



## IS STAGFLATION back?

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Sluggish growth, increasing unemployment and rising inflation is enough to have economists gagging on a 1970s financial cocktail.

Financial new year resolutions abound. There's no doubt that we're entering a new era in business. A return to basics is imminent. Will the avaricious continue to be hung out to dry? Lack of cash, excess liquidity, a squeeze on credit and fundamentally flawed business models point to the inevitable.

Demographics too plays a vital role and that once all-encompassing baby boomer ethos is shifting as fast as the economy is slowing.

But here on the Gold Coast, radical change also creates new avenues. And nothing has more avenues than franchising. More than 400,000 Australians are employed by a \$160 billion franchise sector that is holding its own despite the crash and burn sentiment in the Queensland economy.

Gold Coast entrepreneurs are duplicating the franchise trend with big brands such as Baskin Robbins, Donut King, Brumby's Bakeries, Cookie Man, Espresso Essential, Hydro Dog, Zarraffas Coffee and Bartercard stamping national and international presence.

While high profile franchises can collapse - think Kleenmaid, Samsara, Strathfield Group and Kleins - franchising represents a dynamic small business sector that contributes around 14 per cent of the country's national GDP.

Where some industries prosper, others wane and the property sector has been viciously stung. Infrastructure reforms are needed. Gold Coast Mayor Cr Ron Clarke has assured developers that changes are on the table.

Aside from the ever present reminder of the global financial crisis, the Gold Coast's development industry is struggling to accommodate Queensland's highest infrastructure charges.



In this month's opinion column, Gold Coast UDIA branch president Col Dutton, details a plan to revise infrastructure fees by the Gold Coast City Council. If executed correctly, it will be the break the industry needs and a gust of hope for the 49,000 people it employs.

In leadership, we ask the outgoing TSS chairman and Icon Energy non executive director Derek Murphy how he established and managed a Vietnamese detention centre for the Hong Kong Government, housing 9600 detainees with an annual budget of HK\$90 million.

Murphy is a former Supreme Court barrister who has enjoyed a distinguished career in international relations with various director roles in Hong Kong and is revered among the corporate governance cognoscenti as a no-nonsense diplomat.

Entrepreneurs kick around ideas until one finally strikes the back of the net. Young gun Sascha Voevodin is a star striker in his own right. His company Votech Industries has created the Net Retriever software which provides instant compatibility between hardware and software platforms in the hospitality industry. The 28-year-old's mantra is acutely ambitious - sacrifice free time in pursuit of success - no time for stagflation.