



Australian Government  
Australian Taxation Office

## Primary producers:

# Prevent and prepare for fire emergencies – expenses

If you're a primary producer, you can claim deductions for costs you incur to prevent and prepare for fire emergencies on your primary production land.

## Key points

- You can claim a deduction for:
  - expenses that help your business prevent and prepare for fire emergencies (e.g. quick-fill pumps, fire trousers)
  - water facilities (e.g. dams, sprinkler systems) – you can't claim the costs of a swimming pool
  - the depreciating cost of certain assets based on their effective life (e.g. fire extinguishers).
- This information only applies if you are carrying on a primary production business on land in Australia. For example, you can't claim the expenses listed here if you're a hobby farmer.

## Revenue and capital costs

**Revenue costs** are your normal business operating expenses that you can deduct under normal deduction arrangements (such as the cost of maintaining firebreaks).

Find out more about business tax deductions at [ato.gov.au/businessdeductions](https://ato.gov.au/businessdeductions)

**Capital costs** are costs that provide a lasting benefit (such as the cost of business assets) and are otherwise not usually deductible, but for which you may be able to claim specific deductions.

## Expenses you can claim

- ✔ **You can claim** a deduction for the cost of:
  - quick-fill pumps
  - high-rise drive-under water tanks
  - lightweight water tanks for utility vehicles
  - fire protection sprinkler systems in sheds
  - fire dams.
- ✘ **You can't claim** a deduction for fire emergency preparation and prevention expenses that are private in nature. For example, expenses related to protecting your private residence. As a result, some costs may need to be apportioned between private and business components.

## Water facilities

- ✔ **You can claim** an immediate deduction for the cost of water facilities used in your primary production business. This includes for the purposes of preventing and preparing for fire emergencies.

A water facility is:

- a plant or structural improvement that is mainly for the purpose of conserving or conveying water (e.g. dams, tanks, bores or sprinkler systems)
- a structural improvement that conserves or conveys water (e.g. a culvert or a bridge over an irrigation channel)
- alterations, extensions or capital repairs to the above.

### Swimming pools

- ✘ **You can't claim** for the purchase or installation costs of a swimming pool, even if the pool is occasionally used to draw water for fire-fighting purposes.

If the pool is equipped with an extra pump solely used for fire-fighting purposes, you can claim the cost of the extra pump.

### Depreciation deductions

- ✔ **You can claim** a depreciation (decline in value) deduction for the cost of the following assets, based on their effective life:
  - fire extinguishers
  - fire shields made of non-combustible materials to protect water tanks and electrics on sheds
  - wind breaks of permanent materials (e.g. rocks, iron) that have a limited effective life and can reasonably be expected to decline in value.


You may be able to claim an immediate deduction for these expenses. To find out if you are eligible and for more information, visit [ato.gov.au/depreciation](https://ato.gov.au/depreciation)

- ✘ **You can't claim** a deduction for the following capital costs – but you can add them to the cost base of the land for capital gains tax purposes, reducing your capital gain if you sell the land:

- the cost of wind breaks of permanent materials (e.g. rocks, iron) that don't have a limited effective life and can be economically maintained for an indefinite period
- the initial costs of creating fire breaks.

### Other expenses

- ✔ **You can also claim** a deduction for:
  - personal protective items (e.g. goggles, gloves, fire trousers – but not conventional clothing)
  - ongoing fire break maintenance after the initial fire break is cleared
  - the cost of recharging fire extinguishers.

 **This is a general summary only.**  
For more information, visit [ato.gov.au/primaryproducers](https://ato.gov.au/primaryproducers) or speak to a registered tax professional.

