

# Building woes worsen

## CONSTRUCTION

Evan Schwarten

AUSTRALIA'S construction sector shrank for the 35th consecutive month in April, with a continued decline in home and apartment building.

The Australian Industry Group's Australian Performance of Construction Index shows the sector contracted in April at its fastest rate since September 2012.

Australian Industry Group director of public policy Peter Burn said the index showed sharp contractions in housing and apartment construction, while the engineering construction subsector also weakened.

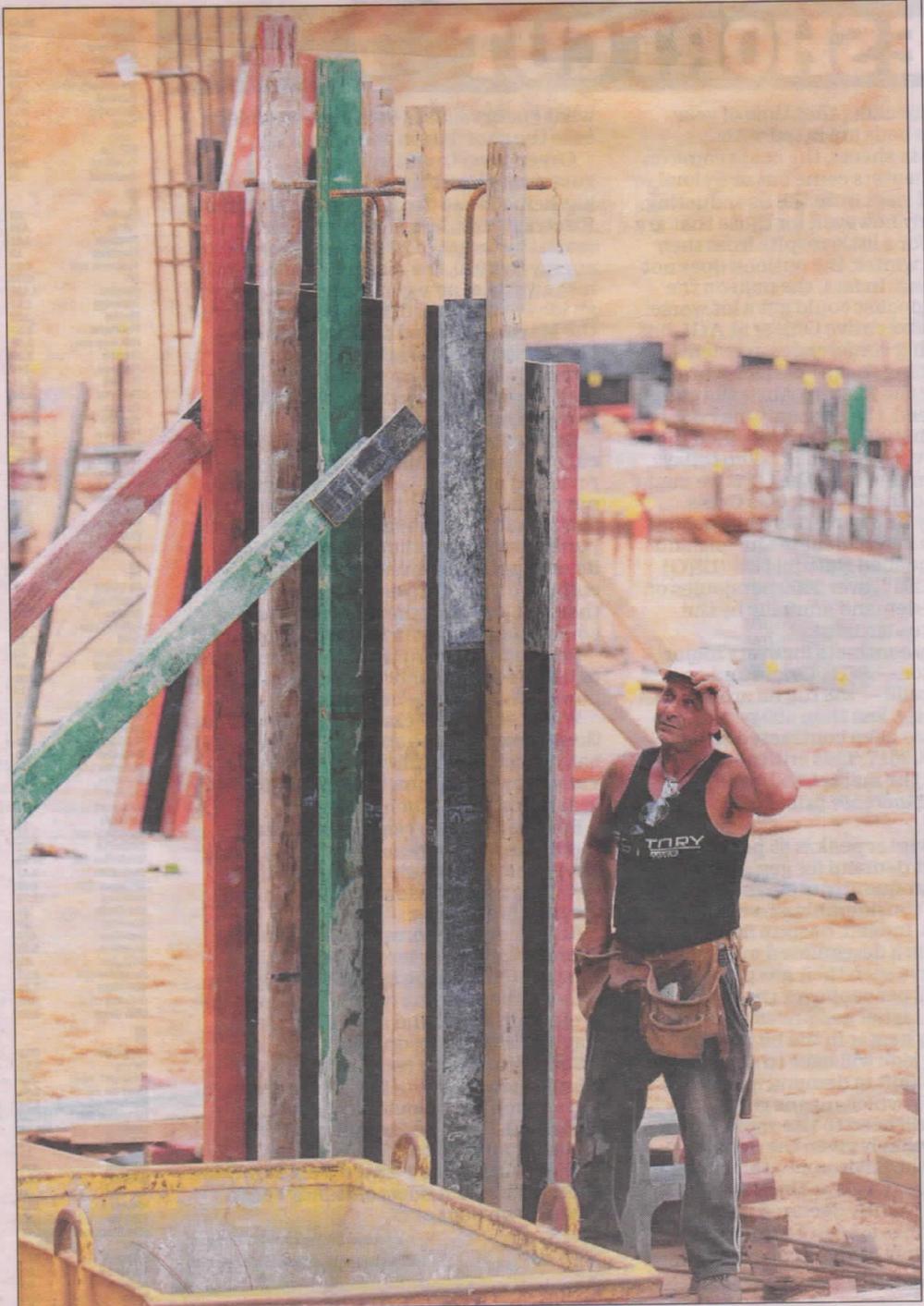
Harley Dale, chief economist with Housing Industry Association — which co-produces the report — said Federal Government assistance was needed if the troubled sector were to improve enough to offset some of the effects of the expected decline in mining investment.

He said the figures were a warning to the Government not to cut spending nor increase taxes substantially in its May 14 Budget.

The PCI shows activity in the construction sector fell 3.8 points to an index level of 35.2 in April.

An index reading below 50 indicates activity in the sector is shrinking, the lower the reading, the greater the rate of contraction.

AAP



**Weak foundations:** The building sector is in decline and getting worse by the month.