

Further rate rises are on the cards

Heading in the right direction

By SHANE WRIGHT

WHILE Queensland's industry is tipped to continue growing in the coming months, an economic forecaster has warned the Federal Government's tax cuts could provoke the Reserve Bank into more interest rate rises and, in the process, hit the NSW economy for six.

Access Economics, in its latest business outlook report, said growth in the Australian economy was accelerating, but inflation might be on the rise.

It said the \$36 billion in personal income tax cuts, which started with the new financial year, were creating a dangerous tug-of-war between the Reserve Bank and the Federal Government.

"The tax cuts are huge and they will power up the economy. But they may not be so smart," it said.

"In fact, we think a tug-of-war between tax cuts and interest rates is downright dumb - not merely unnecessary, but potentially risky for housing prices and the account deficit ... A further

rate rise isn't a done deal, but it looks more and more likely," the report said.

Expectations of a rate rise when the Reserve Bank board meets next month are high, in the light of strong employment growth, a return of life to the property market and high petrol prices pushing up inflation.

Access said if oil pressures eased, it should bring headline inflation down.

However, underlying inflation is likely to climb on the back of strong demand.

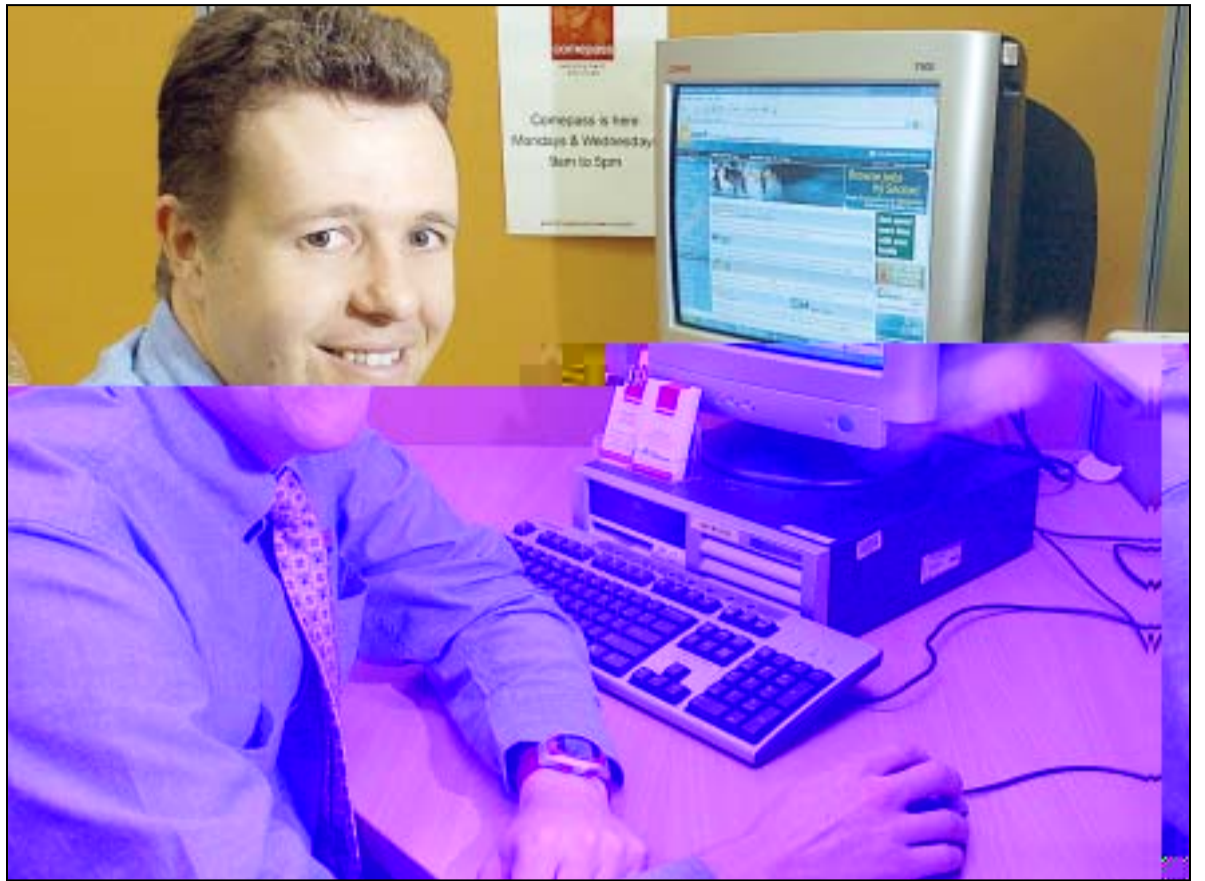
This will be exacerbated by higher prices for imported goods, pushed up by the high prices achieved by commodities.

It is expecting job growth to remain around 1 per cent to 1.5 per cent, keeping unemployment at 5 per cent or below.

Among the states, Access believes Western Australia will continue to power along on the back of the commodities boom.

Queensland is tipped to grow strongly on the back of a range of industries.

- AAP



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■ There to help ... Comepass consultant Byron Dixon.

AN employment service dedicated to helping people with disabilities find work has opened at Mt Gravatt.

Comepass Employment Services will operate out of Sarina Russo Job Access at Network House, 57 Sanders St.

Community and business

liaison Victoria Lister said Byron Dixon would be the employment consultant based at the Mt Gravatt office.

"Mr Dixon will be responsible for assisting people with a disability find and retain work and will work closely with both employers and job seekers on the

southside," she said. "He has specialised in disability employment consultancy since 2003 and spent over 10 years in the automotive industry as a mechanic and in sales and service advice."

Phone Comepass on 3710 2016.

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APOLOGY

On page 3 of our July Tabloid released on the 11th and 12th July we have advertised Queen size Charmaine Comforter Packs for \$59.

This is incorrect as this stock is not available and the item advertised should have been the Intimates Cream Jacquard Quilt Cover Set reduced from \$49set to \$19set.

We apologise for this mistake and appreciate your understanding.

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