

## MEDIA RELEASE

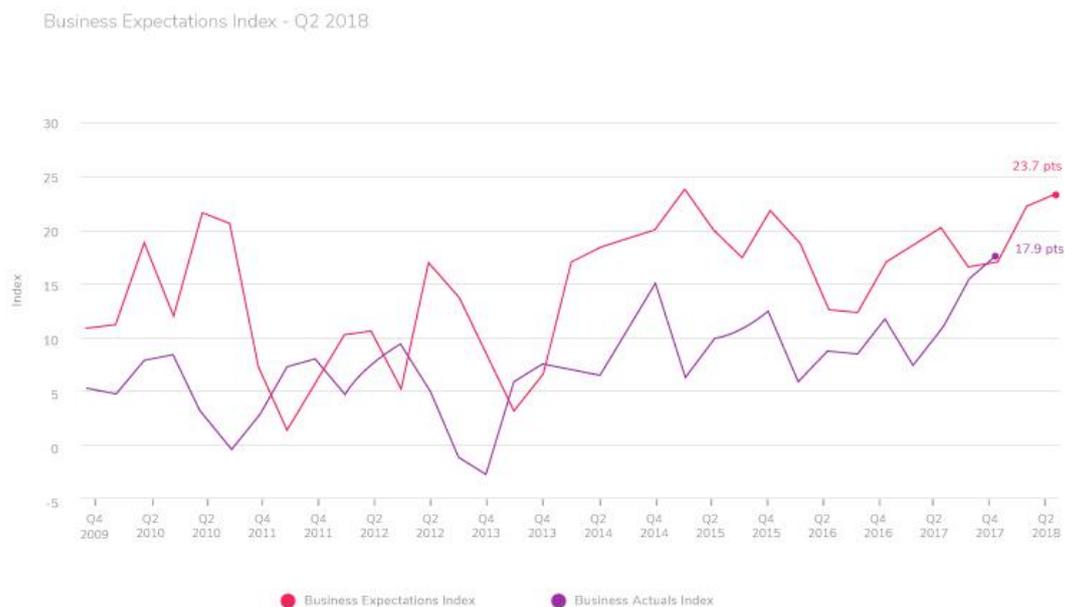
### Upbeat mood lifts business expectations to three-year high

**3 April 2018** – Buoyant economic conditions have lifted business confidence to a three-year high, according to illion’s latest Business Expectations analysis. The Business Expectations Index is up 16.4 percent year-on-year (23.7 points), indicating a strong June quarter ahead for Australian business.

illion CEO Simon Bligh said the results indicate a confident mood, albeit slightly less bullish than previous months.

“Our analysis shows companies are experiencing strong sales performance and profits. Yet there remains a sharp contrast between these results and stalling consumer confidence as Australian households struggle with rising debt and stagnant wage growth.

“Capital investment and wage increases remain the key factors to solve this impasse and build sustainable long-term growth.”



The analysis also reveals businesses are expecting to increase capital expenditure, with investment plans increasing for three consecutive quarters. Around 76 percent of retailers and 72 percent of services firms said they are more optimistic than the same time last year, compared to the all firms average of 69 percent.

Stephen Koukoulas, illion Economic Adviser, said the rise in investment planning comes amid growing support from the business community for the Federal Government’s plan to cut the corporate tax rate to 25 percent.

“While the expected pick up is relatively moderate, it follows five years where business investment, especially in mining and related industries, has been very weak. A pick up in business investment is

one of the key themes for the Federal Government as it frames the budget, which will be handed down in May.”

The illion Business Expectations Survey Final report for Q2 2018 is available [here](#).

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**About the illion Australian Business Expectations Survey**

Each month, illion asks a sample of executives if they expect an increase, decrease or no change in their quarter-ahead sales, profits, employees, capital investment and selling prices compared with the same quarter a year ago. The executives are also asked for actual changes over the twelve months to the latest completed quarter.

In this issue, the final indexes for the latest quarter are based on approximately 1,239 responses obtained during January, February and March 2018.