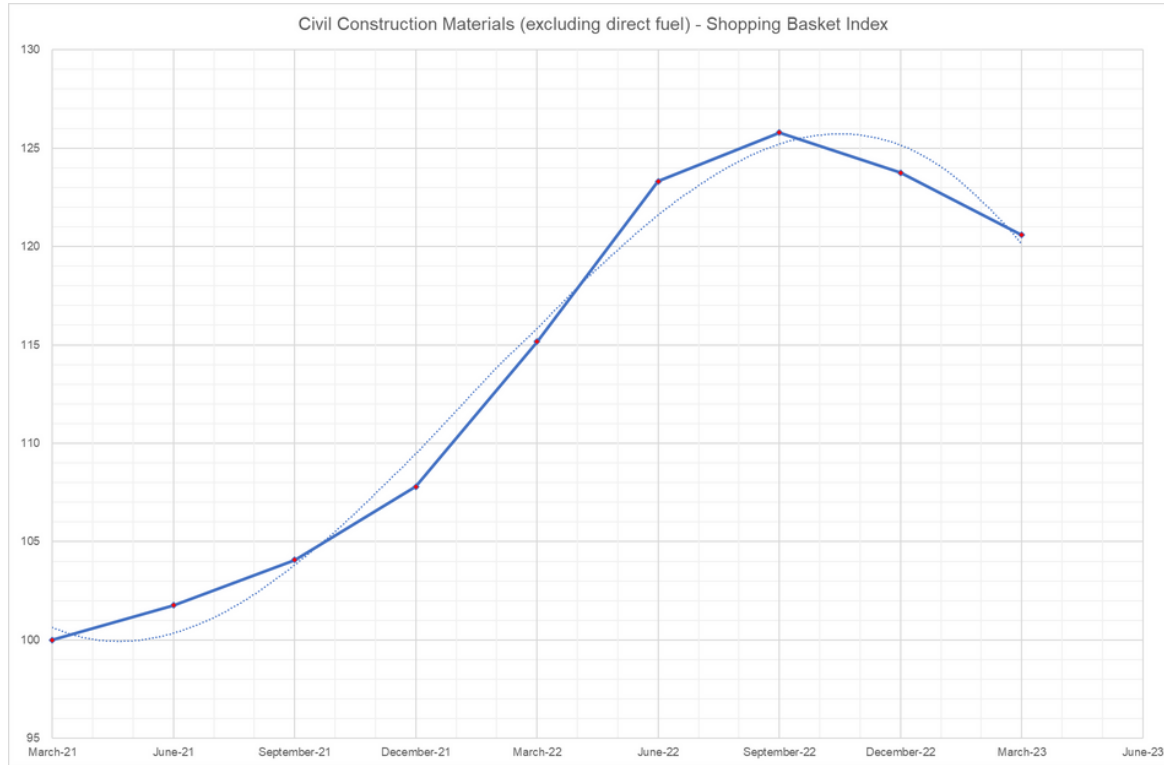


MARCH 2023

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

2-5% INCREASE IN CONCRETE COSTS

The cost of critical materials for the construction sector is seeing the first signs of a potential easing in the materials most utilised for a typical road project. Hence the Construction Materials Shopping Basket Index Guide has moderately receded in the March quarter, down by 2-3% on the previous quarter.

5-10% DECREASE IN STEEL COSTS

Asphalt continues to edge upwards along with concrete, yet gravel remains stable. Steel prices have decreased due to the influence of reo in the market. With a recession looming in the US and China holding surplus stocks, reo prices have dropped in response to these impacts on worldwide supply and demand.

3-5% INCREASE IN ASPHALT COSTS

The gentle downward trajectory doesn't mean that we will see costs return to pre-pandemic levels for a little while. Although Global supply chain issues are slightly easing, competition for resources from projects across Australia is still a continuing challenge.

STABLE QUARRY MATERIAL COSTS

As predicted in our previous quarter, materials costs have slowed, yet with further demand expected from China over the next quarter, fuel costs are expected to rise. Estimators tendering on works planned over this year need to factor in a risk of 10-15% higher fuel costs. Concrete is also expected to rise further with employment shortage issues impacting availability and suppliers no longer able to absorb rising 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.