

## APPENDIX 2

### FAIR RATES FOR CARE MODEL – 2 + 5 YEAR MODEL

1. First two years bringing the base rate up by 10%, the middle rate by 4.5% and the top rate by 2%. This will achieve equalisation in two years.
2. Increase rates across the board by 6% until the fair rate is met.

	current/proposed rates		
<b>2003/04</b>	256	295	338
<b>2004/05</b>	282	309	345
<b>2005/06</b>	310	324	352
<b>2006/07</b>	329	343	373
<b>2007/08</b>	349	364	395
<b>2008/09</b>	370	386	419
<b>2009/10</b>	392	409	444
<b>2010/11</b>	416	434	471

aspirational fair price rates		
350	367	393
361	378	405
372	389	417
383	401	430
394	413	443
406	425	456
418	438	470

% of rates		
73%	80%	86%
81%	84%	88%
86%	86%	87%
88%	88%	89%
91%	91%	92%
94%	93%	95%
97%	96%	97%
100%	99%	100%

#### **Assumptions:**

*Aspirational rates are inflated by 3% per year to maintain cost base*