

5 October 2007

Dear ParaQuad Member,

ParaQuad NSW & SCI Australia: “Joining Together” Update #2

Members will recall in August ParaQuad and Spinal Cord Injuries Australia (“SCIA”) wrote to advise members of a potential merger between the two organisations. A joint steering committee was established, consisting of the ParaQuad and SCIA Chairs, Chief Executive Officers and Chief Financial Officers. This group has continued to meet on a weekly basis to progress the proposed merger in anticipation of the respective AGMs in November 2007. Significant progress has been achieved, and we felt it an opportune time to provide members with an update on progress and some key dates in the process.

1. Background

The reasons that the two organisations are proposing to merge is based around a strong view that this will lead to a better all round organisation, in particular:

- + Economies of scale which should release resources to support the provision of services which are already stretched;
- + To expand the service offering to members of both organisations (e.g. accommodation, information, peer support and advocacy);
- + Financial benefits – a larger, more influential point of contact for Government and private sector sources of funding;
- + To consolidate shared but currently separate efforts in relation to prevention, research and care activities and initiatives and,
- + To build on the commonality of membership needs between the two organisations.

2. Merger process

An information memorandum (“IM”) will be forwarded to members of both organisations along with the usual notice of meeting for the 2007 AGM. Members should expect to receive this correspondence in early November 2007. The IM will cover issues including:

2.1 Governance

Subject to member approval, an interim Board will be formed including Directors from the current SCIA and ParaQuad Boards.

2.2 Branding

To reflect the coming together of two entities into a new organisation, a new brand will be adopted. A number of member focus groups have been conducted already and the input from these groups is being carefully considered by the steering committee in determining a new brand, which will be presented to members in the IM.

2.3 Staffing and services

Both organisations are committed to the new entity continuing to provide existing services to members, and indeed extending these over time in response to member needs. It is the intent of the merger process to utilise any efficiency gains achieved to increase services to members .

A larger organisation will provide greater scope to attract and retain employees, with wider opportunities available within the organisation. It will also provide a stronger financial base to explore new service offerings to members.

2.4 Financial position

An independent due diligence report is being prepared for the Boards of both ParaQuad and SCIA. Members will be provided with financial information and analysis in the IM regarding the individual and combined financial position of the two organisations.

At the AGMs of the respective entities, members will be given the opportunity to ask further questions, before considering whether they vote in support of the proposed merger.

The Boards of SCIA and ParaQuad have been working over the past few months to ensure the merger is in the best interests of members of both organisations. We look forward to sharing a more detailed information memorandum with you in early November and discussing the matter further at the AGM.

Updates on the progress of the merger will be posted on both ParaQuad and SCIA websites at www.scia.org.au and www.paraquad.org.au.

For all enquiries on this matter, please call or email:

ParaQuad: Max Bosotti, CEO, on 8741 5671 or max.bosotti@paraquad.org.au

SCI Australia: Greg Bergan, CEO, 9661 8855 or gbergan@scia.org.au

Yours faithfully,



Wendy A. Potter
Chairman
ParaQuad NSW



David Brawn
Chairman
SCIA