

20th August 2002



Ms. Sue Morton,
Secretary
The Senate Select Committee on Superannuation
Parliament House
CANBERRA ACT 2600

SUNsuper

Sunsuper Pty Ltd
ABN 88 010 720 840
Licensed Securities Dealer
30 Little Cribb Street Milton Qld 4064
PO Box 1896 Milton Qld 4064
Telephone 07 3016 7782
Facsimile 07 3016 7786

Richard Cooper
Manager, Corporate Business

Dear Sir / Madam,

I refer to recent discussions between Senator John Watson and members of our Board in regard to commissions paid to intermediaries on superannuation and to the direct effect these have on the level of fees charged on superannuation products.

Similarly, the level of fees charged has a direct effect on the value of the member's emerging retirement benefit. The compounding effect of fees on benefits over time can be considerable.

The basis of fees applicable to particular superannuation products varies significantly between products and often reflects the basis of distribution of the particular product, eg. the use of commission based intermediaries.

Administration fees, as distinct from investment management fees, can include contribution-based fees, dollar based membership fees, eg. \$1.00 per week for example, and asset-based fees, usually expressed as a % of the member's account per annum. Over time, with the growth of a member's account, the asset-based fee will have the greatest impact on the member's retirement benefit.

As discussed with Senator Watson, we have built a spreadsheet to graphically illustrate the effect of fees and in particular asset-based fees on retirement benefits. Copies of two graphs reflecting different membership scenarios are attached. We are pleased to provide (by e-mail) a copy of the file containing this spreadsheet for the Committee. Our Actuary, Mr Ralph Collins, will be pleased to assist in explaining the use of the spreadsheet and of the illustrations it provides. He can be contacted on 07 3016 7793.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Richard Cooper".

Richard Cooper
Manager, Corporate Business

Annual cont'n
 Opening balance
 Weekly fee \$
 Investment fee
 Adm asset fee

52

Interest
 Fee inflation
 Increase cont
 Cont'n tax

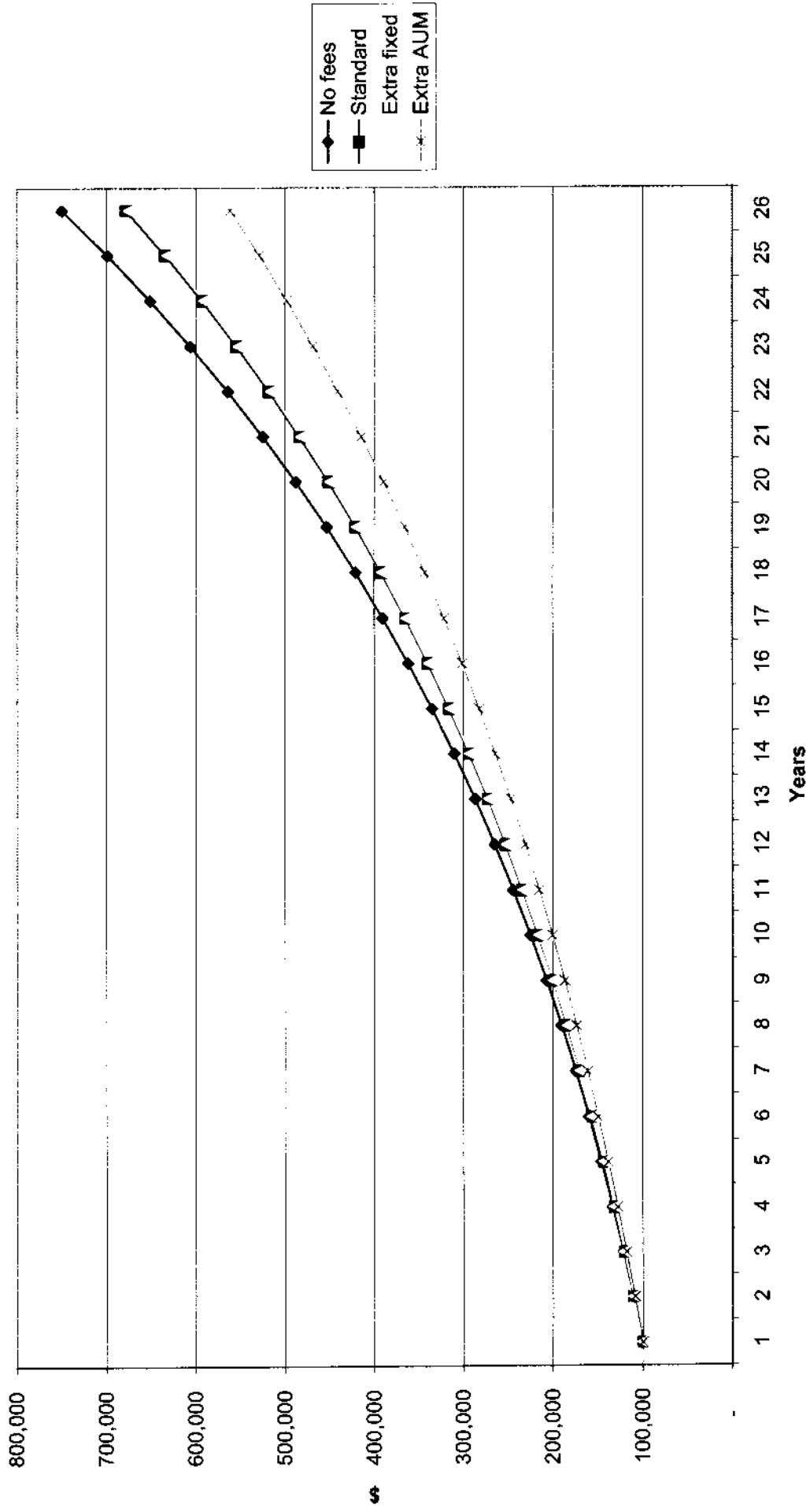
1 for in advance, 2 for ever
 dollars per week

Freq'y of conts
 Extra weekly
 Extra AUM

Acct bal
 Cont
 Fees
 Net cont
 Net Int
 No fees
 Standard
 Extra fixed
 Extra AUM

	Acct bal	Cont	Fees	Net cont	Net Int	No fees	Standard	Extra fixed	Extra AUM
0	100,000	5,000	52.00	4,206	5,616	100,000	100,000	100,000	100,000
1	109,821	5,150	53.56	4,332	6,159	110,378	109,821	109,776	108,800
2	120,313	5,305	55.17	4,462	6,740	121,509	120,313	120,218	118,126
3	131,515	5,464	56.82	4,596	7,360	133,444	131,515	131,366	128,004
4	143,470	5,628	58.53	4,734	8,021	146,234	143,470	143,264	138,463
5	156,225	5,796	60.28	4,876	8,726	159,935	156,225	155,956	149,534
6	169,827	5,970	62.09	5,022	9,479	174,605	169,827	169,491	161,249
7	184,327	6,149	63.95	5,173	10,280	190,309	184,327	183,919	173,640
8	199,780	6,334	65.87	5,328	11,134	207,111	199,780	199,294	186,743
9	216,242	6,524	67.85	5,488	12,044	225,083	216,242	215,671	200,594
10	233,774	6,720	69.88	5,652	13,013	244,299	233,774	233,113	215,231
11	252,440	6,921	71.98	5,822	14,044	264,840	252,440	251,680	230,696
12	272,306	7,129	74.14	5,996	15,142	286,790	272,306	271,442	247,030
13	293,444	7,343	76.36	6,176	16,309	310,239	293,444	292,468	264,278
14	315,929	7,563	78.65	6,362	17,551	335,282	315,929	314,833	282,486
15	339,842	7,790	81.01	6,552	18,872	362,020	339,842	338,617	301,703
16	365,266	8,024	83.44	6,749	20,275	390,561	365,266	363,903	321,979
17	392,291	8,264	85.95	6,952	21,767	421,020	392,291	390,779	343,369
18	421,009	8,512	88.53	7,160	23,352	453,516	421,009	419,340	365,929
19	451,522	8,768	91.18	7,375	25,037	488,180	451,522	449,683	389,717
20	483,933	9,031	93.92	7,596	26,825	525,146	483,933	481,914	414,795
21	518,354	9,301	96.74	7,824	28,725	564,561	518,354	516,142	441,228
22	554,903	9,581	99.64	8,059	30,741	606,578	554,903	552,484	469,083
23	593,703	9,868	102.63	8,301	32,882	651,361	593,703	591,064	498,432
24	634,886	10,164	105.71	8,550	35,154	699,082	634,886	632,012	529,349
25	678,589	10,469	108.88	8,805	37,565	749,925	678,589	675,465	561,911

Effect of fees - accumulation over 25 years



Effect of fees - accumulation over 40 years

