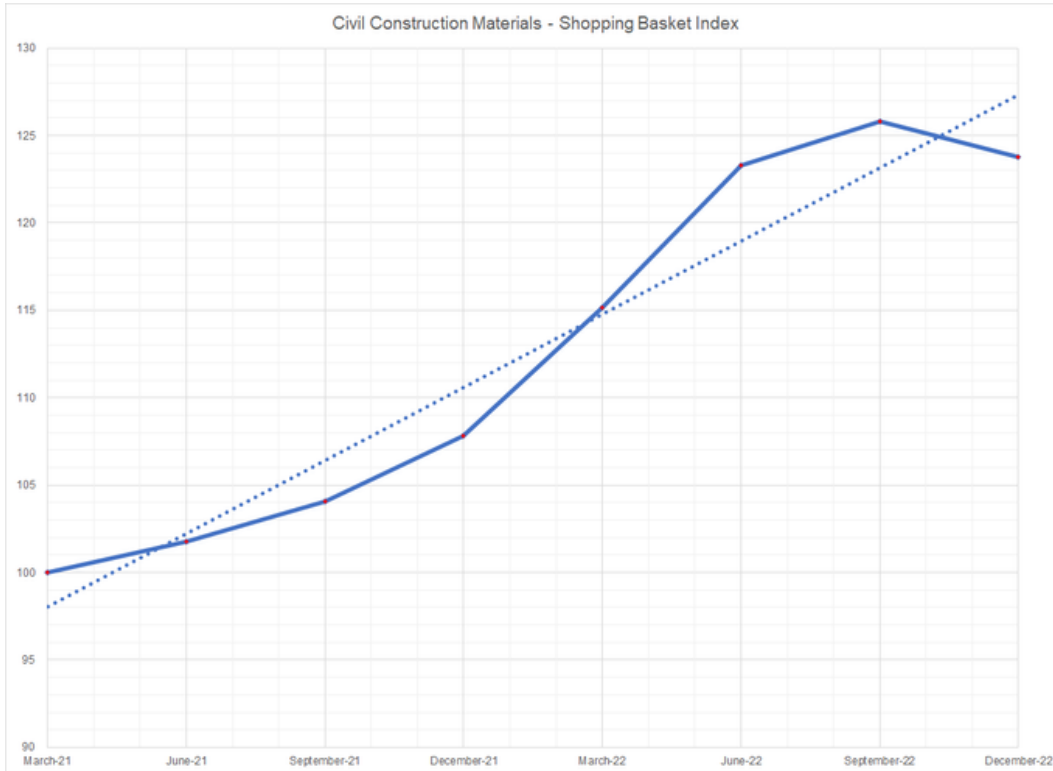


JANUARY 2023

CONSTRUCTION MATERIALS SHOPPING BASKET GUIDE



Methodology

The Civil Project Partners Construction Materials Shopping Basket Guide is calculated by analysing the price of the industry's most common materials weighted by proportion for a typical road project.

The base point for the Guide is set at 100 in March 2021, with values above and below the 100 base level showing percentage growth or fall in pricing.

The Index is updated quarterly in partnership with leading material supply organisations.

The materials included are:

- Concrete
- Steel reinforcement
- Asphalt
- Unbound

1% INCREASE
IN CONCRETE COSTS

-10.2% DECREASE
IN STEEL COSTS

STABLE FOR QTR
IN ASPHALT COSTS

STABLE FOR QTR
IN QUARRY MATERIAL COSTS

The cost of critical materials for the construction sector is being challenged by significant pressures from global supply chain issues to competition for resources from projects across Australia.

In the previous quarter, we have seen prices stabilise for steel and quarry materials, with a slight increase for asphalt and concrete. However, in positive news we have seen a 10% decrease in the cost of steel, which is alleviating a little of the pressure on costs.

As a consequence, The Construction Materials Shopping Basket Index Guide's growth receded in the December quarter, down by **1.6%** on the previous quarter. However, the overall basket price is up by **23%** since March 2021.

Therefore, the major cost pressure seen on project planning and delivery have remained extremely challenging. With current declines in crude oil prices, a warm European winter and COVID measures reducing demand in China, materials cost growth may slow, however, as China reopens and demand increases in the middle of 2023, estimators tendering on works planned over this year will need to factor in risk of 10-15% higher fuel costs.

If you are feeling the pressure of costs, scheduling, planning and estimating, [contact us](#) for professional, expert advice to support your next tender or major project delivery.

Civil Project Partners provide the construction and infrastructure industry with technical expertise and know-how to minimise risk, accurately plan and forecast major works. To assess the impacts of critical material costs, we have developed a shopping basket that tracks four of the most common resources utilised in major projects across Australia.