MASTER BUILDERS
AUSTRALIA

Submission to the Productivity Commission

Fabricated structural steel safeguards

24 April 2026

Who we are

Master Builders is the nation's peak building and construction industry association, which was federated on a national basis in 1890. Master Builders' members are the Master Builder State and Territory Associations. Over 130 years, the Master Builders network has grown to more than 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association representing all three sectors: residential, commercial, and civil construction.

The Master Builders network also delivers vocational education and training through its network of registered and group training organisations across Australia. This includes trade qualifications in building and carpentry as well as ongoing professional development training.

Membership with Master Builders is a stamp of quality, demonstrating that a builder values high standards of skill, integrity, and responsibility to their clients.

Master Builders' vision is for a profitable and sustainable building and construction industry.

Introduction

Master Builders Australia (Master Builders) refers to the call for submission by the Productivity Commission (PC) safeguards inquiry into the import of fabricated structural steel.

Master Builders supports the role of the PC in determining whether international trade rules have been breached, whether material injury to an Australian industry has occurred and what if any action is required.

Master Builders represents consumers of fabricated structural steel, including builders and construction firms, not domestic steel fabricators or importers. Accordingly, the following submission focuses on the public interest component of the PC's inquiry and considers the impact of the proposed safeguards within a macro-economic context.

The experience of the COVID-19 pandemic provided the industry with important lessons about the vulnerabilities of supply chains and the consequences when they become constrained. Those lessons remain highly relevant to the current inquiry.

Since the pandemic, the industry has suffered severe escalations in building material costs. House building materials are 38.2 per cent more expensive than they were in 2019, with particularly large uplifts in the price of electrical equipment (+49.5 per cent), ceramic products (+47.5 per cent) and cement products (+46.2 per cent) over this period.

The deterioration in the market for building materials hasn't just affected price. In the post-pandemic era, builders have been hit with less favourable credit terms than before, longer lead terms and other restrictions (like minimum order sizes, for example).

Under these conditions imported building products and materials play a key role in optimising competitive conditions in the market. The building and construction industry requires that the market for building products and construction materials be as competitive as possible to ensure affordable prices and enough choice.

Going forward, it is crucial that imports which meet the appropriate standards of quality continue to be available to building and construction companies without restriction. We do however share concerns about the importation of products at unfair prices potentially undercutting local manufacturers and the importation of substandard products.

Clearly there are several competing issues and interests that must be considered.

Firstly, the current, anticipated and necessary level of building activity to deliver on the housing and infrastructure Australia needs demands the adoption of measures to support construction to alleviate the current housing affordability challenges.

Secondly, it is broadly acknowledged that local manufacturing across all sectors of the economy has been in decline for some time which is concerning.

While Master Builders supports local manufacturing and recognises the critical role they play in our supply chains it is equally accepted that Australia now operates in a global market as such, competition is fierce and across continents; domestic businesses must be alive to this shift and look for ways to take advantage of global opportunities that in previous decades were largely unheard of.

The technological advancements, lower cost base and investment in manufacturing capability which make overseas manufactures attractive is often out of reach for those in the domestic market.

Thirdly, the COVID-19 pandemic put immense upward pressure on building products and materials costs. In recent years many builders and developer have experienced significant losses and abandoned projects due to the impact of these cost increases. Such circumstances have motivated the industry to look elsewhere for supplies to mitigate the risks of increasing prices. The current conflict overseas, and the impact on price and supply of critical building products and materials has refocused our attention on this challenge.

Finally, there is also a concern for retaliatory action that could have much wider repercussions for the construction of all new buildings which cannot be built without at least some products sourced from China.

We ask that the Commission be acutely mindful of these factors outlined below when carrying out its investigation and making its recommendations.

Economic outlook

When carrying out this inquiry we ask that the Productivity Commission consider not only on the Australian building and construction industry but on the broader economy.

Australia's building and construction industry is one of the largest sectors in Australia but economic conditions have toughened since our last round of forecasts in September 2025.

Through the second half of 2024 and into early 2025, the industry benefited from a period of falling interest rates as the Reserve Bank of Australia responded to easing inflationary conditions. That period has now ended. Renewed inflationary pressures and persistently tight labour market conditions have prompted the RBA to reverse course. The RBA increased the cash rate in February 2026, bringing it to 3.85 per cent. Master Builders' March 2026 forecasts anticipate a further increase of 25 basis points before the end of June 2026, lifting the rate to 4.10 per cent, with a subsequent rise to 4.35 per cent projected during 2026-27, where it is expected to remain through to June 2030.

Higher interest rates and continued supply constraints are making it more difficult to sustain new home building activity, and our chances of meeting the National Housing Accord target are materially lower than they were at the time of our September 2025 forecasts. Despite this, construction activity over the next five years is still projected to exceed the levels of the past five years, as set out in Table 1.

Australia's poor productivity performance is the principal reason why stronger demand produces higher inflation rather than growth in economic output. Few industries are as exposed to the productivity crisis as construction. New figures show that construction productivity dropped by 2.8 per cent during 2024 to 2025, its seventh consecutive year of decline. Productivity in our industry is now 21.5 per cent lower than it was in 2013 to 2014, a larger reduction than any other industry. The speed of delivering new homes has slowed considerably as a direct consequence, with very unfavourable implications for build costs and project viability.

The National Housing Accord, launched in October 2024, aims to deliver 1.2 million new homes across Australia over the five years to June 2029. Master Builders' September 2025 forecasts projected a shortfall of 180,000 homes relative to that target. Since then, conditions have worsened. Our March forecast shows that work will commence on 995,894 new dwellings over the Accord's term,

representing a 204,000 shortfall against the 1.2 million target. We have already accumulated a 73,000 home backlog at this point in the Accord's term. These forecasts are set out in Table 1.

In addition, Infrastructure Australia's 2025 Infrastructure Market Capacity report noted that the five year major public infrastructure pipeline has grown by $29 billion to reach $242 billion. This represents an enormous demand for fabricated structural steel and related materials over the coming years, making supply chain stability a matter of national infrastructure significance.

Conditions are made more difficult still by the escalation of building material costs. As shown in Table 2, building products and materials used in house construction are now 38.2 per cent more expensive than they were in 2019. The combination of productivity losses, labour shortages and material cost escalation means that overall building and construction output is 37.8 per cent more costly than in 2019, with new houses now 47.0 per cent more expensive than before the pandemic.

There are some positive signals. New home building approvals strengthened during 2025, with 12.8 per cent more homes approved compared with 2024, driven encouragingly by higher density approvals. However, headline inflation reached 3.8 per cent in December 2025, well above the RBA target, with housing costs a primary driver. Rents were 3.9 per cent higher than a year earlier, while the cost of new dwelling construction rose 3.0 per cent over the same period.

Labour market conditions remain tight. Australia's unemployment rate fell to 4.1 per cent in December 2025, the lowest in seven months, with 65,000 new jobs created that month, the majority full-time. Construction wages rose 3.2 per cent over the year to December 2025, reflecting ongoing skills shortages and declining productivity. However, unemployment is projected to rise modestly from its current low levels, peaking at no higher than 4.6 per cent over the forecast horizon to June 2030. These conditions are directly contributing to inflationary pressures across the industry.

Construction insolvencies rose to a record 3,561 during 2025, though late year data suggests some states are beginning to see fewer insolvencies. Despite these pressures, construction business numbers reached near record levels in June 2025, with 462,939 firms operating across Australia, more than in any other industry. Construction was also the strongest contributor to GDP growth in the most recent quarter, with value added rising 1.8 per cent and residential construction reaching its highest volumes in several years.

Master Builders' March 2026 forecasts project GDP growth of 2.1 per cent during 2025-26, declining to below 2 per cent for each of the three years from 2026-27 to 2028-29 as the cumulative effect of interest rate increases weighs on economic activity.

Every $1 million worth of building activity supports around $2.5 million in activity across the economy. Therefore, any moves that would have an adverse impact of such activity must be avoided or else we will see a further deterioration in productivity and economic growth across the country.

Building products and material cost including steel

As shown in Table 2, the cost of building products and materials used in house construction has risen by 38.2 per cent since 2019. This escalation has been a primary driver of the increase in overall construction costs. House building output is now 44.8 per cent more expensive compared with 2019, and building output overall is 36.3 per cent higher over the same period.

For most categories of house building material, the peak rate of cost inflation occurred in the first half of 2022. Steel is now the only major home building product category to have recorded a price reduction over the past year.

Over the calendar year 2025, steel product prices declined by 5.1 per cent, as shown in Table 3. Looking specifically at the year to the December 2025 quarter, the decline was 4.6 per cent, reflecting some moderation in the rate of price falls in the latter part of the year. Over this same period, house building material costs overall increased by 1.8 per cent, making steel an outlier in an otherwise still inflationary input cost environment. Within the steel category, beams and sections fell by 4.0 per cent over the year to the December 2025 quarter, while reinforcing steel fell by 5.3 per cent over the same period.

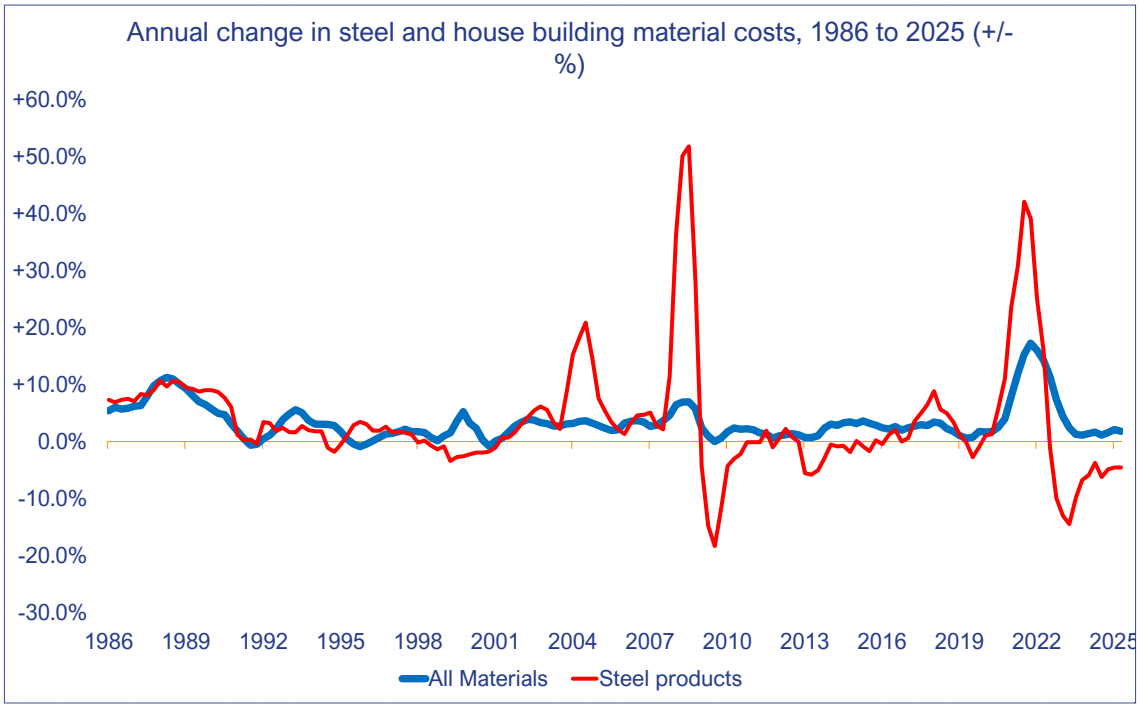
There has been considerable geographic variation in steel price trends, as set out in Table 3. Falls were marginal in Brisbane (0.2 per cent) and Adelaide (0.3 per cent) over the year to the December 2025 quarter. More substantial reductions were recorded in Sydney (5.1 per cent), Perth (4.9 per cent) and Melbourne (4.8 per cent). Hobart recorded the largest fall at 27.6 per cent, reflecting localised market dynamics.

Notwithstanding the recent price declines, steel products overall remain 19.9 per cent more expensive than they were before the pandemic in 2019. Reinforcing steel has risen 33.5 per cent over that period, with steel beams and sections up a more modest 13.0 per cent.

Steel and other building materials

Steel costs have proven considerably more volatile than house building material costs overall, as illustrated in Table 3. In 2022, house building material costs surged by 15.7 per cent while steel product prices grew at almost twice that rate, rising 29.6 per cent. By contrast, 2025 saw steel prices fall by 5.1 per cent while general house building material costs continued to grow, rising 1.7 per cent.

This volatility reflects the highly portable and tradeable nature of steel, which means movements in global steel markets transmit rapidly to Australian prices. Steel's non-perishable character also makes it susceptible to speculative stockpiling when prices are rising, which tends to amplify price increases. The reverse occurs when prices fall: the release of accumulated stocks onto the market can exacerbate price declines. This dynamic is relevant context for the Commission in interpreting recent import trends.



Steel use in the building and construction market

Steel use varies depending on what part of the building and construction market one operates in.

In mining, engineering and civil construction, structural steel use is intensive and few viable substitutes exist. Increases in structural steel costs in these sectors would raise output prices, potentially reduce project viability, compress project scale, or extend construction timeframes as participants manage exposure to the steel price cycle.

Higher steel costs would similarly affect parts of the residential and commercial building market, with high rise and high-density projects most vulnerable given the intensity of structural steel use in those building types.

Smaller projects, including detached houses, have greater scope to substitute timber for steel in some applications. However, increased demand for timber as a result of such substitution would likely push timber prices higher, with flow-on costs for all users of timber products across the economy.

Further data on building and construction cost movements, steel price trends and new home building forecasts is provided in Attachment A, Tables 1 through 4.

Key considerations

In undertaking this investigation, we believe the Productivity Commission must consider the following:

Impacts on housing affordability

Australia is in the midst of a housing supply crisis.

As noted earlier in this submission, the National Housing Accord commenced its five-year term in July 2024, with an ambition to deliver 1.2 million new homes across Australia by June 2029. In September 2025, Master Builders projected a shortfall of 180,000 homes relative to that target. Since then, conditions have deteriorated further. Inflation has re-accelerated and interest rates have reversed course, with the RBA responding to renewed inflationary pressures and persistently tight labour market conditions.

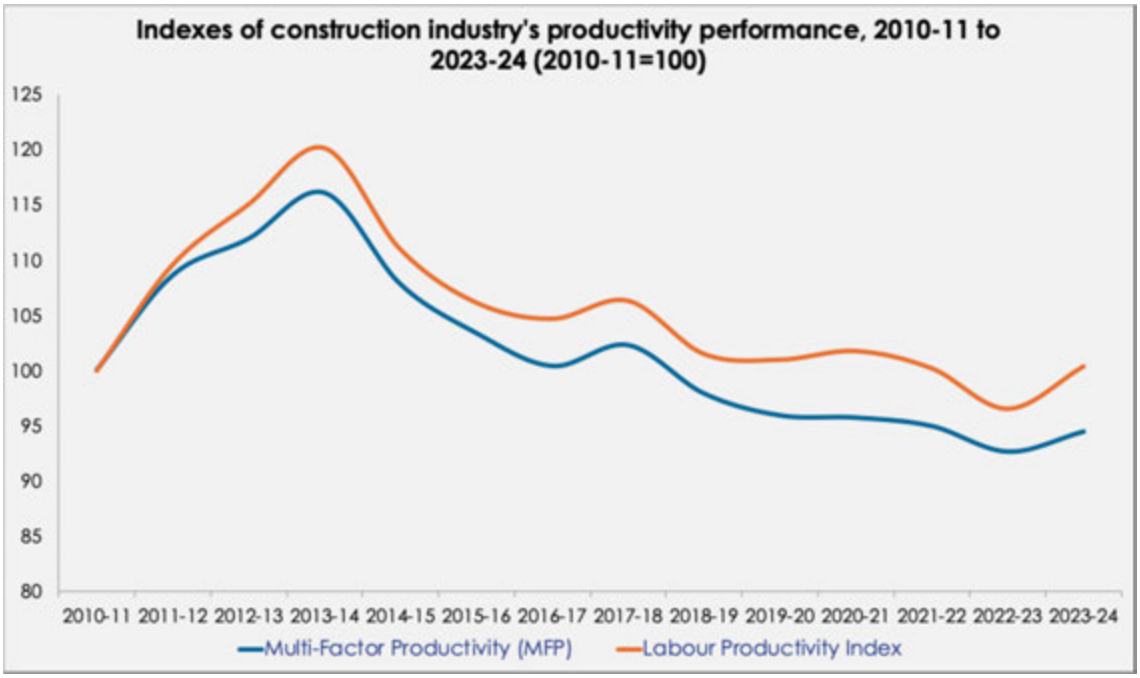
Supply-side constraints across the economy have been the primary driver of inflation's resurgence. Within the construction industry, these constraints have manifested as labour shortages, delays in project completion, and sustained cost pressures. At the level of individual projects, this combination of factors undermines the financial viability of prospective developments. As a result, projects that could otherwise proceed are not advancing, and prospects for new home building have dimmed considerably over the past six months.

During 2024-25, the first full year of the Accord's term, 179,282 new homes were commenced across Australia, a 12.1 per cent increase on the previous year and the strongest result since 2021-22. Despite this improvement, the industry fell approximately 60,000 homes short of the 240,000 annual pace required to meet the Accord target.

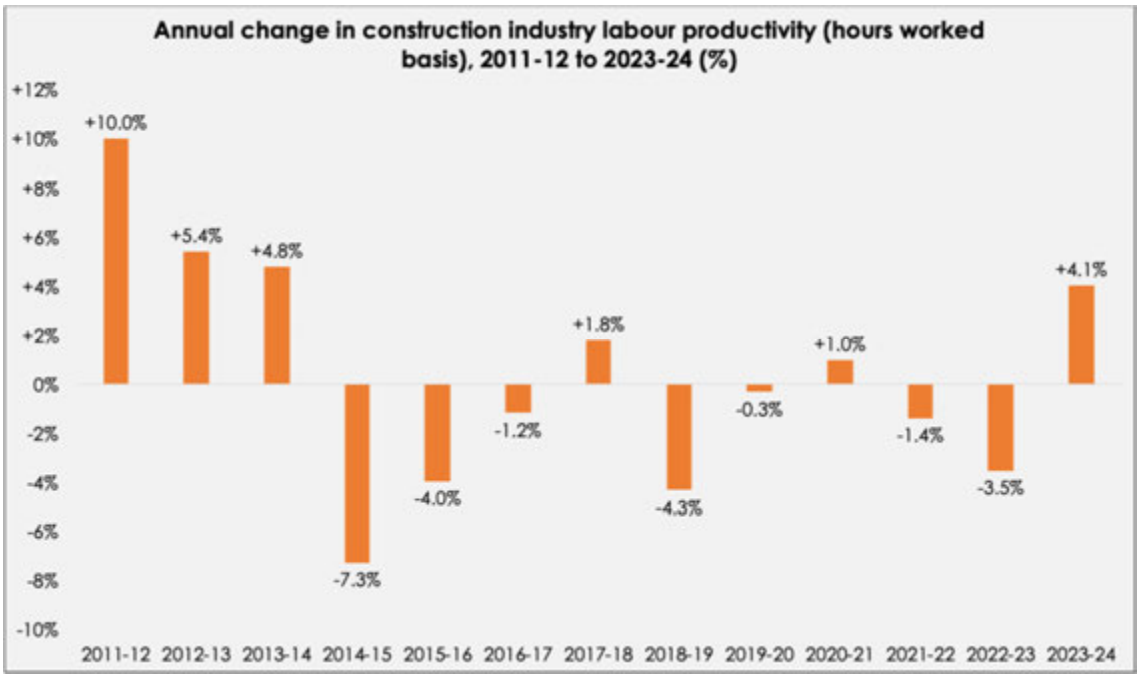
Last September, we had anticipated that 1,019,818 new homes would get started across Australia over the term of the National Housing Accord. Today, our expectation is that work will start on 995,894 new dwellings over the five years to June 2029. This means we'll suffer a 204,000-home shortfall relative to target.

Construction industry productivity remains deeply concerning. As noted in the Economic Outlook section of this submission, productivity has declined for seven consecutive years and is now 21.5 per cent lower than it was in 2013 to 2014.

Multi-factor productivity is 18.6 per cent lower than its high point in 2013 to 2014. Labour productivity has declined by 16.4 per cent over the same period, meaning the average construction worker is producing 16.4 per cent less output per hour than a decade ago. Labour productivity has fallen in seven of the past ten years. The consequences are directly visible in rising build costs and extended construction timeframes.



Labour productivity has dropped in seven of the past ten years. It is easy to see why build costs have soared and build times have ballooned.



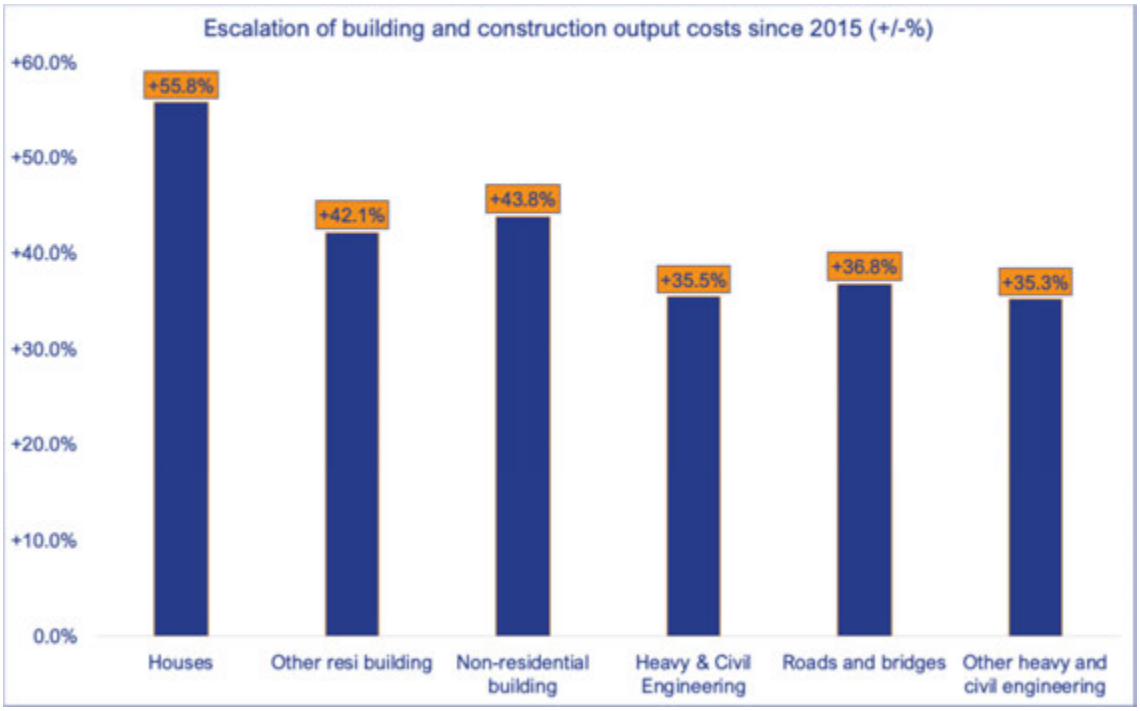
Worsening productivity and longer delays in home building have very unfavourable ramifications for new home building costs. This is because many overheads increase in proportion to the length of build times. These include insurance, labour, administration and regulation-driven expenses. Because longer

build times magnify the risks of a project ending up as a loss maker, finance costs climb when the speed of building flags.

The accumulation of cost pressures over the past decade means that:

- New houses are 55.8 per cent more expensive than a decade ago.
- Other residential work like higher density home building and renovations job have suffered a 42.1 per cent cost increase.
- Non-residential building is now 43.8 per cent more expensive compared with 2015.
- Heavy and civil engineering projects are 35.5 per cent more costly.
- The final cost of road and bridge projects is 36.8 per cent higher than ten years ago.
- Other types of heavy and civil engineering work have suffered 35.3 per cent cost escalations.

The chart below summarises the deterioration in building and construction costs over the past decade.



Master Builders asks that the Commission is mindful that the adoption of safeguard measures could exacerbate current conditions by disrupting supply chains, creating material shortages and increasing costs, all of which will ultimately be borne by the new home buyer.

The decline in local manufacturing

Master Builders notes the Federal Government's Future Made in Australia agenda aimed at revitalising Australian manufacturing and we see policy levers akin to this approach as the preferred (and better) way of supporting domestic manufacturing.

Elevated input costs and insufficient incentive to innovate and invest represent two clear barriers to scaling up local manufacturing. Policy measures that address these barriers and produce tangible improvements in domestic market conditions are preferable to trade restrictions that may produce unintended downstream consequences.

Constraints on international shipping that emerged during the pandemic and have resurfaced as a result of the current overseas conflict reinforcing the importance of building sovereign manufacturing capabilities. Master Builders recognises this and supports measures directed at achieving that outcome through productive investment.

Australia lacks the local capability and capacity to meet domestic demand

It is broadly accepted that domestic manufacturing has experienced a prolonged structural decline. With energy costs continuing to rise, further decline is anticipated without targeted intervention.

The Productivity Commission 2021 submission to the parliamentary inquiry into Australian Manufacturing Industry highlighted that *'Manufacturing accounts for less than 10 per cent of the Australian economy'*[1]. The Commission also observed that the very nature of domestic manufacturing has shifted:

> *'Manufacturing peaked as a share of the Australian economy in the early 1960s, when the sector grew to 30 per cent of the economy and of employment. Since then, the shares of manufacturing in value added and in employment have declined.*
>
> *In large part this reflects the shift in consumer spending from goods to services over recent decades. In addition, in an increasingly competitive and interconnected global world, Australian manufacturing has faced increased competition from imports, particularly from Asia (Banks 2010, pp. 5–8).*
>
> *Like in other advanced economies, the services sector now accounts for the bulk of the economy, contributing about 80 per cent of GDP and 88 per cent of employment in Australia in 2020.'*[2]

Similar observations were relayed in the final report of the Senate Economics References Committee Inquiry into the Australian Manufacturing Industry (Final Report):

> *'Australia is last amongst all Organisation for Economic Co-operation and Development (OECD) countries for manufacturing self-sufficiency, at 72 per cent, reflecting a thirty-year downward trend of Australian manufacturing output and employment. Decline has been more pronounced since the Global Financial Crisis (GFC) and recent resources booms…'*[3]

The Final Report also notes several factors that have contributed to the decline in domestic manufacturing including, for example[4]:

- Sharp increases in the terms of trade.
- The appreciation of the Australian dollar.
- Imports from lower-cost economies.
- The weakening of integrated value chain manufacturing, particularly with the departure of primary automotive producers.
- Challenges associated with Australia's geographic isolation, costs of trading—largely transport related—in the order of 20–25 per cent higher than the global average.
- Australian investment in R&D has declined over the last 20 years and is well below the OECD average.

[1] Productivity Commission Submission to the Senate Economics References Committee Inquiry into the Australian Manufacturing Industry, September 2021 pg. 2
[2] Ibid pg.4
[3] Final Report pg. 5
[4] Ibid pgs. 7-11

- Australia has relatively low rates of collaboration between business and industry and low rates of innovation, impacting on its global competitiveness.
- Declining manufacturing productivity.

To ensure supply chain certainty, a number of businesses in the industry have adopted or are considering new business models, including vertical integration, to capture both international and domestic supply.

Under these arrangements, firms establish a presence in overseas markets while also maintaining local operations to ensure continuity and quality of supply of building products and materials. Master Builders would not wish to see such innovative business arrangements adversely disrupted by regulatory interventions.

We also note that the specific steel fabricated products the subject of the inquiry are largely found in high rise commercial and residential developments, significant large-scale developments such as stadium and civil construction which often requires bespoke product of a significant scale that cannot be produced domestically. There is also a question regarding whether, given the unique and sporadic nature of some of this work, it is even feasible to offer this production domestically.

Potential retaliatory actions

Master Builders notes that Australia's building and construction industry is significantly dependent on Chinese-sourced products across a wide range of categories. As one builder said, *"We cannot build in Australia without Chinese products."*

While WTO-compliant safeguard measures differ from discriminatory tariffs, any measure perceived as trade-restrictive carries diplomatic risk in the current environment. Master Builders urges the Government to carefully consider the broader bilateral trade relationship when weighing its response to the PC's recommendations.

Conflict in the Middle East

Overlaying the considerations outlined above are the developments in the Middle East conflict. As the conflict continues, fuel supply has become a more pressing concern and, while the rate of price increases across the supply chain has moderated relative to earlier peaks, costs continue to rise steadily.

Master Builders is continuing to assess the ongoing implications. Current industry feedback suggests that total building and construction project costs could increase by a further 5 to 10 per cent as a result of these developments, further eroding housing affordability at an already difficult time. In an industry where fixed price contracts remain prevalent, these cost increases ultimately fall on the end user, whether a commercial client or a prospective homeowner.

These circumstances reinforce the case for caution. Our industry needs to be protected from destabilising policy changes that do not improve productivity and carry the real risk of adding further costs to construction.

Equally, knowing that product and material costs have increased around 50 percent in the last 5 years the further increases currently being experienced will simply exacerbate already thin margins and cash flow challenges. We are hearing that increases may ultimately impact the majority of building and construction products and materials.

These uncertainties across the economy support a more conservative approach to dealing with these complex issues and throw up a new – and very urgent – set of productivity challenges for our industry.

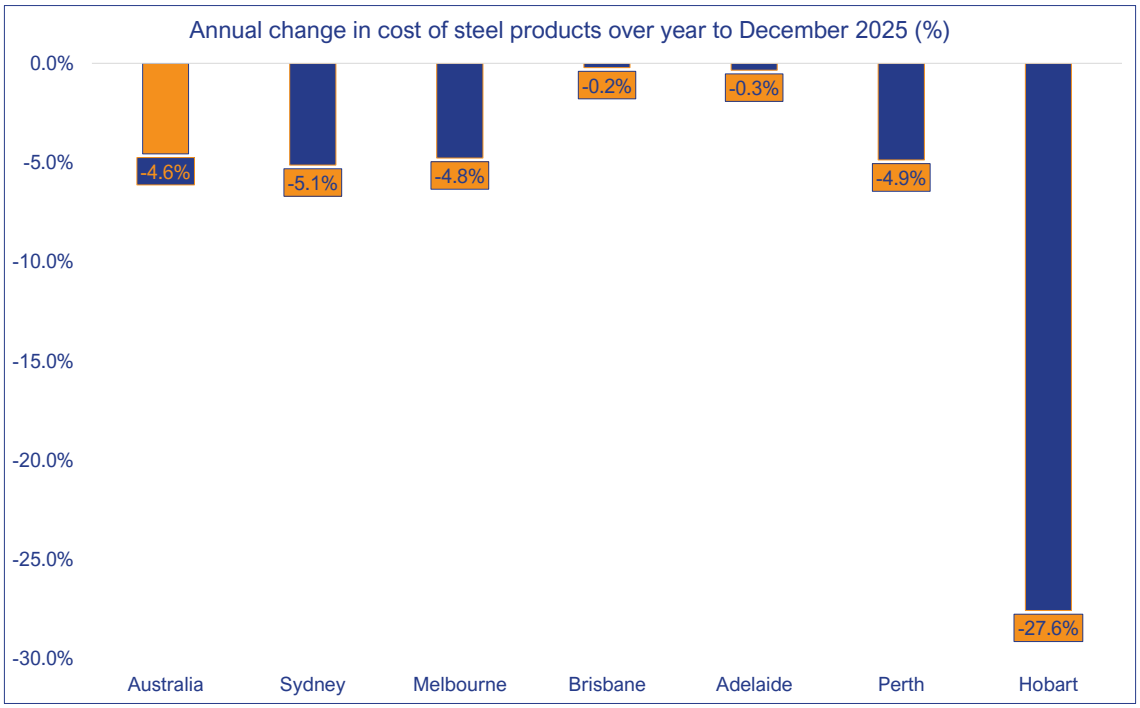
Conclusion

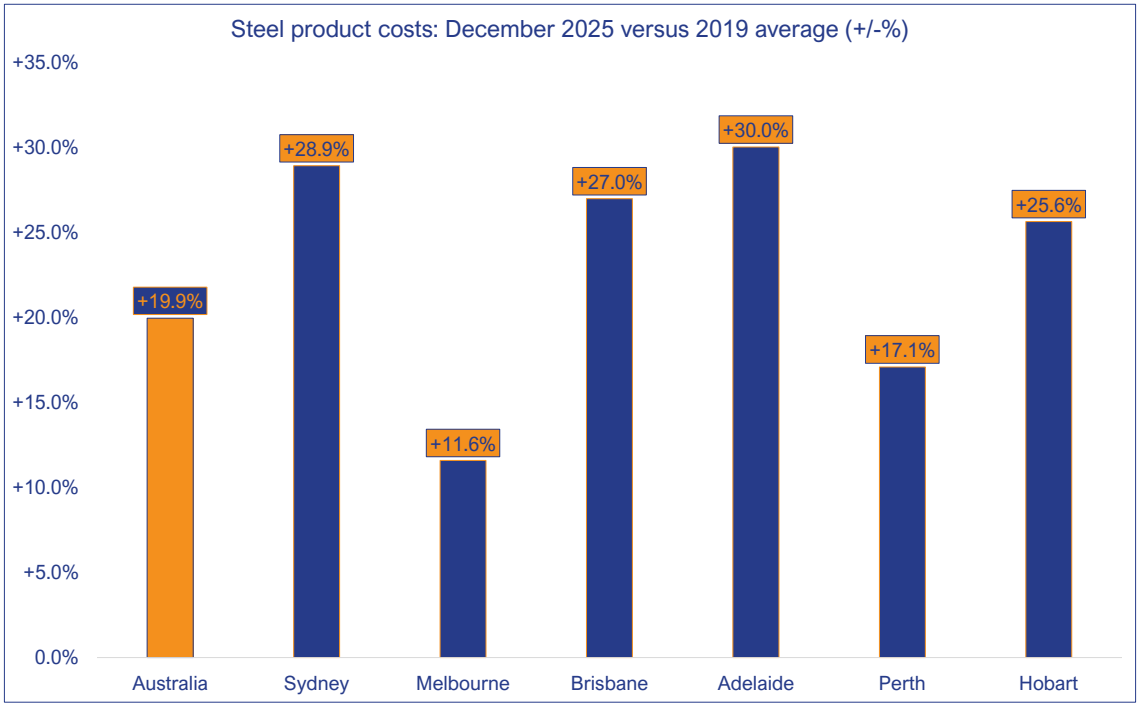
We urge the Commission to weigh carefully the downstream consequences of safeguard measures on construction costs, housing affordability, and infrastructure delivery.

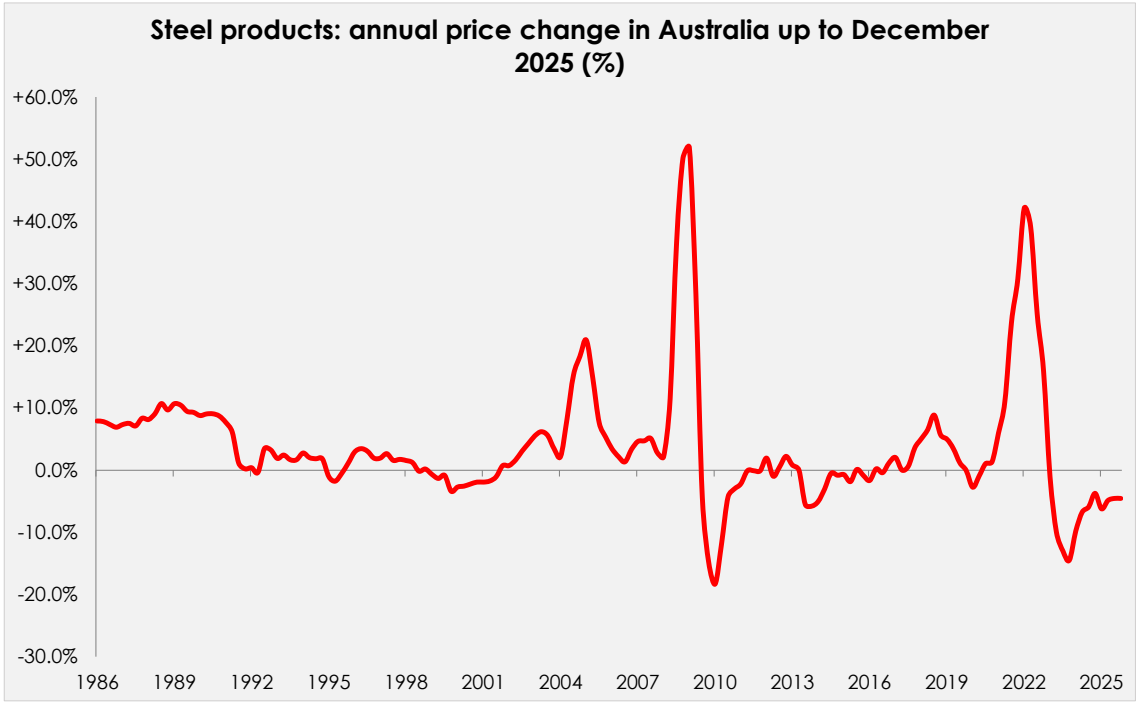
International supply chains in the building and construction sector have been established over many years and represent deeply embedded commercial and logistical arrangements. Imposing new measures on any product within those chains carries inherent risk and should be approached with caution.

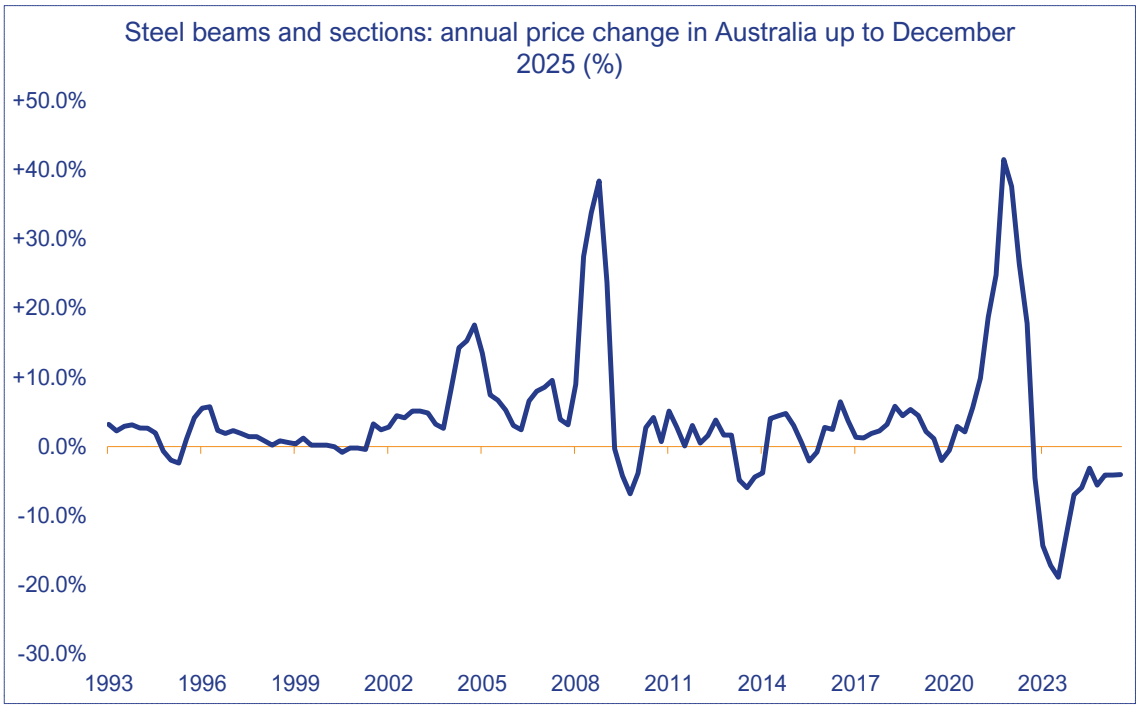
Any measure that increases the cost of fabricated structural steel, even marginally, will flow through to project viability assessments, with disproportionate impacts on high-rise residential and civil infrastructure projects. The PC should weigh these downstream effects carefully against the benefits to domestic fabricators.

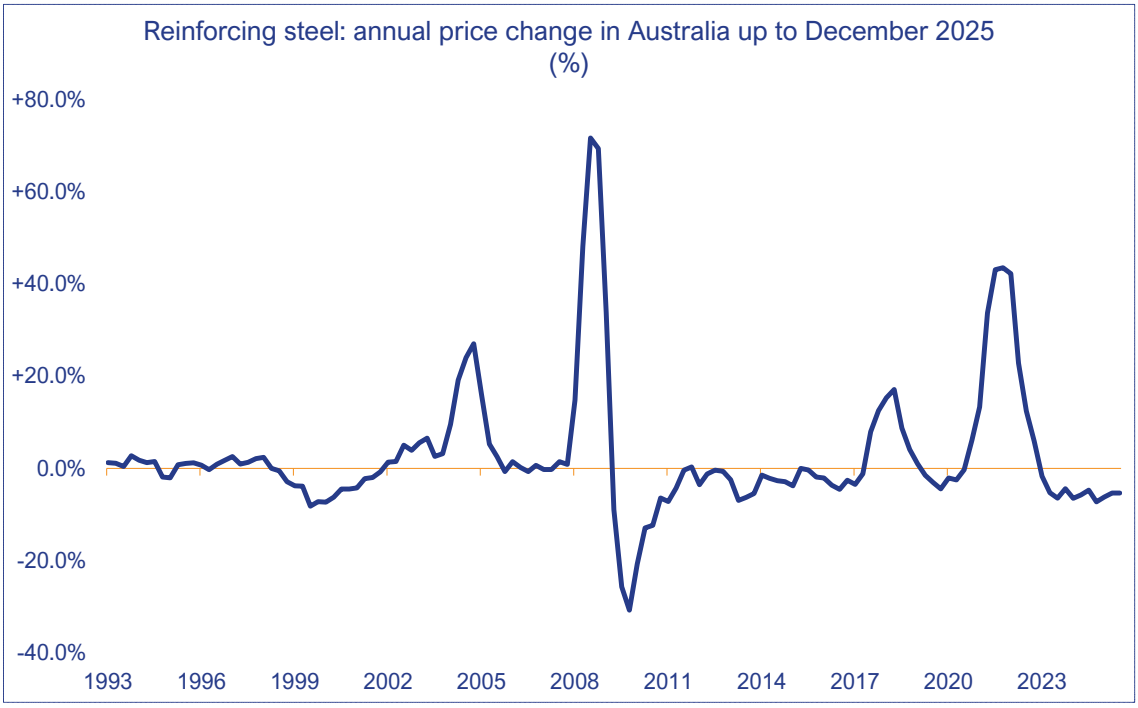
Attachment A

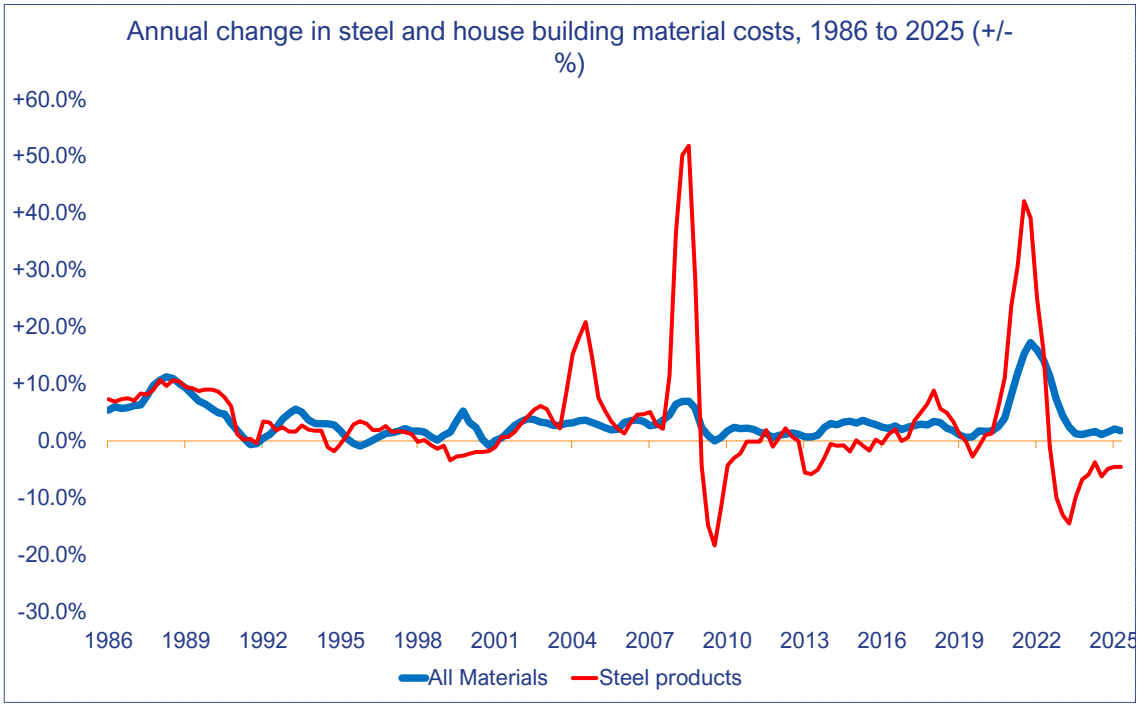


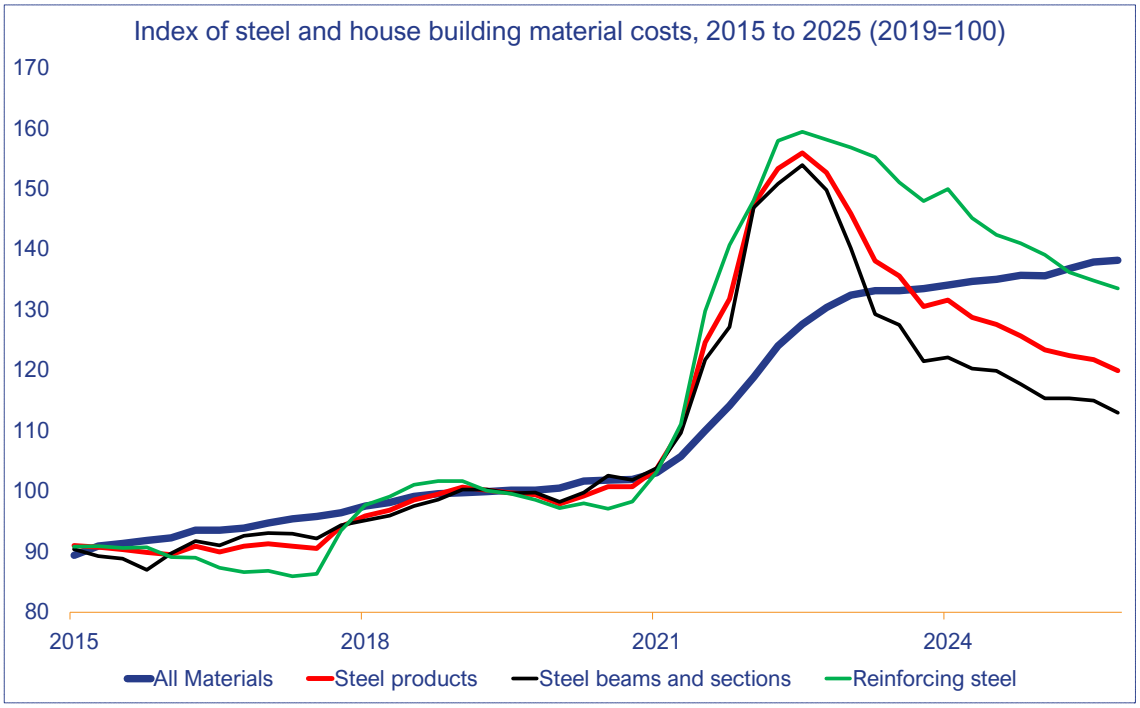



Steel products: annual price change in Australia up to December 2025 (%)
+60.0%
+50.0%
+40.0%
+30.0%
+20.0%
+10.0%
0.0%
-10.0%
-20.0%
-30.0%
1986
1989
1992
1995
1998
2001
2004
2007
2010
2013
2016
2019
2022
2025


Steel beams and sections: annual price change in Australia up to December 2025 (%)
+50.0%
+40.0%
+30.0%
+20.0%
+10.0%
0.0%
-10.0%
-20.0%
-30.0%
1993
1996
1999
2002
2005
2008
2011
2014
2017
2020
2023


Reinforcing steel: annual price change in Australia up to December 2025
(%)
+80.0%
+60.0%
+40.0%
+20.0%
0.0%
-20.0%
-40.0%
1993
1996
1999
2002
2005
2008
2011
2014
2017
2020
2023


Annual change in steel and house building material costs, 1986 to 2025 (+/-
%)
+60.0%
+50.0%
+40.0%
+30.0%
+20.0%
+10.0%
0.0%
-10.0%
-20.0%
-30.0%
1986
1989
1992
1995
1998
2001
2004
2007
2010
2013
2016
2019
2022
2025
All Materials
Steel products


Index of steel and house building material costs, 2015 to 2025 (2019=100)
170
160
150
140
130
120
110
100
90
80
2015
2018
2021
2024
All Materials
Steel products
Steel beams and sections
Reinforcing steel

Data Tables

Table 1

Summary of price changes for materials used in house building - December 2025 quarter				
	All house building materials	**Steel products**	Steel beams and sections	Reinforcing steel
Change during December 2025 quarter (%)	**+0.2%**	**-1.5%**	-1.8%	-1.0%
December 2025 quarter v December 2024 quarter (%)	**+1.8%**	**-4.6%**	-4.0%	-5.3%
December 2025 quarter v 2019 average (+/-%)	**+38.2%**	**+19.9%**	+13.0%	+33.5%

Source: Master Builders Australia analysis of ABS Producer Price Indexes (6427.0)

Table 2

Annual change in cost of inputs to the house construction industry - year to December 2025 (% change)							
	Australia	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart
All materials used in house building	**+1.8%**	**+2.0%**	**+2.2%**	**+1.6%**	**+2.3%**	**+0.6%**	**-0.2%**
Timber, board and joinery products	**+2.5%**	+2.0%	+2.8%	+2.7%	+3.3%	+1.8%	+2.2%
Ceramic products	**+2.6%**	+1.1%	+8.6%	+1.7%	+2.1%	-5.8%	+2.4%
Concrete, cement and sand	**+1.6%**	+0.3%	+1.1%	+1.2%	+3.2%	+7.3%	+6.2%
Cement products	**+5.2%**	+2.1%	+5.5%	+4.8%	+13.1%	+10.4%	-0.8%
Steel products	**-4.6%**	-5.1%	-4.8%	-0.2%	-0.3%	-4.9%	-27.6%
Metal products (excluding steel)	**+2.0%**	+3.4%	+2.4%	+0.5%	-0.2%	+0.4%	+0.6%
Plumbing products	**+0.4%**	+0.3%	-0.8%	+2.2%	+1.5%	+1.1%	0.0%
Electrical equipment	**+0.8%**	+2.6%	+1.1%	+0.7%	+0.5%	-4.1%	+0.9%
Installed gas and electrical appliances	**+2.3%**	+0.4%	+2.0%	+5.7%	+3.8%	+1.1%	0.0%
Other house building materials	**+1.3%**	+3.7%	+0.6%	-0.3%	+2.3%	+1.0%	-2.9%

Source: Master Builders Australia analysis of ABS Producer Price Indexes

Table 3

Quarterly change in cost of inputs to the house construction industry - December 2025 quarter (% change)							
	Australia	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart
All materials used in house building	**+0.2%**	**+0.1%**	**+0.5%**	**-0.3%**	**0.0%**	**+0.3%**	**-0.3%**
Timber, board and joinery products	**+0.4%**	+0.5%	+0.5%	-0.2%	+0.5%	+0.2%	+0.9%
Ceramic products	**+2.4%**	+0.9%	+4.4%	-1.6%	+1.2%	+5.6%	0.0%
Concrete, cement and sand	**0.0%**	+0.1%	-0.5%	+0.7%	+1.3%	-0.1%	+0.4%
Cement products	**+1.6%**	-1.9%	+1.7%	+1.7%	+6.3%	+9.0%	-2.6%
Steel products	**-1.5%**	-0.1%	-1.4%	-1.2%	0.0%	-4.7%	-7.2%
Metal products (excluding steel)	**+0.1%**	+0.2%	+0.4%	+0.4%	-2.6%	-0.1%	-0.6%
Plumbing products	**-0.6%**	-0.3%	-1.7%	+0.3%	+0.5%	+0.1%	+0.3%
Electrical equipment	**-0.8%**	-0.9%	+0.4%	-1.6%	-1.7%	-4.1%	-0.2%
Installed gas and electrical appliances	**+1.7%**	+1.1%	+1.6%	+2.7%	+2.9%	+1.5%	-0.5%
Other house building materials	**-0.6%**	-0.4%	+0.3%	-1.8%	-0.4%	-1.5%	-1.2%

Source: Master Builders Australia analysis of ABS Producer Price Indexes

Table 4

Change in cost of inputs to the house construction industry - December 2025 quarter v 2019 year average (% change)							
	Australia	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart
All materials used in house building	**+38.2%**	**+35.0%**	**+39.6%**	**+39.3%**	**+38.1%**	**+39.4%**	**+38.3%**
Timber, board and joinery products	**+43.3%**	+40.1%	+43.3%	+45.7%	+51.6%	+39.9%	+42.8%
Ceramic products	**+47.5%**	+32.1%	+53.0%	+33.0%	+26.8%	+110.4%	+40.4%
Concrete, cement and sand	**+31.8%**	+20.2%	+35.7%	+49.0%	+19.8%	+34.8%	+25.7%
Cement products	**+46.2%**	+37.4%	+45.4%	+47.1%	+54.2%	+57.2%	+62.6%
Steel products	**+19.9%**	+28.9%	+11.6%	+27.0%	+30.0%	+17.1%	+25.6%
Metal products (excluding steel)	**+36.1%**	+33.2%	+41.6%	+33.2%	+28.3%	+28.8%	+52.6%
Plumbing products	**+27.0%**	+25.9%	+27.0%	+24.4%	+28.7%	+36.1%	+27.0%
Electrical equipment	**+49.5%**	+44.8%	+57.3%	+47.0%	+47.7%	+32.3%	+52.0%
Installed gas and electrical appliances	**+17.0%**	+16.4%	+19.0%	+16.6%	+13.4%	+14.4%	+17.1%
Other house building materials	**+36.8%**	+37.8%	+35.7%	+41.6%	+38.2%	+34.7%	+22.8%

Source: Master Builders Australia analysis of ABS Producer Price Indexes

Table 5

Annual growth rate of house building materials, 1968 to 2022 (%)											
	All materials used in house building	Timber, board and joinery products	Ceramic products	Concrete, cement and sand	Cement products	Steel products	Metal products (excluding steel)	Plumbing products	Electrical equipment	Installed gas and electrical appliances	Other house building materials
1968	**+2.3%**	+3.3%	+4.1%	+1.4%	+3.4%	+2.0%	+4.1%	+0.3%	+3.6%	0.0%	+2.7%
1969	**+4.8%**	+6.4%	+4.0%	+2.8%	+4.5%	+5.2%	+4.2%	+3.7%	+6.5%	+1.0%	+1.4%
1970	**+3.3%**	+2.2%	+4.6%	+2.7%	+5.5%	+3.8%	+2.2%	+5.7%	+5.2%	+2.1%	+3.5%
1971	**+6.3%**	+7.7%	+5.5%	+9.1%	+10.4%	+7.7%	+3.2%	+6.2%	-0.3%	+2.6%	+4.3%
1972	**+5.4%**	+4.9%	+4.7%	+4.2%	+7.2%	+9.5%	+4.4%	+8.0%	+5.2%	+2.6%	+5.4%
1973	**+10.8%**	+17.4%	+8.5%	+6.3%	+6.5%	+8.0%	+11.3%	+6.2%	+10.5%	+2.2%	+8.0%
1974	**+19.5%**	+24.2%	+17.6%	+13.9%	+17.8%	+19.8%	+17.9%	+17.0%	+18.0%	+19.2%	+12.6%
1975	**+17.2%**	+14.0%	+19.1%	+21.5%	+22.7%	+22.5%	+12.4%	+19.1%	+8.3%	+18.0%	+20.3%
1976	**+12.7%**	+11.3%	+12.9%	+14.7%	+15.9%	+18.4%	+11.0%	+14.4%	+11.6%	+12.8%	+13.4%
1977	**+10.5%**	+11.8%	+8.4%	+9.7%	+11.8%	+11.4%	+8.4%	+7.6%	+7.6%	+6.7%	+11.1%
1978	**+6.1%**	+5.2%	+7.2%	+7.1%	+7.4%	+7.0%	+5.5%	+3.7%	+8.1%	+5.8%	+8.1%
1979	**+9.3%**	+9.4%	+9.0%	+12.7%	+8.5%	+9.0%	+13.5%	+7.7%	+14.7%	+5.1%	+8.2%
1980	**+15.1%**	+16.6%	+13.7%	+14.1%	+12.7%	+13.6%	+18.1%	+15.8%	+18.1%	+10.0%	+16.7%
1981	**+10.3%**	+8.8%	+12.7%	+12.0%	+13.7%	+11.5%	+7.2%	+12.5%	+7.5%	+9.2%	+10.4%
1982	**+10.9%**	+8.2%	+12.6%	+15.4%	+15.8%	+13.2%	+10.5%	+7.6%	+12.6%	+10.4%	+9.9%
1983	**+7.6%**	+6.2%	+7.8%	+8.8%	+9.3%	+8.9%	+8.3%	+8.0%	+14.2%	+3.6%	+6.9%
1984	**+8.5%**	+12.0%	+8.5%	+5.2%	+7.1%	+4.5%	+7.2%	+6.7%	+8.8%	+3.6%	+7.8%
1985	**+7.3%**	+9.4%	+6.2%	+5.1%	+4.3%	+5.1%	+6.6%	+6.8%	+14.9%	+5.4%	+5.8%
1986	**+6.3%**	+6.1%	+6.4%	+4.6%	+3.1%	+7.5%	+6.3%	+14.4%	+10.2%	+10.9%	+6.8%
1987	**+6.0%**	+4.1%	+5.6%	+5.3%	+4.5%	+7.6%	+6.4%	+16.0%	+11.5%	+5.1%	+5.9%
1988	**+10.0%**	+9.9%	+8.3%	+7.4%	+8.2%	+9.4%	+13.2%	+13.8%	+25.6%	+8.3%	+7.4%
1989	**+9.6%**	+9.6%	+11.7%	+8.5%	+9.3%	+9.9%	+11.4%	+10.3%	+10.2%	+6.7%	+8.0%
1990	**+6.0%**	+4.3%	+6.7%	+8.4%	+6.8%	+8.9%	+5.6%	+9.5%	+13.3%	+6.3%	+6.0%
1991	**+2.5%**	-0.5%	+3.3%	+7.0%	+4.2%	+3.7%	+1.9%	+2.9%	+4.2%	+5.3%	+4.4%
1992	**+0.1%**	-0.3%	+2.3%	-5.7%	+1.8%	+1.6%	+0.1%	-0.1%	-2.5%	+3.1%	+2.2%
1993	**+4.1%**	+9.4%	+0.7%	+4.6%	+0.6%	+1.9%	+1.3%	+1.2%	-3.6%	+5.2%	+1.5%
1994	**+3.7%**	+7.0%	+2.2%	+4.0%	+2.6%	+2.1%	+1.4%	+1.5%	-0.4%	+2.6%	+2.1%
1995	**+2.0%**	+0.2%	+2.6%	+0.3%	+2.9%	-0.6%	+4.7%	+3.1%	+9.4%	+2.2%	+3.2%
1996	**-0.4%**	-1.7%	-1.6%	-2.7%	0.0%	+2.8%	+0.6%	+0.9%	+0.9%	+2.7%	+1.4%
1997	**+1.3%**	+0.9%	+0.8%	+1.4%	+0.6%	+2.0%	+1.4%	+2.3%	-0.2%	+2.6%	+2.1%
1998	**+1.8%**	+2.9%	+2.3%	-0.2%	+0.9%	+0.7%	+1.7%	+1.0%	+0.4%	+0.5%	+2.5%
1999	**+0.9%**	+0.7%	+0.3%	-1.1%	+0.8%	-1.6%	+2.1%	+0.7%	+1.9%	+0.3%	+2.2%
2000	**+3.6%**	+9.6%	+2.8%	-1.9%	+3.0%	-2.4%	+3.6%	+3.2%	+0.1%	-3.9%	+0.5%
2001	**+0.0%**	-0.1%	+1.4%	-2.5%	+0.2%	-1.0%	+1.7%	-0.5%	-0.8%	-3.4%	+0.5%
2002	**+2.9%**	+2.9%	+2.1%	+10.1%	+1.3%	+2.4%	+2.4%	+3.4%	-0.3%	+1.7%	+1.9%
2003	**+3.2%**	+2.3%	+4.3%	+10.0%	+3.8%	+5.1%	+2.4%	+1.7%	+0.5%	+1.6%	+2.8%
2004	**+3.1%**	+2.4%	+3.5%	+3.9%	+4.7%	+11.1%	+2.8%	+3.0%	+0.8%	+1.9%	+1.5%
2005	**+3.0%**	+0.8%	+1.9%	+4.5%	+4.0%	+11.7%	+4.2%	+3.7%	-0.4%	+3.5%	+2.7%
2006	**+2.7%**	+0.6%	+1.7%	+3.2%	-0.3%	+2.5%	+5.9%	+3.3%	+7.7%	+1.4%	+3.4%
2007	**+3.2%**	+2.5%	+2.6%	+3.7%	+2.3%	+4.3%	+5.0%	+2.6%	+5.5%	+1.6%	+2.1%
2008	**+5.4%**	+6.0%	+4.3%	+6.3%	+3.2%	+25.1%	+5.1%	+4.0%	-1.8%	+2.0%	+2.7%
2009	**+4.0%**	+1.5%	+4.0%	+2.9%	+4.5%	+11.1%	+6.0%	+3.1%	+4.2%	+3.4%	+3.9%
2010	**+1.2%**	+1.9%	+4.5%	-1.2%	+3.4%	-9.8%	+2.1%	+1.2%	+1.9%	+0.3%	+1.1%
2011	**+2.0%**	-0.1%	+4.8%	+6.9%	+3.0%	-0.6%	+2.0%	+2.0%	+7.4%	+0.9%	+1.1%
2012	**+1.0%**	-1.3%	+4.9%	+2.7%	+1.5%	+0.9%	-0.1%	-0.4%	+1.3%	+0.6%	+2.6%
2013	**+1.0%**	+1.3%	+3.9%	+0.3%	+1.0%	-2.7%	+0.4%	+1.7%	-1.1%	+1.3%	+0.4%
2014	**+2.3%**	+3.7%	+2.0%	+1.5%	+2.0%	-2.4%	+1.5%	+3.5%	+1.5%	+3.6%	+1.7%
2015	**+3.4%**	+4.2%	+5.2%	+0.8%	+2.5%	-0.8%	+2.1%	+3.4%	+2.8%	+4.4%	+3.4%
2016	**+2.7%**	+2.7%	+3.1%	+2.0%	+1.8%	-0.2%	+1.9%	+6.0%	+0.0%	+3.4%	+3.3%
2017	**+2.4%**	+2.8%	+1.9%	+1.9%	+2.0%	+1.6%	+3.8%	+1.4%	+7.1%	0.0%	+0.4%
2018	**+3.1%**	+3.7%	+2.5%	+1.4%	+2.8%	+6.5%	+2.6%	+1.1%	+9.3%	+0.2%	+2.1%
2019	**+1.4%**	+0.5%	+2.0%	+0.2%	+2.1%	+2.3%	+1.1%	+1.6%	+5.0%	+1.7%	+2.5%
2020	**+1.5%**	+0.6%	+2.9%	-0.3%	+3.7%	-0.3%	+0.5%	+1.8%	+12.1%	+1.4%	+1.3%
2021	**+6.6%**	+10.1%	+3.9%	-0.2%	+2.2%	+18.0%	+6.9%	+6.7%	+4.5%	+1.7%	+3.2%
2022	**+15.7%**	+20.6%	+14.4%	+8.2%	+9.7%	+29.6%	+16.0%	+11.8%	+10.5%	+3.7%	+12.2%
2023	**+6.3%**	+4.7%	+10.3%	+12.4%	+12.1%	-9.7%	+5.4%	+6.8%	+6.4%	+5.0%	+9.7%
2024	**+1.4%**	-0.6%	+4.4%	+4.6%	+5.7%	-6.6%	+1.0%	-1.2%	+5.8%	+1.3%	+4.5%
2025	**+1.7%**	+1.7%	+3.0%	+4.0%	+3.7%	-5.1%	+1.9%	-0.7%	+2.7%	+1.3%	+1.6%

Source: Master Builders Australia analysis of ABS Producer Price Index, March 2023 quarter