

Media Release

Services sector set for Happy New Year

8 November 2017 – Australia’s services sector is set for a positive start to 2018, according to the latest *Australian Business Expectations Survey*, released by illion today. The survey, gauging confidence levels among Australian businesses for the first quarter of 2018, reveals the services sector is expecting its best March quarter in five years.

CEO illion Simon Bligh said a confident services sector was vital to the economy. “A strong, diverse and confident services industry is vital for Australia to successfully transition from a resources economy to a knowledge economy.”

The headline Business Expectations Index shows a 20 percent increase on expectations from last year, driven by a seven-year high for expected profits and a two-and-a-half-year high in expected selling prices.

The bright outlook for the services sector was backed up by actual results for sales and selling prices for the September quarter of 2017, which were at their highest levels in five years.

“Mining and construction have driven much of our growth over the past decade. Today, however, the services sector employs more people than any other in Australia, encompassing a broad range of professional and recreational services. It’s great to see an increase in confidence as we look to 2018 and beyond,” Mr Bligh added.

While the services outlook is strong, it stands in stark contrast to the low confidence among retailers.



Mr Bligh said the difference in confidence levels between the two sectors is further evidence of a growing trend of consumers preferring to spend their hard-earned cash on experiences rather than material goods, adding more pain to already struggling retailers.

-ENDS-

Media enquiries

publicrelations@illion.com.au

Notes to editors

Methodology behind the *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 400 responses obtained during October 2017.

Mr Bligh is available for further comment.