

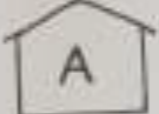
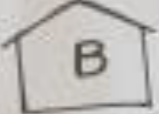
AFFORDABLE RATES

NOT RATED OUT OF YOUR HOME BY THE VALUER OR ACTIONS OF OTHERS

- This model can work for all types of properties from residential - business - farming.
- Retention of property gives the owner surity of future rate costs.
- Owners may complain that this system may reduce the demand for this property as its rates will be higher than 'A' for example.
- The previous statement is not true as on point of sale be it A or B or a brand new built residence they all have their rates beginning at the now current CIV.
- Older long term owners can no longer have their rates rise well beyond their capacity to pay.
- This system easy to manage via electronic logging and calculations. All sales in shire already must be lodged with shire via agents and valuers. Changes of ownship is already collated

Only Needs State Government To Rubler S

Two Identical houses, same Age next door

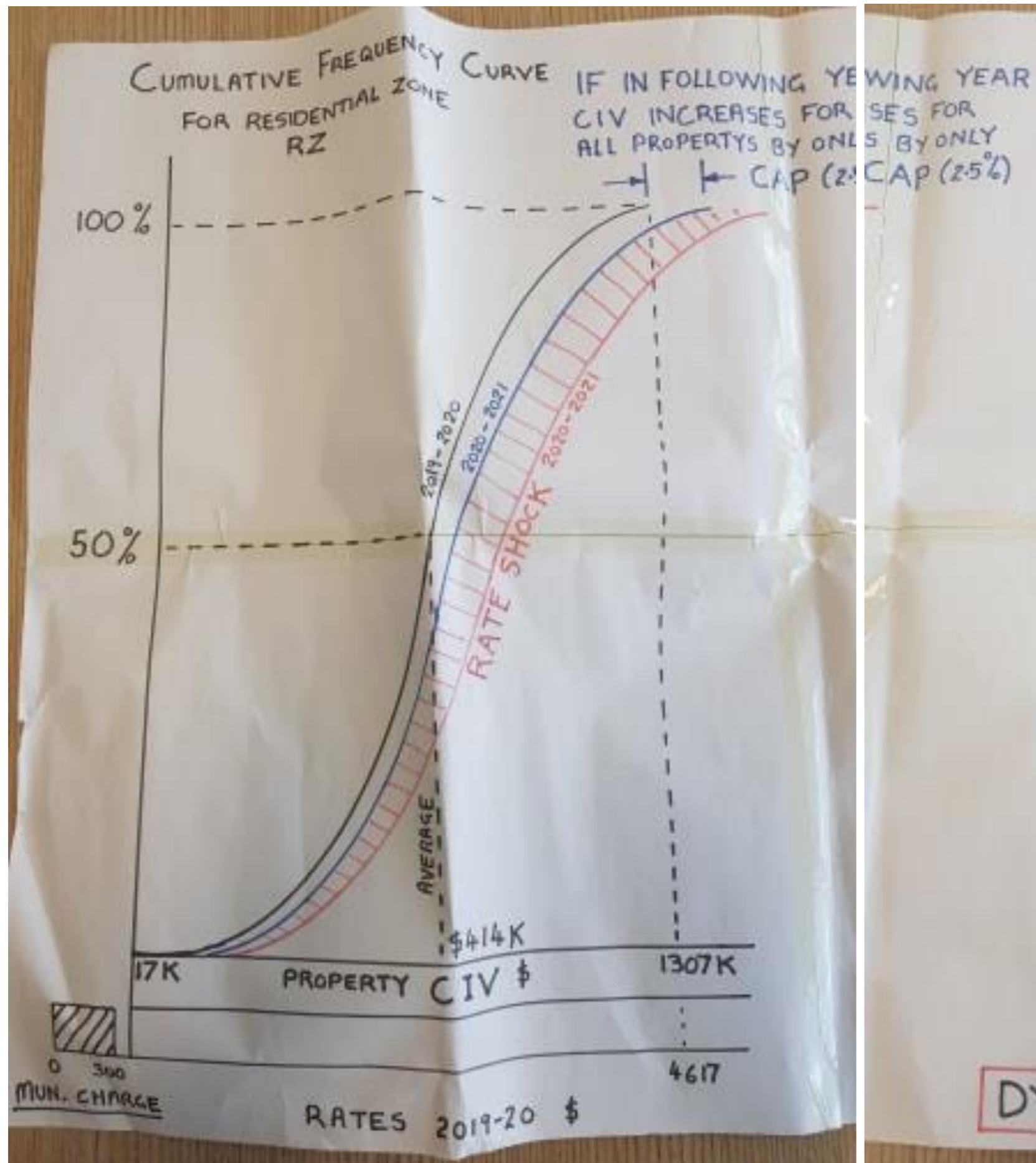
| | | | | |
|---------|---|--------|---|---------------|
| |  A | |  B | |
| | CIV(A) | EQUALS | CIV(B) | RATES SAME |
| Year 1 | | | | |
| Year 2 | SAME OWNER RATE RISE BY CPI | | NEW OWNER 1 NEW CIV | RATED TO SUIT |
| " | | | | |
| Year 10 | SAME OWNER RATE RISES ANNUALLY by CPI | | RATE RISES ANNUALLY by CPI | |
| Year 11 | SAME OWNER DITTO | | NEW OWNER 2 NEW CIV | RATED TO SUIT |

AND ON IT GOES!

House A gets a loyalty Bonus because they stay put and has a long term commitment to community. The rates are affordable with small rises

House B could be considered a Yuppy house with its value increasing with sales. Its CIV is updated at each sale and rated more highly.

Stamp This System



RATE SHOCK OCCURS DUE TO VALUATION SPIKES IN MAINLY GROWTH AREAS.

WITH ANNUAL VALUATIONS THIS CAN BE UNRELENTING AND SHIFTS THE RATE BURDEN. IN GPS, THIS IS THE RESIDENTIAL ZONES.

- :- METRO SHIRES ARE MORE HOMOGENEOUS IN VALUATIONS RISES. NOT SO IN THE RURAL SHIRES

SOLUTION

- :- RURAL SHIRES NEED TO BE ABLE TO CONTROL RATE SHOCK BY LIMITING ALL RATE INCREASES BY THE ESSC, CAP OR TO DETERMINE THE MAXIMUM % ANY RATE CAN RISE IN ANY ZONE
- :- WE COULD USE 1.5 TIMES CAP.
- :- TO ENSURE WE STILL RAISE THE REQUIRED RATES FROM EACH ZONE WE WOULD ADJUST THE ZONE DIFFERENTIAL ANUALLY
- :- WE ARE TREATING ALL PROPERTYS IN THE SAME CIV RANGE EQUALLY TO SMOOTH EFFECTS
- :- WE COULD ALSO TARGET JUST WORST AFFECTED CIV CASES

DYNAMIC EQUALIZATION