

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

MLMMSF

ML64QW:

Can you please advise what arrangements you have provided to **defer** the payment of rent for tenancies for **assets owned** by your fund as a result of keeping SMEs operational during the COVID-19 pandemic? And to what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer:

MyLifeMyMoney Superannuation Fund does not own any assets directly. Instead, it invests via managed funds through various managers. These managers are directly dealing with any leasing negotiations, including rental concessions, relating to COVID-19.

It is our understanding that the externally managed property managers:

- are supporting SME tenants by implementing immediate processes and engaging in good faith discussions on solutions designed to support the future sustainability of the tenant businesses
- will comply with the National Cabinet Mandatory Code of Conduct for SME commercial leasing principles during COVID-19
- are directly dealing with SME tenants impacted by the COVID-19 pandemic in negotiating amendments to existing leasing arrangements in anticipation of the legislation of this Code by the various States and Territories

At this stage, it is too early for the property managers to determine the full revenue impact as the potential impacts on tenants are developing on a daily basis. It is expected that reduced revenue for rent will be more costly in the retail sector.

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ML65QW:

Can you please advise what arrangements you have provided to **defer** the payment of rent for tenancies for **assets controlled** by your fund as a result of keeping SMEs operational during the COVID-19 pandemic? And to what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer:

MyLifeMyMoney Superannuation Fund does not control any assets. Instead, it invests via managed funds through various managers. These managers are directly dealing with any leasing negotiations, including rental concessions and the deferral of rent, relating to COVID-19.

It is our understanding that the externally managed property managers:

- are supporting SME tenants by implementing immediate processes and engaging in good faith discussions on solutions designed to support the future sustainability of the tenant businesses
- will comply with the National Cabinet Mandatory Code of Conduct for SME commercial leasing principles during COVID-19
- are directly dealing with SME tenants impacted by the COVID-19 pandemic in negotiating amendments to existing leasing arrangements in anticipation of the legislation of this Code by the various States and Territories

At this stage, it is too early for the property managers to determine the full revenue impact as the potential impacts on tenants are developing on a daily basis. It is expected that reduced revenue for rent will be more costly in the retail sector.

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ML66QW:

Can you please advise what arrangements you have provided to **adjust** the payment of rent for tenancies for **assets owned** by your fund as a result of keeping SMEs operational during the COVID-19 pandemic? And to what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer:

MyLifeMyMoney Superannuation Fund does not own any assets directly. Instead, it invests via managed funds through various managers. These managers are directly dealing with any leasing negotiations, including rental concessions and adjustments, relating to COVID-19.

It is our understanding that the externally managed Property managers:

- are supporting SME tenants by implementing immediate processes and engaging in good faith discussions on solutions designed to support the future sustainability of the tenant businesses
- will comply with the National Cabinet Mandatory Code of Conduct for SME commercial leasing principles during COVID-19
- are directly dealing with SME tenants impacted by the COVID-19 pandemic in negotiating amendments to existing leasing arrangements in anticipation of the legislation of this Code by the various States and Territories

At this stage, it is too early for the property managers to determine the full revenue impact as the potential impacts on tenants are developing on a daily basis. It is expected that reduced revenue for rent will be more costly in the retail sector.

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ML67QW:

Can you please advise what arrangements you have provided to **adjust** the payment of rent for tenancies for **assets controlled** by your fund as a result of keeping SMEs operational during the COVID-19 pandemic? And to what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer:

MyLifeMyMoney Superannuation Fund does not control any assets. Instead, it invests via managed funds through various managers. These managers are directly dealing with any leasing negotiations, including rental concessions and adjustments, relating to COVID-19.

It is our understanding that the externally managed property managers:

- are supporting SME tenants by implementing immediate processes and engaging in good faith discussions on solutions designed to support the future sustainability of the tenant businesses
- will comply with the National Cabinet Mandatory Code of Conduct for SME commercial leasing principles during COVID-19
- are directly dealing with SME tenants impacted by the COVID-19 pandemic in negotiating amendments to existing leasing arrangements in anticipation of the legislation of this Code by the various States and Territories

At this stage, it is too early for the property managers to determine the full revenue impact as the potential impacts on tenants are developing on a daily basis. It is expected that reduced revenue for rent will be more costly in the retail sector.

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ML68QW:

On 1 January 2020 what was your percentage share and nominal value of your listed and unlisted assets?

Answer:

Nominal value of unlisted	3,017,958,159.00	29%
Nominal value of listed	7,305,489,156.00	71%

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ML69QW:

On 1 January 2020 did your fund have liquidity issues resulting from honouring obligations to members?

Answer:

As at 1 January 2020, MyLifeMyMoney Superannuation Fund had no issues with respect to liquidity and the resulting obligations to honour all member benefits and payments.

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ML72QW:

Have you had any liquidity issues in honouring your obligations to members as a result of the:

- a. recent decline in the share market?
- b. permission by the Federal government to allow members to remove up to \$10,000 per financial year if they lose their job?

Answer:

- a. MyLifeMyMoney Superannuation Fund has had no issues in honouring the obligations to members and all pension payments, member benefit payments, switches and rollovers.
- b. MyLifeMyMoney Superannuation Fund has analysed its members that may be financially affected by COVID-19 and what their aggregate expected requirements would be to access some of their superannuation early. Based on this analysis, MyLifeMyMoney Superannuation Fund has prepared the liquidity of the Fund in anticipation of these payments. At the time of responding we are in the midst of processing the first tranche of early release payments and MyLifeMyMoney Superannuation Fund has had no liquidity issues in honouring these requests.

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ML73QW:

What has been the current reduction of the value of your fund, and the unlisted and listed components since 1 January 2020?

Answer:

	1-Jan-20	24-Apr-20	Reduction \$	Reduction %
Total FUM	\$ 10,323,447,315.00	\$ 9,446,843,593.00	\$ 876,603,722.00	8.49%
Unlisted	\$ 3,017,958,159.00	\$ 2,668,515,073.00	\$349,443,086.00	11.58%
Listed	\$ 7,305,489,156.00	\$ 6,778,328,520.00	\$ 527,160,636.00	7.22%

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ML74QW

How many members have **requested the early release** of their superannuation since 12 March 2020, and to what value?

Please also provide monthly updates on the first of the month for the remainder of 2020 to the secretariat.

Answer:

There are many types of early release benefits that can be paid from a superannuation fund if a member meets the relevant eligibility criteria. These include:

- COVID-19 early release of superannuation
- Access on compassionate grounds
- Access due to severe financial hardship
- Access due to a terminal medical condition
- Access due to temporary incapacity
- Access due to permanent incapacity
- Superannuation less than \$200
- First home super saver scheme

For the purposes of this response, MyLifeMyMoney Superannuation Fund has focussed on information about the COVID-19 early release of superannuation.

COVID-19 Early release payment instructions started to be received from the ATO in the week commencing 20 April 2020 and up to 26 April 2020, MyLifeMyMoney Superannuation Fund had received 759 applications with a total amount requested of \$6,220,905.23.

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ML75QW

How many members have **had approved the early release** of their superannuation since 12 March 2020, and to what value?

Please also provide monthly updates on the first of the month for the remainder of 2020 to the secretariat.

Answer:

There are many types of early release benefits that can be paid from a superannuation fund if a member meets the relevant eligibility criteria. These include:

- COVID-19 early release of superannuation
- Access on compassionate grounds
- Access due to severe financial hardship
- Access due to a terminal medical condition
- Access due to temporary incapacity
- Access due to permanent incapacity
- Superannuation less than \$200
- First home super saver scheme

For the purposes of this response, MyLifeMyMoney Superannuation Fund has focussed on information about the COVID-19 early release of superannuation.

COVID-19 Early release payment instructions started to be received from the ATO in the week commencing 20 April 2020 and up to 26 April 2020, MyLifeMyMoney Superannuation Fund had not yet approved any payments. As requested we will continue to provide the Secretariat monthly updates on the 1st of each month.

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ML76QW

If some members have required the early release of their superannuation since 12 March 2020 and not been approved, please provide details of the grounds on which they have not been approved.

Answer:

There are many types of early release benefits that can be paid from a superannuation fund if a member meets the relevant eligibility criteria. These include:

- COVID-19 early release of superannuation
- Access on compassionate grounds
- Access due to severe financial hardship
- Access due to a terminal medical condition
- Access due to temporary incapacity
- Access due to permanent incapacity
- Superannuation less than \$200
- First home super saver scheme

For the purposes of this response, MyLifeMyMoney Superannuation Fund has focussed on information about the COVID-19 early release of superannuation.

Based on COVID-19 early release applications and the processing of data recently prepared and provided to APRA for the period 20 April 2020 to 26 April 2020, there are no requests where the Fund has denied a payment. Many payments have been approved and the others in the process of approving.

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ML77QW:

Liquidity management:

- a. What is your fund's process for complying with APRA's prudential framework which requires trustees to have a liquidity management plan?
- b. How is the plan being reported to the trustee directors?
- c. Who is responsible for the day-to-day liquidity management for the fund?

Answer:

- a. The Trustee's Liquidity Management Plan consists of fund specific and systemic key liquidity risk indicators which are quantitatively and qualitatively assessed on a monthly basis. The Liquidity Management Plan is reviewed every two years by the Investment Committee and approved by the Board.
- b. The key liquidity indicator score is reported to the Risk Committee as a KRI at their quarterly meetings. In addition to this, there is weekly reporting to the Chairpersons of the Investment Committee and Risk Committee on liquidity, net cash flow and switching activity.
- c. The Investment Team.