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Useful Tips - Your Property Declaration Form

Useful Tips – Property Declaration Form

From our thorough review of previous property declaration data declared by our Agencies, we identified several areas where information declared was not consistent or common mistakes were made.

We've developed this useful tip sheet to assist you in completing your Property Declaration Form.

Always Save a Copy of Your Work

1. It is recommended that **PDF copies** of all sections and forms **are retained by each Delegate and Coordinator prior to submitting** information for final approval.

2. When using the Download PDF button, Delegates will receive a PDF of the specific section of the form which they have completed.

The Download PDF button is available within every Section of every Declaration Form

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3. 'Download PDF' will generate the contents of the entire Declaration Form, including all the Sections within it, as a PDF document.

4. If you are attaching any file to your TMF Declaration, please keep a copy. This includes the Excel spreadsheets that have been generated from the Ventiv system.

Please note: the PDF document will only include data that was entered on-screen, noting that if you used on-screen grids to declare assets, vehicles, etc. that the PDF is limited to only printing 100 rows for each grid. If any Excel templates are used, or other documents attached, the user should also save a separate copy as these will not be displayed within the PDF.

Importance of valuing your business assets

When the unexpected happens, agencies rely on icare cover to make good their losses and allow them to start working again as soon as possible.

If the asset and business have been under-declared, even if unintentionally, TMF may lose full reimbursement from reinsurers, resulting in a negative financial impact to the State's balance sheet.

Property values should be declared on a full replacement basis. In the event of a claim, having a professional asset valuation can greatly simplify and streamline the claim process.

To help with this process, the NSW Government has developed and published 'Land and Asset Valuation Scheme': https://buy.nsw.gov.au/schemes/land-and-asset-valuation-scheme

Self-Assessment Often Leads to Undervaluation

Without a formal valuation, the likelihood is that asset values may be based on incorrect advice and false assumptions which can lead to two major problems:

- The value declared may be incorrect initially, and
- Incorrect values are then reviewed annually by staff who often fail to account for the real rise in the cost of reinstatement.

These reinstatement costs can include professional fees, changes to building codes, debris removal, site improvements, market changes and currency fluctuations, as well as lead times for DA approval, planning, rebuild period and policy life. Other common valuation approaches which are **not** best practice:

- Not updating values declared
- Simply adding a few percentage points to last year's figures
- Basing increases on real estate conditions or CPI
- Relying on advice from an in-house accountant or engineer
- Referring to market building guides
- Adopting a "book value" of your records
- Using financial valuation reports and deducting the land value
- Adopting the second-hand purchase price or acquisition price of an asset
- Overlooking or not considering the real costs of installation and commissioning.

It is recommended that valuations are undertaken regularly, best practices suggest every 3 years. We recognise it is a costly upfront expense, however in the event of a total loss, you can be confident that the reinstatement value will reflect the real cost and not leave your agency out of pocket.

What & How-to Declare in your Property Declaration

Below are some points to think about when declaring property assets.

- **How to Declare –** Choose either the **On-screen** option **or Excel Template.** Stick to the ONE option. Changing the way you declare mid-way can result in you losing any data that you have already updated. Refer to the Quick Reference Guides (QRGs) of How to Declare using Excel and How to Declare using On-Screen grid for technical guidance.

- **Excel Templates –** If you select Excel, please ensure that it is downloaded from this year's campaign. The system will not accept prior year versions or external Excels. If your Agency has declared assets last year, you will need to ensure that your Agency system allows Macros. If this is an issue, please get in contact with icare at declarations@icare.nsw.gov.au and we can assist you in this process where required.

- **Property Assets –** includes not only buildings but also contents (fixture, fittings, office equipment, stock, employee laptops, etc.). At a leased premises we would expect that there are only contents declared and no figure on the building value as the property owner is responsible for insuring the building. Check your lease agreement, if it requires your agency to insure the building, then a building value should be declared.

- **Assets for which your Agency is responsible for –** there are times when your agency is responsible for insuring assets. This could occur from a joint venture agreement, a lease arrangement, or where your agency has a third party's asset in your care. It is important to declare these assets as if they are "owned" by your agency for the full replacement value.

- **Intangible Assets –** if there is software that has been specifically designed or tailored for the needs of your agency and, if damaged due to an event, your agency would incur expenses in replacing the software, we recommend you declare this in the property contents section.

  Intangible assets such as patents, copyright, franchises, goodwill, trademarks, and trade names are intellectual property that do not need to be declared.

- **Sites –** Whether you are declaring on-screen or in the Excel template, each row refers to a **single site.** A site can be generally defined within the declaration as:
  » A building or group of buildings that occupy a designated street address; or
  » A campus of buildings spread across an extended address. (e.g. a group of office towers, a hospital campus, a school campus, or TAFE campus); or
  » A single location with a common fenced boundary. (E.g. a jail or sporting complex/stadium); or
  » An area of land containing buildings and infrastructure that is recognised as having a designated boundary. (E.g. A national park or other parklands or lands under management).

- **Agency Asset ID –** use this field to enter the unique ID that your agency uses to identify this asset and/or whether it is a leased or own site for your own record. You can also use this to filter the assets to avoid adding duplicates.

- **Miscellaneous Contents –** there are certain types of property assets that may be deemed bespoke or miscellaneous. These can include, but is not limited to, e-bikes, livestock, horses, dogs, etc.
  To ensure these are captured, please declare these types of miscellaneous assets in the Asset Register.
  Important: Do not declare individual miscellaneous assets of the same type per row. (E.g. if you have 6 e-bikes do not add 6 rows. Add only 1 row with the combined details and value).
  Example – To declare a collection of e-bikes:
  • In the Agency Asset ID column, type 'e- bikes'
  • Add a street address of where the e-bikes are (predominantly) stored and a postcode
  • Occupancy and construction as 'Unknown'
  • Recent property valuation – enter the default date of 01/01/1900
  • Year built – enter the default year of 1900
  • Add the total value of the e-bikes under "Contents $"
  • If you cannot use the e-bikes, will it impact on the Agency's operations, including hiring replacement e-bikes? If so, you will need to add a value to the Consequential Loss column.
  • Enter zero (0) for any other monetary field that is not relevant E.g. Building value and building related questions.

- **Replacement Values –** you should consider the estimation of the cost to reinstate the property based on a total loss scenario, requiring the building to be re-built to the current National Construction Code Australia and/or legislative requirements. This will include the cost of demolition, excavation and removal of debris of the existing damaged building, professional fees (architects, planners, consultants etc.), and other related expenses.
  Example – A building is declared with a value of $30m, however when compared against the total cost to re-build the building to the current National Construction Code , it will cost $60m. In this scenario, you should be declaring $60m against your asset.

- **Consequential Loss –** What is it? Financial losses you may suffer that are caused by damage to your property assets. You can also refer to the QRG, ***A Guide to Declare Consequential Loss*** to develop a better understanding.
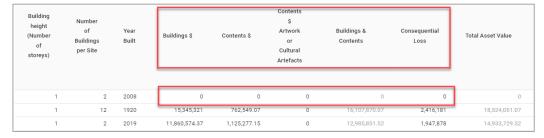
- **'Forecast' Status –** Only use this status for the property assets that are **currently under construction/ renovation** which are due to come into your Agency's ownership **within** the declared Financial Year.

- **Review Your Data –** This includes reviewing any prior year data that the system has automatically retrieved. This is to ensure that you **update** any details required, including the **latest valuation date, building and content values**, whilst not creating duplicate records.

  Example – All 'Forecast' assets will be automatically updated to 'Active' in the next FY's declarations, however they will have a default valuation date of 01/01/1900. E.g. Building A was declared under the 'Forecast' status in last year's Declaration; it now shows as "Active" for the current Declaration. If this asset has recently undergone a valuation, the default valuation date should be updated, and asset values also updated accordingly.

- **'Inactive' Status** – use this status for assets transferred, sold or no longer in your Agency's care, custody and control.

#	Record ID	Status	Agency Asset ID	Level / Floor	Street Number and Street Name	Suburb / Town	Post Code
	36663166	Inactive	Owned	Unknown	Mcrae & Mckenzie S…	Merriwa	2329
	36663170	Active	Owned	Unknown	Nowland & Tebbutt …	Quirindi	2343
	36663174	Active	Owned - Tomaree H…	Unknown	Trevally Street	Nelson Bay	2315

The Status in these situations, should be updated to *Inactive* and please ensure you manually override the values and enter **zero (0)** under the columns of, **Building \$, Contents \$, Contents Artwork \$** and **Consequential Loss \$.**

Building height (Number of storeys)	Number of Buildings per Site	Year Built	Buildings \$	Contents \$	Contents \$ Artwork or Cultural Artefacts	Buildings & Contents	Consequential Loss	Total Asset Value
1	2	2008	0	0	0	0	0	0
1	12	1920	15,345,321	762,549.07	0	16,107,870.07	2,416,181	18,524,051.07
1	2	2019	11,860,574.37	1,125,277.15	0	12,985,851.52	1,947,878	14,933,729.52

- **Acknowledgement –** Before a user can 'Complete Section' for the Asset Register, Watercraft and Aircraft Sections, the user must tick an acknowledgement box that they have reviewed the Inactive asset/s, watercraft/s and aircraft/s. i.e. Ensuring that all Inactive asset values have been manually updated to zero* values for all applicable fields.

  Any Inactive asset where the values have not been updated to zero, will automatically calculate towards the Agency's Total Asset Value.
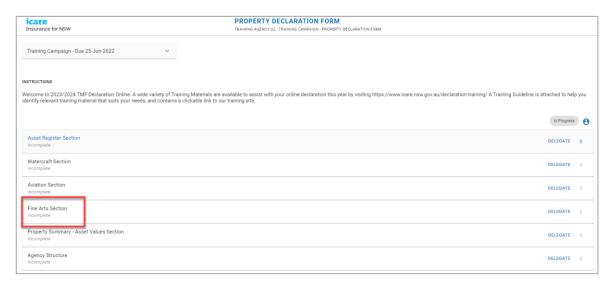
- **Asset Register Section – Variance fields –** introduced in the FY2024-25 campaign, the system calculates the variances for the total Buildings, total Contents, total Consequential Loss and total Contents Artwork or Cultural Artefacts in comparison to the previous year's total value for these each of these fields.

  o If a variance of -/+15% is detected for your Agency, a commentary field will populate where you are required to provide details of changes to the values. Please provide as much detail as possible about the variance to assist our understanding of the key reasons for exposure movements.
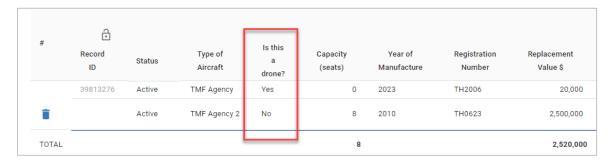
- **Contents - Artwork or Cultural Artefacts** vs. **Fine Arts:**
  - **Contents - Artwork or Cultural Artefacts –** Declare any artworks or cultural artefacts as collections owned by your agency at any one site in this field. Do not include this value in your 'Contents' which is intended to be for general items where replacement following loss is possible.

Buildings $	Contents $	Contents $ Artwork or Cultural Artefacts	Buildings & Contents	Consequential Loss	Total Asset Value
0	0	135,673,695	135,673,695	0	135,673,695

  - **Fine Arts [Section]** – only use this section of the form to declare Artworks / collections owned by your Agency worth over $10m at any one site. You are required to provide a list of [up to] the top 50 (this is the only Section that will accept a non-system-generated Excel i.e. you can use any Excel from your own computer for example].

- **Watercraft and Aviation Sections –** Declare all watercraft and aircraft that are **owned** by your Agency **or in the care, custody and control** of your Agency.
  - Any lease / contractual agreements should be reviewed to understand your insurance obligations for all short and long-term hire agreements.
  - Introduced in the 2024-25 Declaration Campaign, an additional aviation question you will now need to confirm whether or not, the Aircraft you are declaring is a drone.

#	Record ID	Status	Type of Aircraft	Is this a drone?	Capacity (seats)	Year of Manufacture	Registration Number	Replacement Value $
	39813276	Active	TMF Agency	Yes	0	2023	TH2006	20,000
🗑		Active	TMF Agency 2	No	8	2010	TH0623	2,500,000
TOTAL					8			2,520,000

- **Property Summary Section – this section will populate the total value of the other sections:**
  - Total Asset Value (TAV = Asset Register + Watercraft + Aircraft)
  - Asset Register
  - Watercraft
  - Aircraft

  Please ensure that the current year total values match what was declared in each section.

  A variation (%) compared to the previous year's total for each of the above is calculated. You are required to provide details irrespective of the variation %. Please provide clear details to assist our understanding of the key reasons for any exposure movement,

- **The last 4 columns (Number of staff, Total salary, Working hours at site and Number of employees on any one shift –** Only complete these fields if they are key CBD sites. The system will ensure these fields are mandatory for certain postcodes hardcoded into the system. We ask that the Agency provide reliable approximate figures for these fields to the best of their knowledge.

What & How NOT to declare in your Property Declaration

Below are some points on what NOT to do in your Property Declaration Form. Please:

- If you choose to use the downloaded Excel Template, do not attempt to decode it or disable macros.
- **Do not declare each building** that share the same address or campus per row
- **Do not declare individual contents** per row
- **Do not under-declare** assets using depreciated or book values against your asset

  Example – Your Agency declares Building A at $30m, however when the building suffered a total loss scenario, the cost to rebuild the building against the National Construction Code Australia, is estimated at $60m. Your Agency should have declared Building A at $60m.

- **Do not include 'enhancements or improvement' costs**. This should not be included when determining the Replacement Value. Coverage is available on a "new for old" replacement basis, but not on enhancements or improvements.

  Example – If a single storey building was damaged by fire and resulted in a total loss, the additional cost to meet an Agency requirement for a two level rebuild is not covered by TMF.

- Do not create **duplicate records**. The system will automatically keep the most recent record and make these available for your next declaration to update and amend where required.
- **Do not delete records** – each asset has a unique identifier record number. Instead, use the **Inactive** status and ensuring the values are manually overridden with zero (0) values for that Inactive asset.

If you require further assistance with this, please contact your icare Client Engagement Manager or email declarations@icare.nsw.gov.au.