

should be reporting that variable-rate borrowers have had to hand back one-10th of the unforeseen bonus they received from the global financial crisis last year and are still 90 per cent in front.

If normal cash rates are set at 5.5 per cent, to which I have long predicted they would return by June, then this is the only credible interpretation.

Moreover, the rate rise reflects positive assessment of our destiny, and is already boosting confidence around the world. That's the underlying story.

Only three months ago, in *The Age's* economic survey, 20 of 22 economists would not predict any rate rise this year. We often complain that economists aren't listened to. If their reading of the global financial crisis' impact on Australia is any guide, perhaps that's a good thing.

**Neville Norman, Brighton**

## Too fast, too soon

JUST as we are getting on our feet, Mr "Glum" Stevens pulls the rug out from under us.

We have one of the highest interest rates in the G20 economies, even before the rise. Inflation is below the Reserve Bank's guidelines (funny how we don't hear much about that now). Our dollar is too strong and, obviously, will get stronger now. No other country is putting up its rates (another excuse they used to use to raise ours).

Unemployment is still rising and a huge percentage of workers are working fewer hours to keep their jobs. The banks will continue to make huge profits regardless. Housing is strong only in Victoria. Some other states are not faring well and this won't help. The effect of the reduction in the first home owners grant has not had time to be felt either.

Just as Mr Stevens raised interest rates too far and for too long in the last cycle, he's moving too fast and too soon in this one.

**Steven Wintle, North Brighton**

## Spreading the staff

SHARMAN Pretty (Letters, 5/10), you say potato, we say potato. We may not speak corporate lingo - fired versus "distributed". However, as far as we are aware our music facilities office, located at VCA Southbank, is being closed or compromised and we will not have a full-time technician on staff at Southbank.

The impact will be a diminished ability to rehearse, including after hours, limited access to vital equipment at Southbank and no one to call upon to solve technical issues as they arise.

If the students had been consulted, we could have explained how we rely on this office to complete our study. How is one part-time staff member, spread between Parkville and Southbank, going to replace 1½ full-time staff at Southbank?

Governments must help us preserve the integrity of our course, whose reputation lies in the track record of excellent alumni.

**Danielle Ashcroft and Daniel Arnott, North Balwyn**

## Questions to ponder

IT IS amusing that the Department of Sustainability and Environment feels that the original design of the desalination plant is similar to a question mark (*The Age*, 7/10). This Freudian slip is appropriate as the actual construction is so