



# Agribusiness Property Advisory

**Napier & Blakeley** was established in 1985 and remains number one in Australia in the provision of:

- Property Tax Depreciation
- Property Due Diligence

*It is a fundamental and driving principle of Napier & Blakeley to provide accurate and timely advice that is oriented to the commercial imperatives that actually matter.*

## Due Diligence

Over the past three years Napier & Blakeley have acted in Technical Due Diligence for most local institutional investments as well as most international investments in property.

The total value of these investments is over \$20 Billion.

The Due Diligence process considers:

- Environmental matters such as contamination, water treatment, waste management etc.
- Condition of Structural improvements.
- Future Capex Requirements



## Property Tax

Similarly, Napier & Blakeley have prepared Tax Depreciation assessments for over \$10B of property including \$800M on agribusiness.

As Quantity Surveyors and Registered Tax Practitioners, Napier & Blakeley are deemed to be appropriately qualified to prepare Property Tax assessments. (TR 97/25)

It is often misunderstood that deductions are not based on the age of an asset, but on the attributable cost to the tax payer.

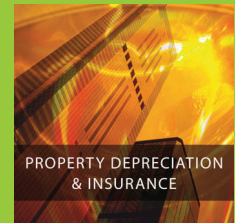
Source: Division 40 —195, ITA Act 1997.

## Napier & Blakeley also provide advice on:

- Construction cost estimating and cash flow management
- Replacement cost estimates for insurance purposes
- Sinking Fund Assessments
- Tenancy Make-Good assessments and negotiation

We make agribusiness property more **valuable.**





# Agribusiness Property Advisory

## We make agribusiness property more **valuable**.

We have found that the depreciation available for primary production properties is significant and in fact often exceeds that available to conventional commercial and industrial property owners. This is a result of the relevant Tax Rulings as applied to primary production activities by the ATO.

The table below outlines the actual depreciation benefits experienced for some of our primary production clients.



Property Type	Description	Deduction for First 365 Days (as % of Purchase Price)*	Total Deductions (as % of Purchase Price)*
Sheep Station	700 sq miles	6.46%	97.54%
Wheat Farm	1000 Ha	2.74%	56.35%
Vineyard	500 Ha	5.85%	74.92%
Citrus	50 Ha	4.59%	89.68%
Chicken Farm	80 Sheds	6.56%	95.96%

\*Based on actual results. Analysis of typical plant depreciating asset content percentage of overall capital expenditure, excluding land. Percentages may vary depending on exchange/contract rate.

For an obligation-free assessment of your potential property tax deductions, please contact:

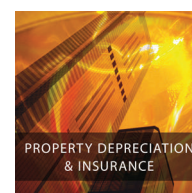
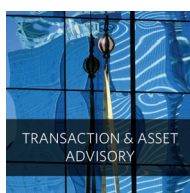
- John Mathew on 03 9915 6305 or [jmathew@napierblakeley.com](mailto:jmathew@napierblakeley.com)

To discuss Due Diligence and Capex, please contact:

- Rob Howells on 03 9915 6327 or [rhowells@napierblakeley.com](mailto:rhowells@napierblakeley.com)

To discuss Construction Cost matters, please contact:

- Craig Smith on 03 9915 6323 or [csmith@napierblakeley.com](mailto:csmith@napierblakeley.com)



# Our Clients

## NB National Clients



## NB International Clients



# Food For Thought

## Relating to Investment in Agribusiness

- Political certainty; the calling of the 2011 NSW election **immediately** activated construction activity, which had been languishing 7 - 10 years. Will we gain certainty on 7th September?
- Notwithstanding a relatively high Aussie Dollar, many of our international clients who had been actively investing in Australian property, stopped, immediately following Wayne Swan's decision to double the tax associated with Offshore based Managed Investment Trusts with no industry consultation.
- Our clients cited their perceived increase in Sovereign Risk associated with investing in Australia as their reason.
- Recently a few offshore sovereign wealth funds have closed their Australian office and moved their staff to London and / or New York.
- It is now easy to get a hotel room in Perth.
- In the 1950's it took 15 bales of fine wool to buy a new Rolls Royce. Now it would take 400 bales of fine wool to buy one (ignoring taxes).
- Similarly, in the 1950's one fleece would pay for two week's labour, whereas now, one fleece would pay for one hour.



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