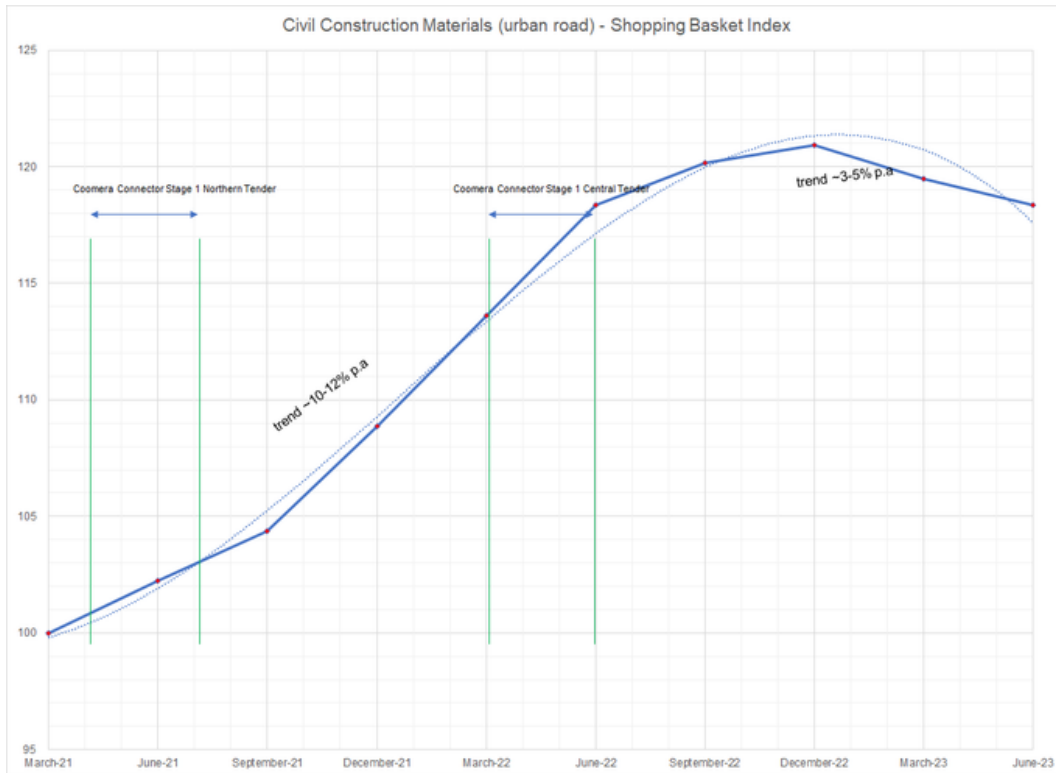


JUNE 2023

# 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
- Quarry Material
- Fuel

**STABLE**  
IN CONCRETE COSTS

**1-2% DECREASE**  
IN STEEL COSTS

**1-3% DECREASE**  
IN ASPHALT COSTS

**3-5% INCREASE**  
IN QUARRY MATERIAL COSTS

**6-8% DECREASE**  
IN FUEL COSTS

After seeing the first signs of easing in the cost of critical materials for the construction sector in the March 2023 Quarter, the June 2023 Quarter has followed a similar trend as concrete costs stabilise, steel cools, gravel increases and fuel costs continue to soften.

The trend is driven by an easing in the Australian market as infrastructure pipelines in New South Wales, and Victoria show the first sign of slackening due to cost and budgetary challenges. In addition, Steel and Fuel costs are being driven by demand from the US, where economic data and consumer sentiment hint at the early stages of a recession. While the overall basket is cooling, we are still well into double-digit growth across all materials compared to when the index commenced in March 2021.

To highlight the challenges governments, contractors and communities are facing, we have looked at the pricing differential between two packages of work for The Coomera Connector. Pricing for Coomera Connector Stage 1 Northern Tender was undertaken in April-July 2021, and for Coomera Connector Stage 1 Central Tender in March-June 2022. In the intervening period, costs increased by approximately 16% for the core road intersection materials, putting pressure on the finances, business case and viability of the project, a project desperately needed for Queensland's continued growth. This highlights the challenges presented to the sector and the realities of pricing and planning major infrastructure projects in a volatile marketplace and does not include the pressures we have seen with sourcing labour in a tight talent market.

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.