

# Building Materials Shortage 2021

The Tasmanian construction industry is currently experiencing shortages of some building materials.

## Building materials shortage

A nationwide shortage of building materials is impacting on builders' construction timeframes.

The wait times for some materials have increased from 2 to 8 times those experienced before the COVID-19 pandemic.

Extended wait times for building materials are placing additional pressures on building companies, associated trades, and homeowners.

Supply shortages have presented challenges such as delays and, in some cases, unforeseeable material cost increases in Tasmania and across the nation.

## Why is this happening?

Australia is experiencing this shortage of supply due to a global increase in demand for building materials.

Some of the shortages have also been attributed to the 2019/20 bushfires which destroyed tens of thousands of hectares of softwood plantation that would usually supply the Australian construction industry.

Federal and State housing stimulus measures have also bolstered the residential construction sector, leading to a significant increase in new dwelling construction.

This shortage is predicted to be a short-term shock to supply and pressure is expected to ease. However, it is having a significant impact on homeowners and builders now.

Homeowners are recommended to seek independent legal advice if negotiating changes to an existing residential building works contract.

## What should owners do?

Homeowners in contracts for residential building work should negotiate with their builder where there is a need for contract variations due to building material shortages.

The volatility of the market and the reduction in material supply has resulted in unforeseen delays, often outside of the builder's control.

If a builder informs a homeowner of delays to the date of expected practical completion, the homeowner should try to come to an agreement with the builder and vary the date if it is reasonable in the circumstances.

Any variations to the contract terms must be in writing and signed by both the owner and the building contractor.

## What should building contractors do?

Builders are expected to work with homeowners to resolve any disputes arising during building works.

A builder who has contracted for residential building work and is experiencing difficulties sourcing building materials should contact the owner as soon as possible and advise them of the situation.

Work with the owner to agree to a variation, if reasonable, in the circumstances.

Any change to the contract terms must be in writing and signed by both parties to the contract.

## Mediation

To reduce the risk of a dispute, both parties must fully understand the residential building works contract terms.

For homeowners, if a dispute does arise, notify your building contractor of your concerns and provide them with the opportunity to resolve the issue.

Should the homeowner and the building contractor be unable to resolve the issue, they may contact Consumer, Building and Occupational Services for advice or access the free dispute resolution and mediation services.

## More information

For more information regarding residential building work contracts and dispute resolution, view the [Residential Building Consumer Guide](#) and [Guide to Resolving Residential Building Works Issues](#) at [www.cbos.tas.gov.au](http://www.cbos.tas.gov.au)

Consumer, Building and Occupational Services (CBOS) is part of Tasmania's Department of Justice. CBOS regulates the consumer, building, construction and occupational licensing sectors by promoting education and providing information, compliance and enforcement services.

This guide is a resource and reference document and is for general information only.  
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