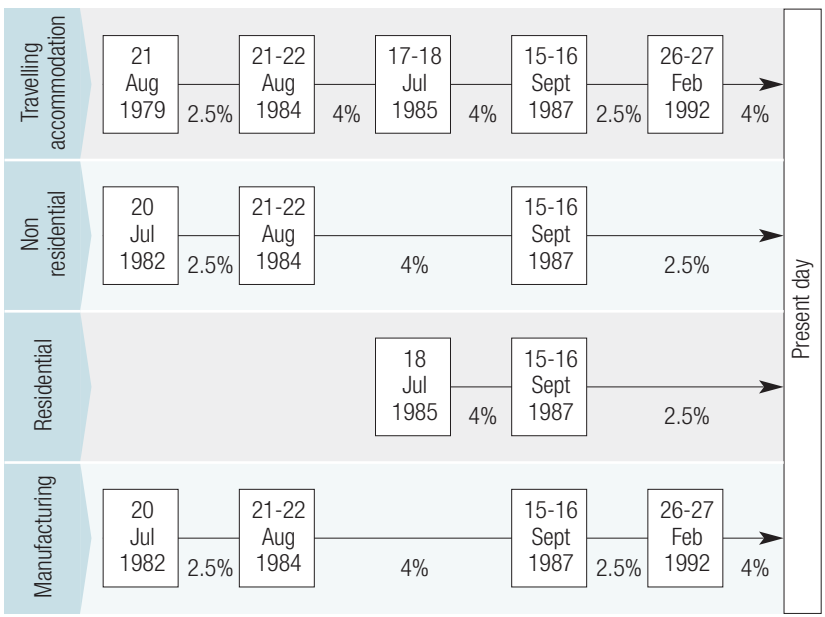
Residential properties constructed after September 1987 are depreciated at 2.5% on a straight line basis over 40 years (more about the straight line method of calculating your allowance later in the chapter).

The rate of the building allowance is a deduction the government can change to stimulate building activity in targeted areas. As you can see from the Figure 1, the rate was increased for two years

Residential properties built before July 1985 are not eligible for the building allowance deduction

between 1985 and 1987 to encourage growth. The construction of new, serviced apartments, short-term traveller accommodation and certain manufacturing buildings currently qualify for the 4% building allowance.

Figure 1: Building allowance variations depending on commencement of construction



EXAMPLE: If you purchased a newly-built house on 1 January 2000 for $300,000, and its construction cost was $200,000, you would be able to claim $5,000 p.a. (i.e. $200,000 x 2.5%) of building allowance deductions until 1 January 2040.

A word of warning! The building allowance can only be claimed for the 25 or 40 years following construction. This time does not reset once you buy the property from someone else.

So if you're in the market for an investment property it's worth knowing the date that construction commenced, especially if it's around the mid to late 1980s. It could make quite a difference when you are calculating your returns.

DETERMINING THE AGE OF YOUR PROPERTY

Trying to find out the date construction commenced on a property is not always easy. Even quantity surveyors sometimes need to play detective. There are a few things you can do to determine the age of your property.

- **Ring the local council or make a request in writing.** This is often the most accurate way to find out. However, some councils do charge a small fee for disclosing this information.
- **Check with the local utility providers**, such as the water board or electricity company, to see whether they can ascertain when these services were first connected at the property.
- **Check when the title was registered** if your property is strata-titled. This gives you an indication of the completion of construction and then you can try and work back to the construction commencement date from here.
- **Look at the hot water system.** If it is the original, it should generally have the installation date stamped on it.

PLANT & EQUIPMENT

This is the other part of the puzzle that confuses people. Many clients are surprised when we tell them that they can claim depreciation on a raft of items in their investment property – items that they did not directly pay for. This can include air conditioning units, ceiling fans, light fittings, gas heaters, intercom systems, spa and pool equipment and much, much more.

Follow the link to find a complete list of items eligible to be claimed under the plant and equipment category – and the rate at which they can be claimed.

Even if your investment property is too old to claim the building allowance, you can still claim depreciation on plant and equipment items over their effective life, even if the item was in the property for a few years before you purchased it.

EXAMPLE: the effective life of a dishwasher is 10 years. So, if it was installed in the house three years before you purchased the property, you can still claim the deduction for the next seven years.

The deprecation on plant and equipment items can be calculated by either of the following two methods:

Even if your investment property is too old to claim the building allowance, you can still claim depreciation on plant and equipment items over their effective life

- **Straight line method** – calculates your depreciation deduction evenly over the useful life of the item. For example, if an item cost $10,000 and its useful life is 10 years, it would be depreciated at a rate of $1,000 per year (i.e. $10,000 divided by 10).
- **Diminishing value method** – allows you to depreciate the item in question more quickly up front. This recognises the fact that most plant and equipment items tend to lose a higher proportion of their value early on.

DIMINISHING VALUE CALCULATION

Tax legislation sets down the way in which to calculate depreciation using the diminishing value method. Basically, you take the number 200 and divide it by the item's effective life (for example, 10 years), and express that as a percentage (200/10 = 20% in this example).

The depreciation rate applies to the diminished value of the asset after it has been depreciated each year.

Take, for example, a $10,000 asset with a useful life of 10 years (hence a 20% diminishing value depreciation rate, as we just explained).

You could claim a $2,000 deduction in your first year (i.e. $10,000 x 20%), a $1,600 deduction in your second year (i.e. ($10,000 – $2,000) x 20%) and so on. These amounts continue to reduce in subsequent years. You would only claim a $268 deduction in your tenth year.

The diminishing value method is generally preferred because a tax dollar saved today is worth more than a tax dollar saved in a later year. Also, if you're planning on upgrading that item in the next couple of years, get the most out of your claim as soon as possible.

Now, let's work through a diminishing value calculation.

EXAMPLE: Let's say you re-carpet your unit (which is an investment property) at a cost of $2,000. Carpet has a 10-year effective life and you could calculate the diminishing value depreciation as follows:

Year 1 – $2,000 x 20% = $400
Year 2 – ($2,000 – $400) = $1,600 x 20% = $320
Year 3 – ($2,000 – $400 – $320) = $1,280 x 20% = $256

And so on, and so on.

While still on this topic of plant and equipment depreciation, it is worth reiterating that there are some special rules that apply to lower cost assets.

You can claim an immediate deduction, (i.e. 100% of the cost price) for items costing $300 or less.

Items which cost more than $300, but less than $1,000, can be allocated to a 'low value pool' and are depreciated at 37.5% per year under the diminishing value method. Note, however, that an asset is depreciated at 18.75% in the year that it is added to the low value pool.

Generally speaking, it pays to have a little bit of tax knowledge. It's worth remembering that individual items under $300 can be written off immediately and if your portion of a more expensive item is under $300, you can still write that off too.

You can claim an immediate deduction, (i.e. 100% of the cost price) for items costing $300 or less.

SCRAPPING SCHEDULE

Well, I've got to be honest, this is a made-up term because a 'Scrapping Schedule' sounds a lot better than the ATO's 'residual value write-off deduction'. Don't you agree?

Basically, 'scrapping' is claiming a deduction for plant and equipment items (ovens, dishwashers, blinds, etc.) and building allowance deductions (bricks, concrete, etc.) when you throw them away or demolish them. And this is another area of depreciation that is not well understood.

More often than not, these items are still attached to a residual value that can be claimed by the owner, provided the use of the item prior to being scrapped was to generate income.

From a depreciation point of view, scrapping can be financially beneficial because you can basically claim any balance of depreciation on an item in the year that you remove it.

Let's assume you bought a property in 2008, that was built in 1993 and your quantity surveyor valued the kitchen in the property, when brand new, at $10,000.

Fast-forward to 2013. Now you've owned the investment property for five years but it's starting to look a little dated and you want to upgrade so you put in a new kitchen.

Well, a kitchen, according to the ATO, should last for 40 years. But you're removing this one after 20. Instead of claiming all the

deductions you were entitled to, you have only claimed half of them. So you get to claim the other half when you remove the kitchen.

When you put in the new kitchen, the depreciation on it starts again. This means you get another 40 years depreciation on the new one!

Just remember, the item needs to be in an income-producing asset (i.e. investment property) prior to it being ripped out – and the property needs to be income-producing after the renovation has occurred, in order for you to claim the residual value of that item.

When in doubt, get a **quantity surveyor** to inspect your property before you demolish any major items.

SIZE MATTERS

High-rise living is traditionally quite uncommon in Australia. Most people preferred to live in single, detached houses with front lawns and backyards. People just wanted space.

According to the Australian Bureau of Statistics (ABS), this trend is changing. Their records show that over recent decades the number of people living in high-rise dwellings has increased as a percentage in comparison to those living in houses.

This is interesting but not surprising. At Washington Brown, we've seen and worked on some of the major high-rise residential projects in Sydney, Melbourne and Brisbane, and the trend seems to be continuing. Big developers are still constructing high-rises in different areas to cater for the demand from those who prefer living in apartments and units.

High-rise apartment blocks are often located close to employment, shops, restaurants and public amenities, and they offer a lifestyle attractive to a growing number of Australians, particularly young professionals and down-sizers.

From a depreciation point of view, taller buildings attract higher plant and equipment allowances.

Taller buildings attract higher plant and equipment allowances.

But why? Because plant and equipment not only refers to items within the property itself, but also to the necessary services within the building and taller buildings require additional services.

Some of these services are obvious. There will need to be lifts for residents to access their apartments. Intercoms will be necessary to communicate with visitors. Taller buildings also tend to have ducted air-conditioning which is expensive. To comply with fire regulations, there will need to be fire hose reels in common areas.

These common areas, such as lobbies and walkways, are also included, themselves, as plant and equipment. In tall buildings, there are better amenities shared by the residents and property-owners. Sometimes there is a swimming pool, a gym, even a mini cinema. All these contribute to a higher ratio of plant and equipment.

An apartment in a high-rise building costing, say, $500,000 to buy, might be eligible for $15,000 depreciation in year one alone.

A house with a similar purchase price, might yield approximately $12,000 in depreciation allowances.

This doesn't necessarily mean that tall buildings make better investments. There will be a body corporate, sometimes an on-site manager, and you pay annual levies for these. Added to this are additional expenses associated with the upkeep of common areas and shared facilities, and you own less land as well!

But, as with all facets of investment, it's up to you to weigh up the pros and cons and make that final decision.

DEPRECIATION & TAXATION

Don't roll your eyes and be tempted to skip this chapter just because it's about tax! Depreciation is a deduction, remember? In other words, it can reduce your tax liability. That's why it is so important that you make sure you claim all the depreciation allowances available to you.

Although I am a qualified quantity surveyor, I'm also a tax agent. Depreciation, after all, is an area of taxation. Since March 2010, according to tax law, anyone who produces a property depreciation report must also be a registered tax agent. Make sure you confirm with the person preparing your depreciation report that they are a registered tax agent.

When you buy an investment property, and you have done the right thing and enlisted the services of a quantity surveyor to visit the property and produce your depreciation schedule, you will then hand the report over to your accountant.

CLAIMING DEPRECIATION IN YOUR ANNUAL TAX RETURN

Many people will just ask their accountant to calculate and claim depreciation at the end of the tax year. If you are a property investor, you will annually declare any income from your investments and add this to any other income you have earned over the year. You will

Make sure you confirm with the person preparing your depreciation report that they are a registered tax agent.

then offset any expenses associated with generating this income and include expenses associated with managing your investment property – don't just include work-related expenses. Then you deduct any depreciation allowances. What you are left with – the difference between your income and deductions – will be what you pay tax on at your marginal rate.

2014-15 tax rates are:

0-$18,200	Nil
$18,201-$37,000	19¢ for each $1 over $18,200
$37,001-$80,000	$3,572 plus 32.5¢ for each $1 over $37,000
$80,001-$180,000	$17,547 plus 37¢ for each $1 over $80,000
$180,001 and over	$54,547 plus 45¢ for each $1 over $180,000

Plus the 2% Medicare levy. Let's take a look at an example:

Please note that current tax rates can be found on the ATO website **www.ato.gov.au/Individuals/Income-and-deductions/How-much-income-tax-you-pay/Individual-income-tax-rates/**

CASE STUDY: Taking up your depreciation allowance

Mary has a job from which she earns $75,000 a year. She also owns three investment properties in her own name. This financial year, Mary has earned $70,000 in rental income. Mary also has $75,000 borrowing and other costs. She has had depreciation schedules completed for all these properties and this financial year, she is entitled to $15,000 in capital works and $20,000 in plant and equipment deductions which reduces her taxable salary to 19¢ in the dollar for each dollar earned over $18,200.

CLAIMING YOUR DEPRECIATION DEDUCTIONS MONTHLY

You don't have to wait until the end of the financial year to claim these deductions. Astute investors can request that their accountant lodge an Income Tax Withholding Variation (ITWV) form. On this form you can estimate your annual depreciation allowance and offset this against your monthly tax, instead of waiting until the end of the financial year. And why wouldn't you do this? The tax office isn't about to pay you any interest on this money that it would otherwise keep hold of until the end of the financial year.

BUT DON'T YOU EVENTUALLY HAVE TO REPLACE THOSE DEPRECIATING ITEMS ANYWAY?

Some sceptics argue that building allowances and plant and equipment depreciation deductions are no real benefit because you eventually have to replace these items that depreciate anyway. I accept that, yes, as a property owner, you will from time to time have to replace fixtures and fittings. However, there is still an advantage in regularly taking up depreciation allowances which are in today's dollars and can reduce your borrowing and other property investment-related expenses.

WHAT HAPPENS WHEN YOU SELL YOUR PROPERTY?

Many investors will hold onto their property as long as they can. As their equity grows in the investment they use this to leverage into other investments, rather than sell it to realise the profit. This is

Taking up depreciation allowances which are in today's dollars and can reduce your borrowing and other property investment-related expenses.

because property usually increases quite nicely in value over the years, and if you sell it you will be liable for capital gains tax (CGT).

How much CGT you pay depends to some extent on what name the property investment was made in. A detailed explanation of CGT legislation is beyond the scope of this ebook, but most individual taxpayers will be entitled to the 50% CGT discount. This means, generally, half of your net capital gain will be taxable at your marginal rate.

When it comes to selling your investment property, if it was built after 1985 (if it is a residential property investment) and you have been claiming capital cost deductions during the period of ownership, then you need to deduct these amounts from your purchase price when you are calculating your capital gain. This effectively increases your capital gain as it lowers your cost base.

So why would you claim capital cost depreciation at all, you may ask?

There are a couple of reasons.

First, you may never sell the property, in which case you have benefitted from depreciation and left it up to your heirs to worry about the capital gains tax. While, this may sound a little selfish, it's definitely an option.

Secondly, though, if you crunch the numbers, you may well still be better off claiming ongoing depreciation deductions while you hold the property. Let's take a look at an example.

CASE STUDY: Claiming Capital Costs

Rob purchased an investment property in 2007 for $295,000. Rob instructed a quantity surveyor to estimate the original cost of construction, as it wasn't supplied at settlement. The quantity surveyor estimated that in 1992 the original construction cost was $120,000 of which $100,000 related to the building allowance.

In 2012, for a number of reasons, Rob decided reluctantly to sell the property. He sold it for $325,000 (after deducting the costs associated with selling it). For the period of ownership, Rob had claimed $10,000 in building allowances.

His capital gains tax liability was therefore calculated as follows:

Purchase price of investment property	$295,000
Sale price after deducting selling costs	$325,000
Gross capital gain	$30,000
add building allowance claimed	$10,000
Total CGT liability	**$40,000**
CGT liability after 50% discount	$20,000
CGT payable at Rob's marginal rate of 45%	$9,000
Overall profit after CGT	$21,000

By adding the building allowance claimed to the CGT calculation, Rob added $2,250 to his capital gains payable (i.e. $10,000 x 50% * 45% = $2,250).

Note, any property held for more than a year benefits from the 50% CGT tax discount.

BUT – Rob also got the benefit of claiming that $10,000 off his marginal tax rate, saving him $10,000 x 45% = $4,500.00

And finally, for the same period, Rob claimed over $12,000 in plant and equipment deductions – which have no bearing on the CGT calculations as they are assumed to be sold at the written down value unless otherwise stated in the contract.

So Rob saved another $12,000 x 45% = $5,400.

Rob was happy he got a depreciation schedule prepared.

DEPRECIATION RATES

CAPITAL COST ITEMS

	Effective life	Prime cost rate
Airconditioning assets		
Cable trays	40	2.50%
Ducting and vents	40	2.50%
Cupboards (other than freestanding)	40	2.50%
Door locks	40	2.50%
Electrical assets like switches and switchboards	40	2.50%
Garbage chutes	40	2.50%
Hand rails	40	2.50%
Hot water piping	40	2.50%
Insulation	40	2.50%
Lift shafts	40	2.50%
Light fittings (hardwired)	40	2.50%
Sanitary fixtures (soap dispensers)	40	2.50%
Skylights	40	2.50%
Vacuum cleaners (ducted)	40	2.50%
Window awnings and insect screens	40	2.50%
Window shutters	40	2.50%
Bathroom assets		
Accessories, fixed (mirrors, rails, soap-holders)	40	2.50%
Fixtures (baths, tapware, vanity units)	40	2.50%
Spa baths	40	2.50%

	Effective life	Prime cost rate
Bedroom assets		
Wardrobes (other than freestanding)	40	2.50%
Fire control assets		
Hose cabinets	40	2.50%
Hydrant boosters	40	2.50%
Hydrants	40	2.50%
Lights, emergency	40	2.50%
Sprinkler systems	40	2.50%
Kitchen assets		
Kitchen benches and cupboards	40	2.50%
Laundry assets		
Fixtures (taps, tiles and tubs)	40	2.50%
Outdoor assets		
Automatic garage door	40	2.50%
Barbeques, fixed	40	2.50%
Bollards	40	2.50%
Fencing	40	2.50%
Garden awnings and shade structures	40	2.50%
Garden sheds (other than freestanding)	40	2.50%
Letterboxes	40	2.50%
Retaining walls	40	2.50%
Saunas	40	2.50%
Spas, fixed	40	2.50%
Swimming pools	40	2.50%
Tennis courts (surface, fences and lights)	40	2.50%
Security systems		
Doors and screens	40	2.50%

PLANT AND EQUIPMENT

	Effective life	Prime cost rate	Diminishing value method
Air conditioning assets (excl. ducting, pipes and vents)			
Air handling units	20	5.00%	10.00%
Chillers			
Absorption	25	4.00%	8.00%
Centrifugal	20	5.00%	10.00%
Condensing sets	15	6.67%	13.33%
Cooling towers	15	6.67%	13.33%
Damper motors (incl. variable air volume box controller)	10	10.00%	20.00%
Fan coil units (connected to condensing set)	15	6.67%	13.33%
Mini split systems up to 20KW (incl. ceiling, floor and high wall split system)	10	10.00%	20.00%
Packaged air conditioning units	15	6.67%	13.33%
Pumps	20	5.00%	10.00%
Room units	10	10.00%	20.00%
Ceiling fans	5	20.00%	40.00%
Clocks, electric	10	10.00%	20.00%
Digital video display (DVD) players	5	20.00%	40.00%
Door closers	10	10.00%	20.00%
Door stops, freestanding	10	10.00%	20.00%
Escalators (machinery and moving parts)	20	5.00%	10.00%
Evaporative coolers			
Fixed (excl. ducting and vents)	20	5.00%	10.00%
Portable	10	10.00%	20.00%

	Effective life	Prime cost rate	Diminishing value method
Floor coverings (removable without damage)			
Carpet	10	10.00%	20.00%
Floating timber	15	6.67%	13.33%
Linoleum	10	10.00%	20.00%
Vinyl	10	10.00%	20.00%
Furniture, freestanding	13⅓	7.50%	15.00%
Garbage bins	10	10.00%	20.00%
Garbage compacting systems (excl. chutes)	6⅔	15.00%	30.00%
Generators	20	5.00%	10.00%
Gym assets			
Cardiovascular	5	20.00%	40.00%
Resistance	10	10.00%	20.00%
Hand dryers, electrical	10	10.00%	20.00%
Heaters			
Fixed:			
Electric	15	6.67%	13.33%
Gas:			
Ducted central heating unit	20	5.00%	10.00%
Other	15	6.67%	13.33%
Freestanding	15	6.67%	13.33%
Hot water systems (excl. piping)			
Electric	12	8.33%	16.67%
Gas	12	8.33%	16.67%
Solar	15	6.67%	13.33%
Intercom system assets	10	10.00%	200%
Lifts (incl. hydraulic and traction lifts)	30	3.33%	6.67%

	Effective life	Prime cost rate	Diminishing value method
Lights			
Fittings (excl. hardwired)	5	20.00%	40.00%
Freestanding	5	20.00%	40.00%
Shades, removable	5	20.00%	40.00%
Linen	5	20.00%	40.00%
Master antenna television (MATV) assets			
Amplifiers	10	10.00%	20.00%
Modulators	10	10.00%	20.00%
Power sources	10	10.00%	20.00%
Mirrors, freestanding	15	6.67%	13.33%
Radios	10	10.00%	20.00%
Rugs	7	14.29%	28.57%
Solar power generating system assets	20	5.00%	10.00%
Stereo systems (incorp. amplifiers, cassette players, compact disc players, radios and speakers)	7	14.29%	28.57%
Surround sound systems (incorp. audio-video receivers and speakers)	10	10.00%	20.00%
Telecommunications assets			
Cordless phones	4	25.00%	50.00%
PABX computerised assets	10	10.00%	20.00%
Telephone handsets	10	10.00%	20.00%
Television antennas, freestanding	5	20.00%	40.00%
Television sets	10	10.00%	20.00%
Vacuum cleaners			
Ducted:			
Hoses	10	10.00%	20.00%

	Effective life	Prime cost rate	Diminishing value method
Motors	10	10.00%	20.00%
Wands	10	10.00%	20.00%
Portable	10	10.00%	20.00%
Ventilation fans	20	5.00%	10.00%
Video cassette recorder (VCR) systems	5	20.00%	40.00%
Water pumps	20	5.00%	10.00%
Window blinds, internal	10	10.00%	20.00%
Window curtains	6	16.67%	33.33%
Window shutters, automatic			
Controls	10	10.00%	20.00%
Motors	10	10.00%	20.00%
Bathroom assets			
Accessories, freestanding (incl. shower caddies, soap holders, toilet brushes)	5	20.00%	40.00%
Exhaust fans (incl. light/heating)	10	10.00%	20.00%
Heated towel rails, electric	10	10.00%	20.00%
Shower curtains (excl. curtain rods and screens)	2	50.00%	100.00%
Spa bath pumps	20	5.00%	10.00%
Fire control assets			
Alarms:			
Heat	6	16.67%	33.33%
Smoke	6	16.67%	33.33%
Detection and alarm systems:			
Alarm bells	12	8.33%	16.67%

	Effective life	Prime cost rate	Diminishing value method
Detectors (incl. addressable manual call points, heat, multi type and smoke)	20	5.00%	10.00%
Fire indicator panels	12	8.33%	16.67%
Emergency warning and intercommunication systems (EWIS)			
Master emergency control panels	12	8.33%	16.67%
Speakers	12	8.33%	16.67%
Strobe lights	12	8.33%	16.67%
Warden intercom phone	12	8.33%	16.67%
Extinguishers	15	6.67%	13.33%
Hoses and nozzles	10	10.00%	20.00%
Pumps (incl. diesel and electric)	25	4.00%	8.00%
Stair pressurisation assets			
A C variable speed drives	10	10.00%	20.00%
Pressurisation and extraction fans	25	4.00%	8.00%
Sensors	10	10.00%	20.00%
Kitchen assets			
Cook tops	12	8.33%	16.67%
Crockery	5	20.00%	40.00%
Cutlery	5	20.00%	40.00%
Dishwashers	10	10.00%	20.00%
Freezers	12	8.33%	16.67%
Garbage disposal units	10	10.00%	20.00%
Microwave ovens	10	10.00%	20.00%
Ovens	12	8.33%	16.67%
Range hoods	12	8.33%	16.67%
Refrigerators	12	8.33%	16.67%
Stoves	12	8.33%	16.67%
Water filters, electrical	15	6.67%	13.33%

	Effective life	Prime cost rate	Diminishing value method
Laundry assets			
Clothes dryers	10	10.00%	20.00%
Ironing boards, freestanding	7	14.29%	28.57%
Irons	5	20.00%	40.00%
Washing machines	10	10.00%	20.00%
OUTDOOR ASSETS			
Automatic garage doors			
Controls	5	20.00%	40.00%
Motors	10	10.00%	20.00%
Fixed barbecue assets			
Sliding trays and cookers	10	10.00%	20.00%
Freestanding barbecues	5	20.00%	40.00%
Floor carpet (incl. artificial grass and matting)	5	20.00%	40.00%
Furniture, freestanding	5	20.00%	40.00%
Gardening watering installations			
Control panels	5	20.00%	40.00%
Pumps	5	20.00%	40.00%
Timing devices	5	20.00%	40.00%
Garden lights, solar	8	12.50%	25.00%
Garden sheds, freestanding	15	6.67%	13.33%
Gates, electrical			
Controls	5	20.00%	40.00%
Motors	10	10.00%	20.00%
Operable pergola louvres			
Controls	15	6.67%	13.33%
Motors	15	6.67%	13.33%
Sauna heating assets	15	6.67%	13.33%

	Effective life	Prime cost rate	Diminishing value method
Sewage treatment assets			
Controls	8	12.50%	25.00%
Motors	8	12.50%	25.00%
Spas			
Fixed spa assets:			
Chlorinators	12	8.33%	16.67%
Filtration assets (incl. pumps)	12	8.33%	16.67%
Heaters (electric or gas)	15	6.67%	13.33%
Freestanding spas (incorp. blowers, controls, filters, heaters and pumps)	17	5.88%	11.76%
Swimming pool assets			
Chlorinators	12	8.33%	16.67%
Cleaning assets	7	14.29%	28.57%
Filtration assets (incl. pumps)	12	8.33%	16.67%
Heaters			
Electric	15	6.67%	13.33%
Gas	15	6.67%	13.33%
Solar	20	5.00%	10.00%
Tennis court assets			
Cleaners	3	33.33%	66.67%
Drag brooms	3	33.33%	66.67%
Nets	5	20.00%	40.00%
Rollers	3	33.33%	66.67%
Umpire chairs	15	6.67%	13.33%
Security and monitoring assets			
Access control systems:			
Code pads	5	20.00%	40.00%
Door controllers	5	20.00%	40.00%

	Effective life	Prime cost rate	Diminishing value method
Readers:			
Proximity	7	14.29%	28.57%
Swipe card	3	33.33%	66.67%
Closed circuit television systems:			
Cameras	4	25.00%	50.00%
Monitors	4	25.00%	50.00%
Recorders:			
Digital	4	25.00%	50.00%
Time lapse	2	50.00%	100.00%
Switching units (incl. multiplexes)	5	20.00%	40.00%
Security systems:			
Code pads	5	20.00%	40.00%
Control panels	5	20.00%	40.00%
Detectors (incl. passive infra-red, photo sensors and vibration)	5	20.00%	40.00%
Global System for Mobiles (GSM) Units	5	20.00%	40.00%
Noise makers (incl. bells and sirens)	5	20.00%	40.00%

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