

9 May 2013

Senator Concetta Fierravanti-Wells,
PO Box 886
Wollongong NSW 2520

Dear Senator Fierravanti-Wells

Further to our meeting held on Wednesday 8th May 2013, as requested, please find enclosed the following:

1. Response on questions re Submission number 2 – Kalyna Care.

Our view of the submission is that RAD's will be included in the new Means Test, we agree with this.

2. We also enclose further evidence in the form of a financial model that can be adjusted to reflect different scenarios in relation to potential changes in bond cash flows.

Our submission reflected a 60% bond outflow.

This model can be adjusted to reflect the impact on any bed configuration that has accommodation bonds.

3. We have reviewed the Hansard Transcript and are happy with this.

Please note we have copied all Senators for the sake of expediency.

Yours sincerely

Róss Johnston
Chief Executive Officer
Regis Aged Care Pty Ltd

For and on behalf of the Aged Care Guild

CC: *Senators Boyce, Fierravanti-Wells, Furner, Moore, Siewert, Smith*
Guild Care Guild members

Enclosed: Accommodation Bond Model

Simple Capital Structure Model

Potential Impact of Reforms on Bond Cashflows / Debt Covenants

- * Input data / assumptions into **BLUE** cells in column B of "Inputs & Model" sheet only.
- * Do not amend any other cells.
- * Current inputs have been set to match inputs and assumptions used in Guild submission.
- * Model focused on a specific single facility scenario however, an operator's actual net debt position can be used by adjusting "cost per bed" in B:14 to derive correct starting net debt.

