INDUSTRY REPORT

Turf Growing in Australia

Oct 2024

About IBISWorld

IBISWorld specializes in industry research with coverage on thousands of global industries. Our comprehensive data and in-depth analysis help businesses of all types gain quick and actionable insights on industries around the world. Busy professionals can spend less time researching and preparing for meetings, and more time focused on making strategic business decisions.

Table Of Contents

Standard

About

A quick definition of the industry, its products and services, major companies and other key identifiers help you confirm you're in the right place.

1. About

https://my.ibisworld.com/au/en/industry/A0113/about

Codes

ANZSIC 2006	0113

Definition

Industry firms primarily grow turf for transplanting into landscaped areas. This includes grass growing, turf growing and lawn seed growing. Operators plant, maintain and harvest turf farms. Landscapers, households, government and public service, sport venues, revegetation contractors, and plant hire and garden service providers then install the turf.

Related Terms

EROSION

The process of weather wearing away soil and rock.

COUCH

A common type of grass that grows rapidly.

LEACHING

The process of nutrients not being retained by the turf or soil.

What's Included

- Buffalo turf
- Couch turf
- Kikuyu grass
- Zoysia grass
- Velvetene, seashore paspalum

Companies

- StrathAyr Pty Ltd
- Anco Seed and Turf Pty Ltd
- Lilydale Instant Lawn Pty Ltd
- Jimboomba Turf Group

Related Industries

Industries in the Same Sector

- **Competitors:**
    - Nursery Production in Australia
    - Floriculture Production in Australia
- **Complementors:**
    - Landscaping Services in Australia
    - Garden Supplies Retailing in Australia
    - Gardening Services in Australia

International Industries

- Farm, Lawn & Garden Equipment Wholesaling in the US
- Farm, Lawn & Garden Equipment Wholesaling in Canada

Additional Resources

- Greenlife Industry Australia
- Australian Bureau of Statistics
- Horticulture Innovation Australia Limited
- Turf Australia
- Australian Genetic Assured Purity Turf Accreditation Program
- Australian Sports Turf Managers Association

At a Glance

Evaluate key industry data and trends and get an overview of important report sections to use in meetings and presentations.

2. At a Glance

https://my.ibisworld.com/au/en/industry/A0113/at-a-glance

Revenue	Employees	Businesses
$306.4m	**1,082**	**214**
'20-'25 ↑ 2.2 %	'20-'25 ↑ 1.2 %	'20-'25 ↓ 2.0 %
'25-'30 ↑ 1.1 %	'25-'30 ↑ 0.6 %	'25-'30 ↑ 0.7 %

Profit	Profit Margin	Wages
$21.1m	**6.9%**	**$65.1m**
'20-'25 ↓ 3.9 %	'20-'25 ↓ 2.5 pp	'20-'25 ↓ 0.6 %
		'25-'30 ↑ 1.4 %

Key Takeaways

Performance

- Revenue soared in 2020-21 thanks to a surge in dwelling commencements and pandemic-driven home improvements. However, falling dwelling commencements, slumping residential building construction and economic uncertainty have since stifled demand, fuelling successive revenue drops.
- The industry is facing substitutive competition from artificial turf. Although artificial turf has higher initial costs than natural turf, it's easier to maintain, which boosts its popularity among time-poor consumers.
- Landscapers have increasingly adopted drought-tolerant, low-maintenance turf varieties due to environmental concerns. Higher government spending for public grounds and sports fields has elevated turf demand from government institutions and sports venues.

External Environment

- The industry is lightly regulated, with regulations mainly relating to environmental concerns and water usage. Local governments may prevent turf farms from being built near environmentally sensitive areas.
- The industry receives public assistance in the form of research and development. Qualifying turf farms must pay a nationwide turf levy that's allocated towards industry R&D, marketing and testing initiatives.

Products and Services

Products & Services Segmentation

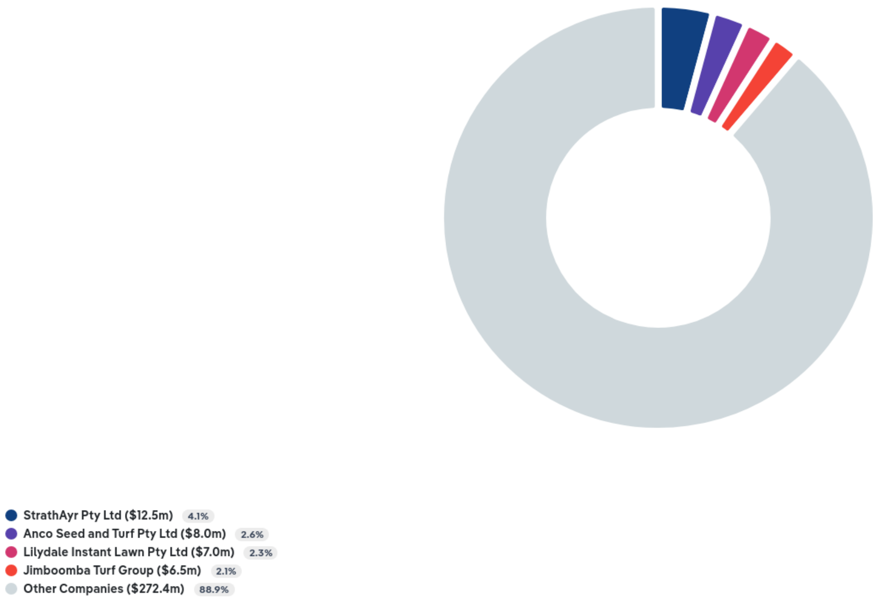
Industry revenue in 2025 broken down by key product and service lines.

- Buffalo turf ($111.5m) 36.4%
- Couch turf ($70.2m) 22.9%
- Kikuyu grass ($43.8m) 14.3%
- Zoysia grass ($43.2m) 14.1%
- Other turf varieties ($37.7m) 12.3%

Source: IBISWorld

Major Players

Major Players



Source: IBISWorld

Key External Drivers

Key External Drivers	Impact
Dwelling commencements	Positive
Demand from institutional building construction	Positive
Consumer sentiment index	Positive
Real household discretionary income	Positive
Availability of water	Positive
Domestic price of fertiliser	Positive

Industry Structure

Characteristic	Level	Trend
Concentration	Low	
Barriers To Entry	Moderate	Increasing
Regulation and Policy	Low	Increasing
Life Cycle	Mature	
Revenue Volatility	High	
Assistance	Low	Steady
Competition	Moderate	Increasing
Innovation	Low	

SWOT

S	W	O	T
Strengths Low Imports Low Customer Class Concentration Low Product/Service Concentration	Weaknesses Low & Steady Level of Assistance Low Profit vs. Sector Average Low Revenue per Employee High Capital Requirements	Opportunities High Revenue Growth (2020-2025) High Revenue Growth (2025-2030) Dwelling commencements	Threats Low Performance Drivers Domestic price of fertiliser

Executive Summary

Greener on the other side: Slumping dwelling commencements have mowed demand for turf

The Turf Growing industry's revenue and demand are closely tied to dwelling commencements, consumer sentiment and rainfall fluctuations. A surge in dwelling commencements and pandemic-induced home improvements propelled revenue growth in 2020-21. Since then, low dwelling commencements and economic uncertainty have contributed to revenue declines. The industry's production capacity is heavily influenced by water availability, which has improved thanks to higher rainfall and expanded water extraction. However, state-imposed water restrictions to manage local supply concerns have periodically curbed turf demand and production. Overall, industry revenue is expected to have risen at an annualised 2.2% over the five years through 2024-25, to $306.4 million. This includes an anticipated drop of 0.9% in 2024-25.

Downstream markets have had a mixed impact on the turf industry. A fall in dwelling commencements and smaller urban lot sizes has contracted revenue from the household DIY segment. Landscapers have shifted towards drought-tolerant and low-maintenance turf varieties, driven by environmental concerns and a temporary boost during the COVID-19 pandemic. Meanwhile, government institutions and sports venues have shown increased interest in turf for public grounds, stemming from higher government spending and strong demand for sporting grounds. However, high fertiliser prices and fluctuating demand have weakened the industry's profitability over the past five years. Anticipated growth in dwelling commencements in 2024-25 is poised to improve margins, but they will remain below pre-pandemic levels.

Rainfall variability and water extraction policies will continue to influence industry revenue. While increased water availability is forecast to stabilise production costs, state policy restrictions may limit these benefits. Demand from households and landscapers for turf is projected to grow with escalating dwelling commencements, especially for new standalone houses. Rising discretionary incomes and positive consumer sentiment are also likely to boost spending on turf installations. However, the shift towards higher density living and the rise in multi-unit apartment construction, which requires less turf, may constrain overall industry growth. Revenue is projected to climb at an annualised 1.1% over the five years through 2029-30, to $323.2 million.

Performance

Track historical, current and forward-looking trends in revenue, profit and other performance indicators that make or break an industry.

3. Performance

https://my.ibisworld.com/au/en/industry/A0113/performance

Highlights

Revenue
$306.4m
2020-25 CAGR ↑ 2.2 %
2025-30 CAGR ↑ 1.1 %

Employees
1,082
2020-25 CAGR ↑ 1.2 %
2025-30 CAGR ↑ 0.6 %

Businesses
214
2020-25 CAGR ↓ 2.0 %
2025-30 CAGR ↑ 0.7 %

Profit
$21.1m
2020-25 CAGR ↓ 3.9 %

Profit Margin
6.9%
2020-25 CAGR ↓ 2.5 pp

Key Takeaways

- **Revenue soared in 2020-21 thanks to a surge in dwelling commencements and pandemic-driven home improvements.** However, falling dwelling commencements, slumping residential building construction and economic uncertainty have since stifled demand, fuelling successive revenue drops.
- **The industry is facing substitutive competition from artificial turf.** Although artificial turf has higher initial costs than natural turf, it's easier to maintain, which boosts its popularity among time-poor consumers.
- **Landscapers have increasingly adopted drought-tolerant, low-maintenance turf varieties due to environmental concerns.** Higher government spending for public grounds and sports fields has elevated turf demand from government institutions and sports venues.

Performance Snapshot

Revenue: ↑ 2020-25 Revenue CAGR +2.2%

Revenue

Total value ($) and annual change from 2012 – 2030. Includes 5-year outlook.

IBISWorld

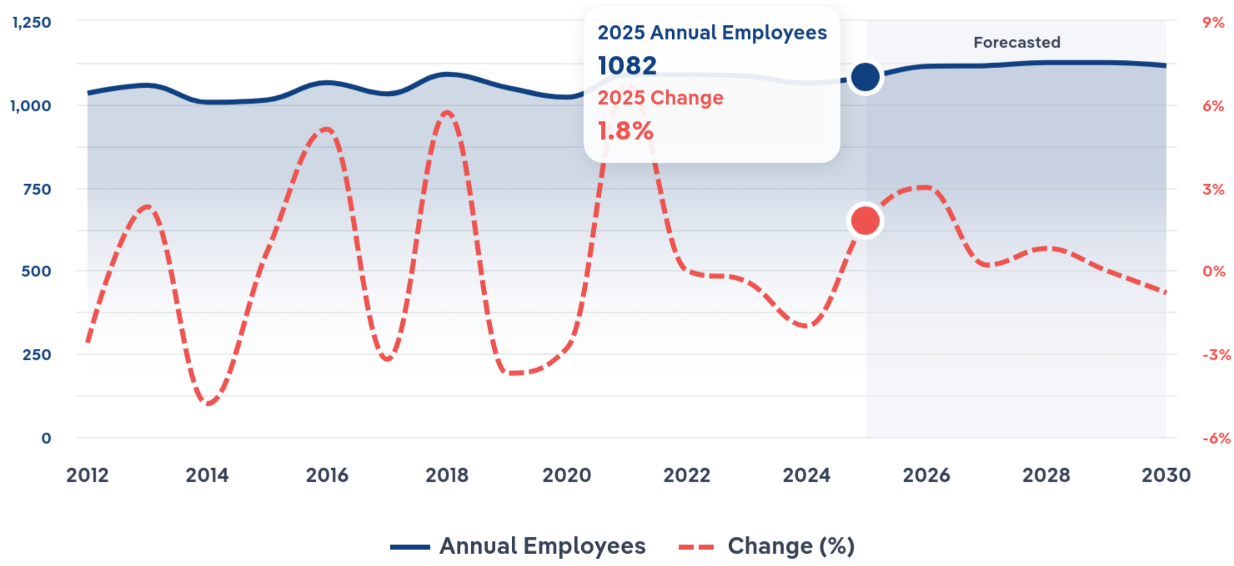
Source: IBISWorld

Employees: ↑ 2020-25 Employees CAGR +1.2%

Employees	Employees per Business	Revenue per Employee
1,082	**5**	**$283k**
'20-'25 ↑ 1.2 %	'20-'25 ↑ 3.3 %	'20-'25 ↑ 1.0 %
'25-'30 ↑ 0.6 %	'25-'30 ↓ 0.1 %	'25-'30 ↑ 0.5 %

Employees

Total number of employees and annual change from 2012 – 2030. Includes 5-year outlook.



IBISWorld

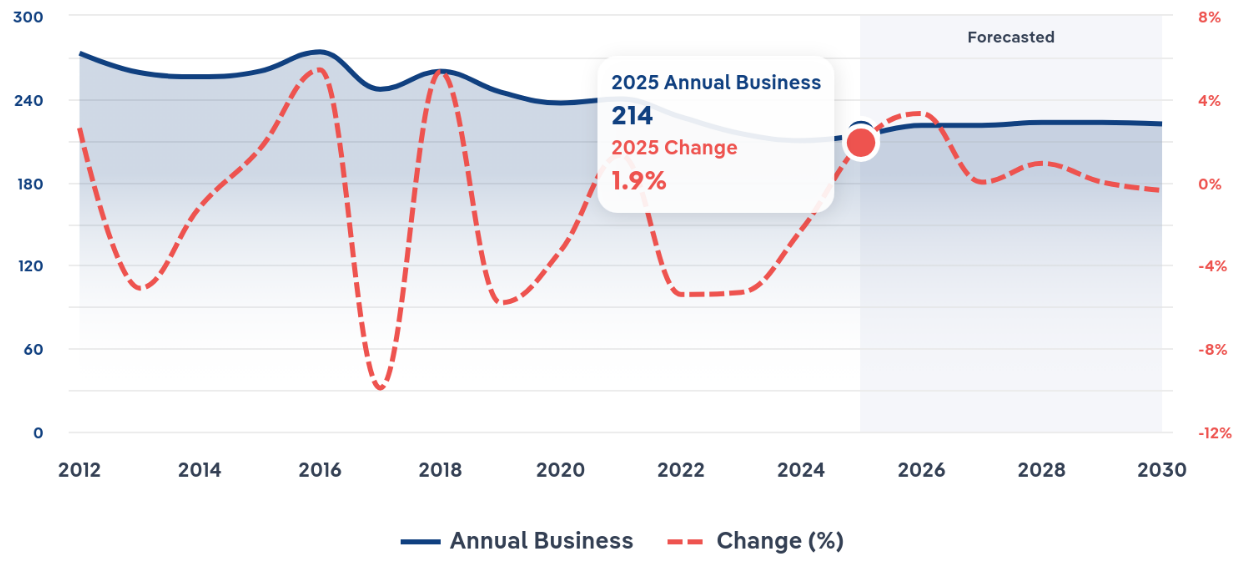
Source: IBISWorld

Businesses: ↓ 2020-25 Business CAGR -2.0%

Businesses	Employees per Business	Revenue per Business
214	**5**	**$1.4m**
'20-'25 ↓ 2.0 %	'20-'25 ↑ 3.3 %	'20-'25 ↑ 4.3 %
'25-'30 ↑ 0.7 %	'25-'30 ↓ 0.1 %	'25-'30 ↑ 0.3 %

Business

Total number of businesses and annual change from 2012 – 2030. Includes 5-year outlook.



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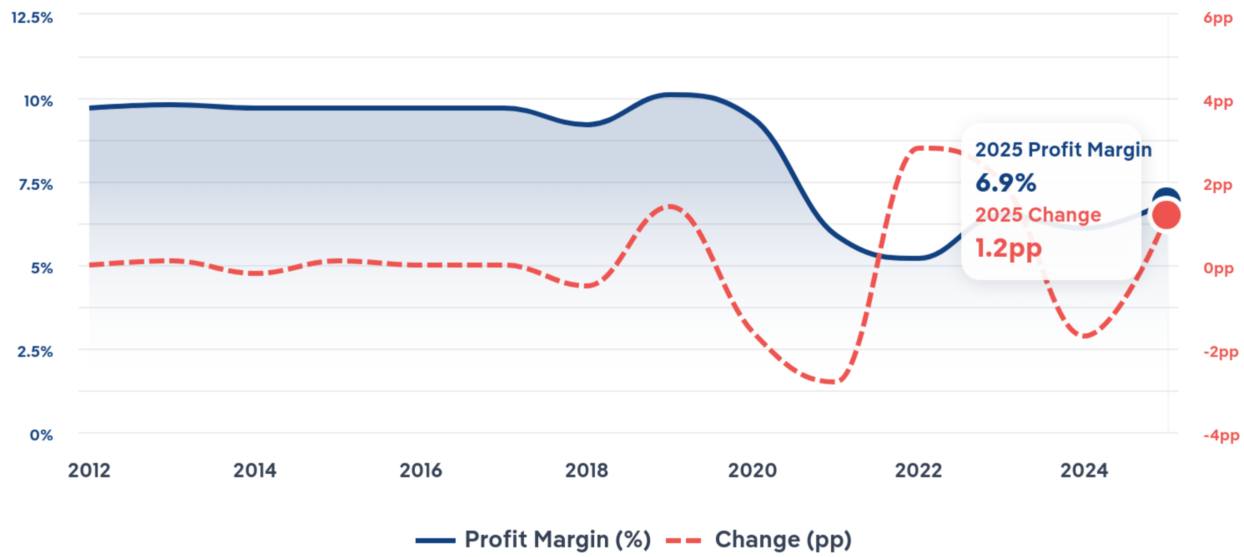
Source: IBISWorld

Profit: ↓ 2020-25 Profit CAGR -3.9%

Total Profit	Profit Margin	Profit per Business
$21.1m	**6.9%**	**$98,792**
'20-'25 ↓ 3.9 %	'20-'25 ↓ 2.5 pp	

Profit Margin

Total profit margin (%) and annual change from 2012 – 2025



IBISWorld Source: IBISWorld

Current Performance

What's driving current industry performance?

Slumping dwelling commencements and economic uncertainty have been limiting demand for turf

- Fluctuations in turf demand and revenue are closely tied to changes in dwelling commencements and consumer sentiment, which affect buyers' need for – and willingness to spend on – turf.
- A surge in dwelling commencements in 2020-21, alongside improving consumer sentiment, drove substantial revenue growth, as pandemic lockdowns and stimulus checks empowered homeowners to invest in garden improvements, boosting turf sales.
- Revenue has successively fallen since 2020-21, as slumping dwelling commencements and economic uncertainty have hampered spending on turf.
- Although the industry's overall revenue has risen over the past five years, this growth is attributable to the notable rise in 2020-21 compared to the subdued declines in subsequent years.

Downstream markets have had a mixed impact on the industry's performance

- The household market, particularly the DIY segment where homeowners purchase turf directly from growers, has shrunk over the past five years. A fall in dwelling commencements and smaller urban lot sizes have decreased demand.
- Landscapers, who rely on levels of construction activity, are shifting towards drought-tolerant and low-maintenance turf varieties in response to growing environmental concerns. The COVID-19 pandemic initially boosted activity for landscapers, but demand has since normalised.
- Government institutions and sports venues are increasingly investing in turf for maintenance and quick field replacements for public grounds. Heightened government spending and a resurgence in sports activities post-pandemic has expanded revenue from this market.

Water availability and regulations influence industry production

- Water availability heavily influences the industry's capacity to grow turf. Increased rainfall and expanded water extraction from rivers, lakes and groundwater reserves have elevated water availability.
- Permits are often required to extract water, and these must be acquired from state environment and water resources departments.
- State governments have periodically implemented water restrictions to address local supply concerns. In many regional areas, water authorities endorse ongoing conservation practices. For instance, Victoria's Water Act 1989 and New South Wales's Water Management Act 2000 require growers to have specific water licences outlining extraction limits.
- Regulatory measures restricting water access have curbed turf demand and constrained industry production levels.

What influences industry volatility?

Turf demand and revenue fluctuate with dwelling commencements and consumer sentiment

- Changes in dwelling commencements and consumer sentiment, which influence consumers' need for and willingness to purchase new turf, contribute to annual changes in industry demand and revenue.
- Revenue spiked in 2020-21 when dwelling commencements surged and consumer sentiment improved. As pandemic lockdowns came into effect and stimulus checks came in, many people at home looked to improve their gardens, fuelling turf sales.
- Lower dwelling commencements and economic uncertainty have driven successive revenue drops over the four years through 2024-25.

The industry relies on construction markets and water availability, influencing volatility

- The various construction markets to which the industry sells can limit revenue volatility.
- When residential construction weakens, commercial and industrial markets often expand. That's why the industry typically fluctuates according to movements in demand from its downstream markets. Residential building construction has slumped since 2020-21, contributing to revenue falls.
- When water availability is high, as it has been over the past five years, turf growers can produce more turf. However, households and other potential industry clients might be more willing to grow their own turf from seeds, limiting or reducing industry growth.

On thin ice

Industry volatility vs. revenue growth (2018-24 CAGR)

IBISWorld

Source: IBISWorld

Key Success Factor

How do successful businesses overcome volatility?

Hire an experienced workforce

Turf-growing companies that employ experienced staff with extensive knowledge are in a good position to operate efficiently and build a good reputation in the market. Knowledgeable staff can help businesses boost revenue and margins.

Secure the latest and most efficient technologies and techniques

Turf-growing businesses that use the latest technology can minimise water usage and plant, maintain and harvest turf more quickly and efficiently. This can help strengthen revenue growth.

Outlook

↑ 2025-30 Revenue CAGR +1.1%

What's driving the industry outlook?

Rising artificial turf adoption will continue challenging real grass, offering low maintenance and competitive pricing

- The turf industry will continue facing fierce competition from increasingly realistic artificial grass, which is favoured for its durability and versatility. It's suitable for high-traffic areas and challenging installations like rooftops, shaded spots and sunny locations, making it appealing for both residential homes and commercial properties.
- Artificial grass has low maintenance requirements, which attracts time-pressed consumers who prefer minimal upkeep over regular mowing, watering and fertilising. High fertiliser prices previously boosted artificial turf's popularity, but projected declines in fertiliser costs are poised to make real turf more appealing.
- To stay competitive, turf growers will need to keep prices attractive, potentially straining their profitability. Effectively marketing real turf will be crucial.

Rainfall levels and water extraction limits will keep influencing industry revenue growth

- Despite being difficult to forecast in advance, water availability is projected to rise. This will stabilise turf production costs for growers, supporting profitability, although ongoing policy restrictions from state governments will limit improvements.
- Increased water availability is set to boost demand from households and businesses, simplifying turf maintenance and encouraging investments in lush lawns and landscape designs.
- Demand for hardy, drought-resistant turf like Zoysia grass is likely to increase in regions with frequent water restrictions and dry conditions.

Mixed housing trends and institutional demand will drive turf sales, although not without limitations

- Household turf demand is expected to grow due to an anticipated increase in new standalone house construction. However, high housing prices may limit this growth by making new homes less affordable, reducing the number of new houses built and limiting demand for turf.
- Australians' preference for higher density living is projected to rise, escalating multi-unit apartment and townhouse construction. These properties require less turf, restricting industry growth.
- Rising institutional building construction demand and increased interest from sporting associations, stemming from improving business confidence, are set to drive demand for turf. Turf growers will be able to capitalise on opportunities for strategic partnerships to further benefit from this demand.

Improving incomes and sentiment are set to boost turf demand, but higher density living will challenge growth

- Forecast growth in household discretionary income and consumer sentiment is poised to boost spending on non-essential items like turf installations, elevating industry demand as homeowners invest in outdoor spaces.

- Growth in multi-unit apartment and townhouse construction, which require less turf, will present a challenge. As consumers' preference continues to shift toward higher density living over standalone houses, demand growth for turf will be limited.
- Turf producers are likely to diversify by targeting residential and commercial sectors and promoting low-maintenance, drought-resistant varieties to sustain growth amid rising environmental consciousness.

Life Cycle Mature

Why is the industry mature?

Contribution to GDP

Industry businesses are struggling to generate revenue growth amid mixed demand. Dropping dwelling commencements and volatile consumer sentiment have created hesitance among consumers to outlay income on non-essential items like new instant turf.

Market Saturation

Industry businesses typically service geographic niches to avoid transportation costs. That's why some parts of Australia exhibit a more saturated market than others.

Innovation

The industry has highly segmented turf variants, with limited opportunities for industry businesses to innovate and introduce new varieties.

Consolidation

Since turf growers focus on regional markets, most businesses are small-scale. High transport costs mean that expanding operations pose little benefit. Economies of scale in marketing also offer minimal benefit, considering the difficulty of differentiating turf products, which limits consolidation.

Technology & Systems

The industry invests in technology to automate its activities. Industry businesses have increased investment in computer-controlled watering and monitoring systems. However, mechanical technological advancements (tractor use) have progressed at a slow pace.

Products and Markets

Find out what the industry offers, where trade is most concentrated and which markets are buying and why.

4. Products and Markets

https://my.ibisworld.com/au/en/industry/A0113/products-and-markets

Largest Market	Product Innovation
$111.5m Buffalo turf	Low

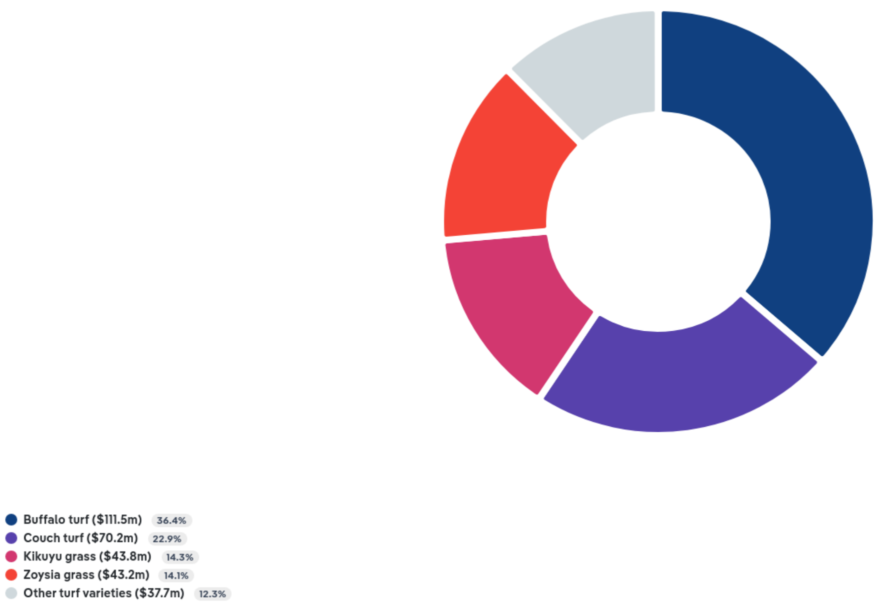
Key Takeaways

- **Economic uncertainty and rising urban living trends have reduced demand for Buffalo turf, contracting its revenue share.** Despite its drought tolerance and low fertiliser requirements, the shift towards urban living and lower discretionary incomes have harmed Buffalo turf's popularity.
- **Due to water scarcity, landscapers are increasingly installing drought-tolerant, low-maintenance turf varieties like seashore paspalum and Zoysia.** This trend aligns with Australia's stringent water usage regulations and focus on environmental sustainability.

Products and Services

Products & Services Segmentation

Industry revenue in 2025 broken down by key product and service lines.



IBISWorld

Source: IBISWorld

How are the industry's products and services performing?

Economic uncertainty and rising urban living trends have shrunk Buffalo turf's revenue share

- Buffalo turf is a warm-season grass. Its reasonable wear tolerance makes it appropriate for shaded parklands and lawns.
- Buffalo turf requires less fertiliser than other varieties and has reasonable drought tolerance, although it's fairly expensive to purchase. It has several sub-variants, including Palmetto and Sir Walter.
- Economic uncertainties in recent years, along with falling discretionary incomes and a growing level of urban living, have reduced demand for household lawns. This has diminished demand for buffalo turf, even though it can endure prolonged dry spells once established, contracting its share of revenue.

Couch turf revenue has declined amid rising artificial turf usage and reduced residential construction

- Couch turf is a warm-season grass that does well in humid, tropical regions with warm, temperate climates. Nonetheless, the grass has excellent drought tolerance and requires minimal maintenance.
- Couch turf is fast-growing and tough, can tolerate low-fertility soils and is a fairly affordable turf to purchase. It has excellent wear tolerance, which makes it conducive for lawns, golf courses and sports fields.
- Artificial turf's rising popularity has curtailed demand for natural couch turf. Synthetic alternatives are perceived as more convenient and lower maintenance, especially in dense urban settings or some sports fields. A drop in residential construction has also reduced couch turf installations in new homes.

The preference for low-maintenance grass has declined demand for Kikuyu grass

- Kikuyu grass, a warm-season variety, thrives in subtropical regions and grows rapidly in warmer months. It can also withstand cooler temperatures.
- Kikuyu grass prefers fertile soil and ample moisture, positioning it as a budget-friendly option within the average-to-lower price range.
- Kikuyu grass requires regular maintenance, which makes it less popular among time-pressed consumers.
- Over the past five years, Kikuyu grass's revenue share has diminished. The shift towards low-maintenance garden options, spurred by falling household discretionary incomes, has diverted time-limited consumers away from Kikuyu grass.

Zoysia grass has benefited from its low maintenance and suitability for various conditions

- Zoysia is a tropical grass that's native to South-East Asia. The grass can tolerate a range of temperatures, sunlight and water availability.
- Zoysia's ability to withstand various conditions makes it suitable for lawns in temperate climates. It generally tends to be an expensive turf compared with other varieties.

- Popular Zoysia varieties, like Sir Grange and Zoysia Australis, have low maintenance needs, appealing to homeowners and commercial landscapers. Zoysia is favoured for its slow growth and reduced upkeep, requiring minimal nitrogen fertilisation and up to 50% less mowing than couch or kikuyu grasses. These attractive qualities have propelled revenue growth for Zoysia grass.

Other turf varieties benefit from high drought tolerance

- Other turf variants include Velvetene, seashore paspalum, sweet smother grass and Nara native turf.
- Factors regarding insect and fungal damage, high maintenance requirements and poor appearance impede sales of other turf product types.
- Seashore paspalum and Nara native turf have become more popular owing to their excellent drought tolerance and ability to thrive with low-quality water sources like greywater and reclaimed water. Seashore paspalum, in particular, has exceptional salt tolerance, making it suitable for coastal or saline soil regions. This suitability drives demand for the grass in environmentally sensitive areas, and has contributed to overall revenue growth in this segment.

What are innovations in industry products and services?

There’s limited scope for the industry's core product to advance or diversify its use

- Despite low innovation, creating turf that’s easy to maintain remains fundamental to the industry.
- There’s interest in new types of turf from other countries, as well as genetic engineering to improve the appearance, hardiness and drought tolerance of turf.
- There have been some enhancements related to turf varieties and drought-resistant turf.
- Customers’ requirements for turf that suits a range of conditions have encouraged turf-growing companies to develop or stock many turf varieties.

Precision agriculture is making it easier to develop turf

- Precision agriculture technologies are revolutionising turf-growing by enhancing efficiency, productivity and sustainability, particularly in soil management and irrigation.
- Drone-based mapping and GPS-enabled sensors assess soil quality before planting. These tools help growers identify variations in soil composition, moisture, pH and fertility, enabling precise application of fertilisers and water. This can help optimise growth conditions and reduce resource waste.
- Precision irrigation systems with real-time soil moisture sensors allow for watering based on actual needs rather than fixed schedules. This conserves water, maintains optimal soil moisture levels and promotes healthier, faster-growing turf, which is especially crucial in drought-prone Australia.

Key Success Factor

What products or services do successful businesses offer?

Produce a differentiated product

Turf growers should offer unique varieties like drought-resistant Zoysia or luxurious Buffalo turf. Differentiation allows premium pricing and caters to various consumer needs. It also builds long-term customer relationships, especially with customers who are environmentally conscious or have specific landscaping needs.

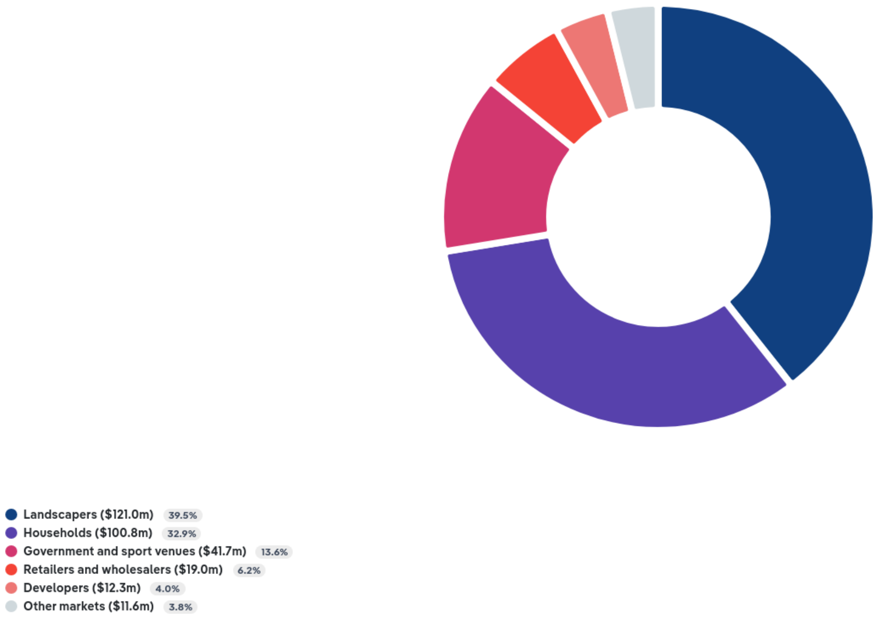
Establish supply contracts for domestic sales

Securing supply contracts with landscape companies, sporting venues and local councils ensures consistent demand and revenue. These agreements provide financial stability and enable focused growth for turf growers.

Major Markets

Major Market Segmentation

Industry revenue in 2025 broken down by key markets



IBISWorld

Source: IBISWorld

What's influencing demand from the industry's markets?

Dwindling dwelling commencements have diminished demand from households

- The household market, representing the DIY segment, includes homeowners who purchase turf directly from growers for residential renovations.
- During economic downturns, consumers often skip hiring landscapers and instead buy turf directly to cut costs. Household discretionary incomes swelled at the beginning of the pandemic due to government stimulus. However, subsequent declines and inflationary pressures have constrained turf demand.
- Slumping dwelling commencements and smaller urban lot sizes have contracted households' revenue share over the past five years.

Landscapers are focusing on drought-tolerant and low-maintenance turf varieties

- Landscapers install grown turf and rely on construction activity in Australia.
- When a customer commissions a design with turf, the landscaper purchases turf from growers.
- There's a growing trend among landscapers to install drought-tolerant and low-maintenance turf varieties. This shift aligns with heightened concerns over Australia's water scarcity and

environmental sustainability. Popular choices include Seashore Paspalum and Zoysia grasses, which are known for their low water requirements, especially in areas with stringent water usage regulations.
- The COVID-19 pandemic led to a surge in home improvement projects, boosting demand for landscaping services as Australians invested in outdoor spaces. However, demand has normalised since pandemic restrictions were lifted.

Government and sports venue demand has risen due to increased spending and resurging sports activity

- Governments, institutions and sports venues invest in new turf products to maintain and upkeep public grounds.
- Public spaces and grounds redevelopment projects, alongside established institutions like schools, universities, hospitals and churches, drive governments' turf purchases.
- Sports venues acquire turf to swiftly install or replace damaged grass on fields.
- Over the past five years, higher government spending and a sustained resurgence in sports activity post-pandemic have grown this market's revenue share.

A construction slowdown and economic uncertainty have declined retail and wholesale turf sales

- The volume of turf sold through retail and wholesale establishments is limited due to turf's short lifespan and the significant floor space it requires. Retailers generally display turf samples in their outlets and earn a commission from these displays and sales.
- This market's revenue share has declined over the past five years due to a slowdown in residential construction. Reduced dwelling commencements and fewer new landscaping projects, exacerbated by economic uncertainty, have directly constrained turf product sales for retailers and wholesalers.

Slumping dwelling commencements and high-density living have curtailed demand from developers

- Developers use turf to enhance the visual appeal of garden areas for residential and non-residential construction.
- Smaller plot sizes in urban developments result in less overall space available for traditional lawn areas, reducing the need for expansive turf installations. Additionally, the rise in sustainable and low-maintenance landscaping solutions – like drought-resistant plants, artificial turf and hardscaping – which require less maintenance and water than natural grass lawns, has decreased turf demand from developers.
- The shift towards high-density living and a decline in new dwelling commencements have shrunk this market's revenue share over the past five years.

Other markets have remained stable as a share of revenue despite fluctuating spending on events

- Other markets include plant hire and garden service companies, which are involved in developing spaces for special events. When businesses in this market are hired, they purchase grown turf to quickly cover grounds.
- Fluctuating consumer sentiment over the past five years has reduced spending on special events, diminishing revenue from related companies.

- Revegetation contractors form another niche market, typically buying turf to prevent erosion.
- Despite fluctuations, the overall market has remained stable as a share of industry revenue because of the ongoing need for erosion control and sustained demand for event-related turf.

International Trade

Some industries don't directly import or export goods. See reports at the manufacturing level for international trade data on relevant products.

Geographic Breakdown

Discover where business activity is most concentrated in this industry and what's driving these trends.

5. Geographic Breakdown

https://my.ibisworld.com/au/en/industry/A0113/geographic-breakdown

Key Takeaways

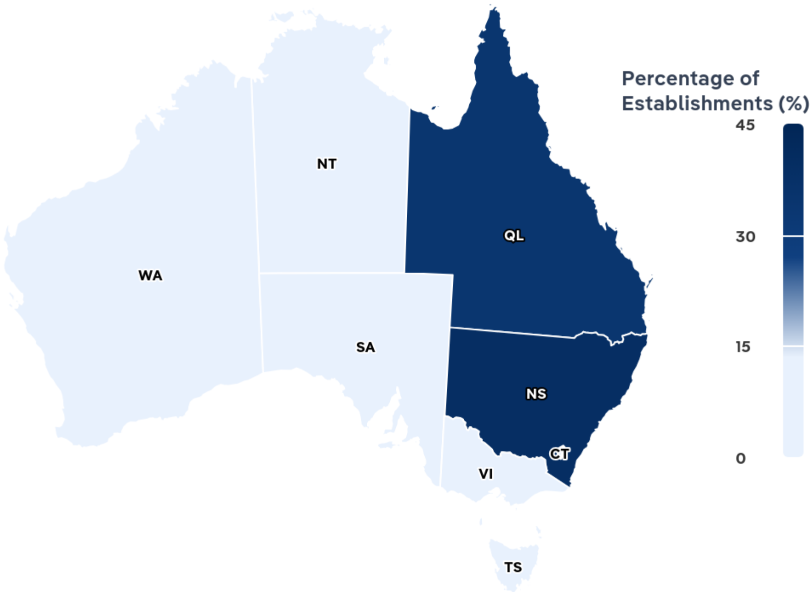
- **Turf growers prefer to locate close to their downstream markets.** This is mainly because turf products have low value-per-weight ratios.
- **The majority of turf growers are located in New South Wales and Queensland.** These states' tropical climates and large downstream markets support a high concentration of businesses.

Business Locations

Turf Growing in Australia

Business Concentration

Percentage of total industry Establishments in each region



IBISWorld

Source: IBISWorld

Percentage of total industry Establishments,Population in each region

State/Territory	Establishments %	Population %
NSW	39.6	39.6
QLD	34.1	34.1
VIC	11.9	11.9
WA	9.3	9.3

SA	3.8	3.8
NT	1.3	1.3
ACT	0	0.0
TAS	0	0.0

Where are industry businesses located?

Tropical weather supports turf growing

- Most turf growers are located in Queensland and New South Wales because of the warmer tropical weather in these regions, as certain turf varieties like Sir Walter and green Kikuyu grow more rapidly in warmer weather.
- Queensland and New South Wales have large populations, benefiting turf growers' reach. Large populations signify a higher number of residential properties, sporting venues and government institutional buildings to service. That's why turf growers congregate in these areas so they can provide turf to property owners and other customers.

Water availability and downstream markets influence business locations

- Turf growers typically select land that is above average in fertility with relatively high and reliable rainfall. Alternatively, the land should have access to irrigation water.
- Turf growing concentrates in the vicinity of capital cities. This minimises transportation costs to deliver the turf to urban customers. That's why turf is also grown in states and territories without tropical climates, to supply local markets and reduce transportation costs to customers.

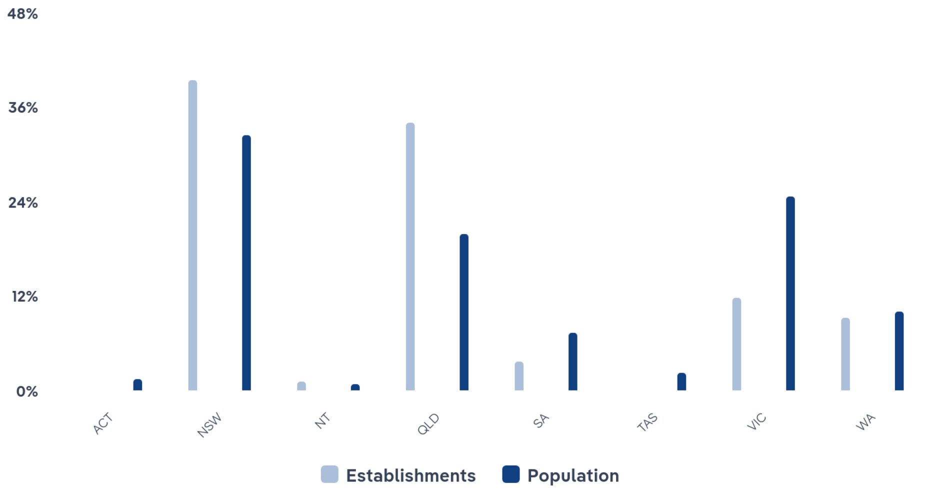
The Northern Territory and Western Australia house some turf growers, favouring warm-season, drought-tolerant grass varieties

- The Northern Territory and Western Australia have become key regions for turf production due to their favourable conditions for certain grass types.
- Both regions have ideal climates for warm-season grasses like Couch, Kikuyu and Zoysia. High temperatures and long growing seasons support the cultivation of drought-tolerant turf varieties.
- Advanced irrigation and soil management techniques make turf growing sustainable despite water scarcity, enhancing water retention and promoting healthy turf growth.
- The Northern Territory and Western Australia offer vast areas for large-scale turf farming to meet local and interstate demand.

Turf Growing in Australia

QLD has the largest spread of businesses compared to its population

Share of Establishments (%) vs. share of population (%):



IBISWorld

Source: IBISWorld

Key Success Factor

How do businesses use location to their advantage?

Operate in a location with appropriate climatic conditions

Climatic conditions must be ideal for growing turf on a large scale and water must be accessible and affordable. Turf businesses operating under these conditions, which grow grass varieties suitable for the prevailing climate, tend to be more successful.

Operate in a location that is close to key markets

Proximity to key markets allows Australian turf growers to reduce transportation costs and ensure quicker delivery times. Being located near urban centres and high-demand residential areas ensures a steady customer base and enhances sales efficiency.

Competitive Forces

Uncover challenges and benefits in the operating environment, digging into market share, buyer and supplier power and key success factors for operators.

6. Competitive Forces

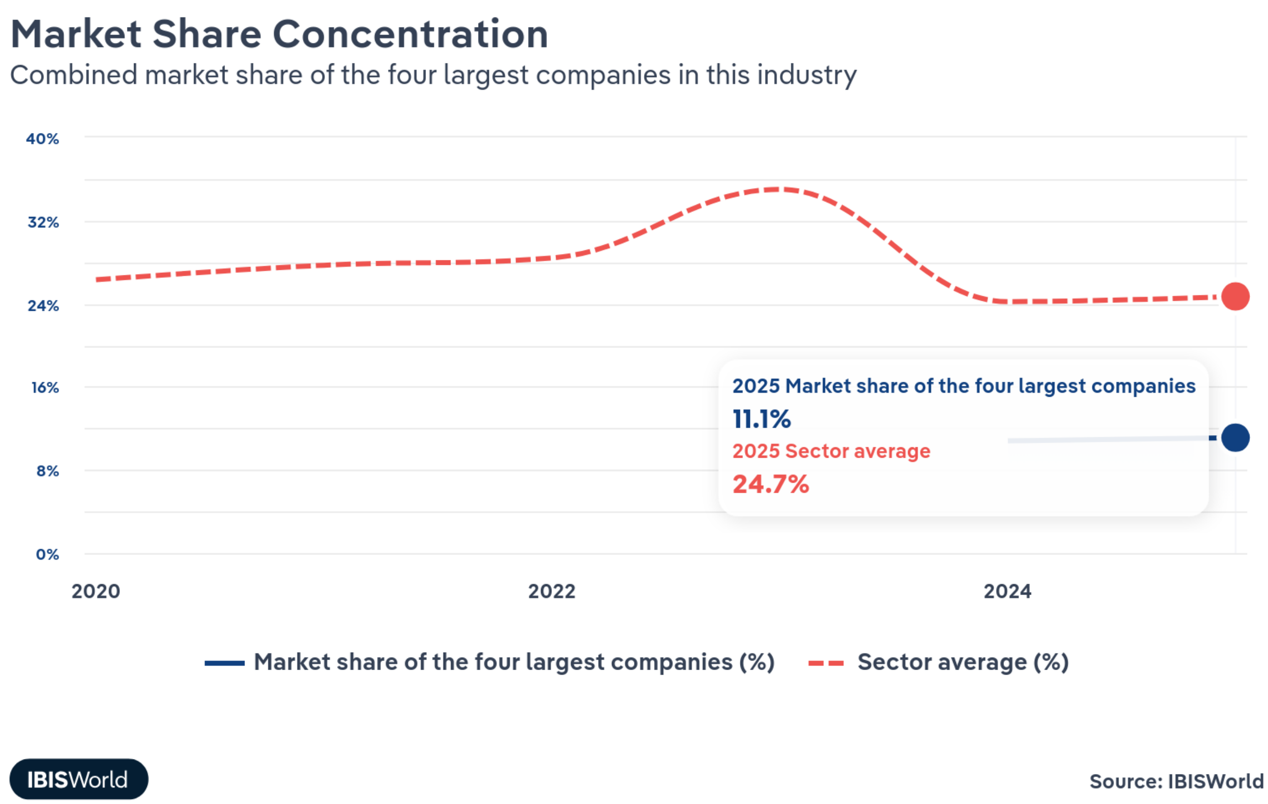
https://my.ibisworld.com/au/en/industry/A0113/competitive-forces

Key Takeaways

- **Since turf products are generally homogenous, differentiation is difficult for turf growers.** This causes fierce price-based competition in the industry.
- **Industry businesses face severe external competition.** Customers can opt for artificial turf, which has appealing low-maintenance requirements, or grow their own grass from seeds.

Concentration

Low



What impacts the industry's market share concentration?

Growers are primarily regionally focused due to high transportation costs and limited economies of scale

- The Turf Growing industry exhibits low market share concentration due to the absence of significant economies of scale. Individual businesses are dispersed with a more regional focus.
- Since turf has a low value-to-weight ratio, high transportation costs compel growers to sell primarily to geographically proximate markets. Long-distance sales are mostly uneconomical.

- Localised production minimises transportation expenses, enabling growers to provide more responsive customer service. This enhances their competitive edge within their immediate market area.

The homogenous nature of turf discourages business expansion

- Many industry businesses are small in scale as turf is relatively perishable and can't spend too long out of the ground.
- The minimal differentiation across turf products contributes to the industry's low market share concentration.
- Turf products are quite homogenous. Larger industry businesses often can't significantly differentiate their brands to charge a premium.

Key Success Factor

How do successful businesses handle concentration?

Develop a wide and expanding product range

To navigate a concentrated market, turf growers can diversify their product offerings. Cultivating various turf varieties– like drought-resistant grasses, shade-tolerant options and native species – can appeal to a broader customer base to more effectively compete and handle concentration.

Secure the latest and most efficient technologies and techniques

Turf-growing businesses that use the latest technology can minimise water usage and plant, maintain and harvest turf more quickly, which helps them strengthen profitability and effectively compete.

Barriers to Entry

Moderate Increasing

What challenges do potential industry entrants face?

Legal

- Regulations that prevent, control and abate environmental pollution are relevant to the industry. This may involve limiting where turf farms can be located.

Start-Up Costs

- Competition for land near desired markets challenges new entrants. It's essential for businesses to be near their markets in suburbs and capital cities. However, competition from other agricultural activities for land hikes the initial property costs for new entrants.

Differentiation

- Turf products are relatively homogenous. Since differentiating turf products is difficult, there's fierce price-based competition. High customer turnover also diminishes the benefits of differentiated services.

Capital Expenses

- The Turf Growing industry exhibits high capital intensity. Capital equipment used in the industry includes tractors with turf tyres, fertiliser spreaders, mowers, chisel and mouldboard ploughs, boom sprayers and irrigation pumps.

Key Success Factor

How can potential entrants overcome barriers to entry?

Automate processes to reduce costs

Minimising turf-growing labour through automation enables greater profitability and price competitiveness, allowing businesses to attract new clients and boost their market share.

Establish supply contracts for domestic sales

Securing supply contracts with landscape companies, sporting venues and local councils ensures steady demand and revenue. These contracts also provide financial stability, which helps new entrants consolidate their market position against established competitors.

Substitutes

High Increasing

What are substitutes for industry services?

Synthetic turf

- The rising use of synthetic turf poses significant competition to the turf-growing industry, largely due to its low maintenance requirements and suitability for areas with strict water usage regulations.
- Despite the appeal of synthetic turf many businesses and homeowners favour natural grass for its aesthetic appeal, environmental cooling benefits and biodiversity support, keeping demand stable.

Do-it-yourself

- External competition comes from customers who grow their own grass from seeds.

- DIY growing is a relatively straightforward procedure, with required tools and maintenance processes being relatively standard.
- Larger buyers of turf products, like sports stadiums, prefer products supplied by industry businesses over growing the turf themselves because of convenience.

Key Success Factor

How do successful businesses compete with substitutes?

Produce a differentiated product

Australian turf growers can compete with substitutes like artificial grass by offering unique, high-quality turf varieties like drought-resistant Zoysia or premium Buffalo grass. Differentiation appeals to specific customer needs and distinguishes their products in the market.

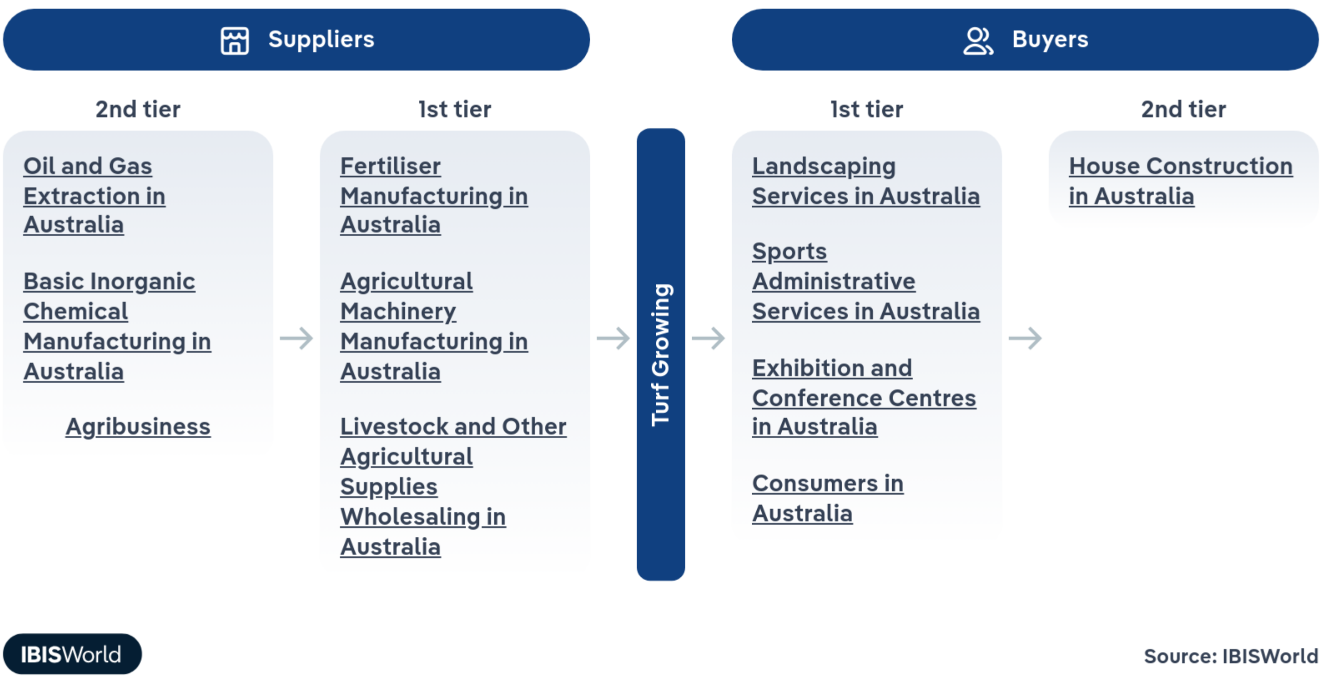
Offer a competitively priced product

Pricing turf competitively is crucial for attracting cost-conscious consumers who might otherwise choose artificial alternatives. By maintaining competitive prices without compromising on quality, turf growers can capture a broader market and enhance consumer loyalty.

Buyer & Supplier Power

Supply Chain

Direct and indirect supplier and buyer industries related to this industry



What power do buyers and suppliers have over the industry?

Buyers: fierce price competition

Moderate Steady

- Turf products are generally homogenous, which leads to intense price competition among growers, boosting buyer power.
- Some companies that serve niche markets face less direct competition. An example is businesses that grow turf for large sports stadiums.
- Geographic boundaries limit buyer power, as most businesses tend to only service a narrow geographic region because of high transport costs.

Suppliers: are limited and can pass on price hikes

High Steady

- Turf growers in Australia rely heavily on fertilisers and pesticides to maintain healthy, marketable turf, which is essential in cultivating a resilient and attractive product.
- Suppliers wield significant market power and often pass on increased costs to turf growers. Geopolitical factors like trade policies and supply chain disruptions can fluctuate fertiliser prices, which suppliers pass on to growers, stoking cost unpredictability.
- The limited number of upstream suppliers reduces growers' bargaining power, making it crucial to develop strategic supplier relationships and diversify procurement strategies where possible to mitigate financial risks.

Key Success Factor

How do successful businesses manage buyer & supplier power?

Establish long-term working relationships with raw material suppliers

By securing long-term relationships with suppliers, Australian turf growers can ensure a consistent and reliable supply of essential inputs like seeds and fertiliser. This stability helps mitigate suppliers' potent bargaining power and keeps input costs predictable.

Offer a competitively priced product

Offering competitively priced products is crucial for turf growers to attract and retain a wide customer base. This strategy makes the product more attractive, ensuring stable sales and reducing buyer power.

External Environment

Understand the demographic, economic and regulatory factors positively and negatively affecting the industry.

8. External Environment

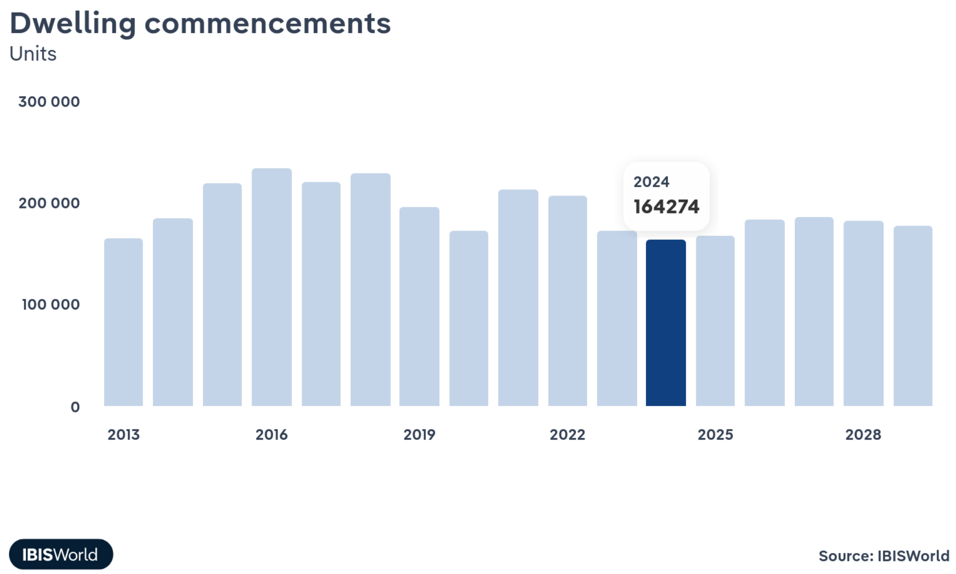
https://my.ibisworld.com/au/en/industry/A0113/external-environment

Key Takeaways

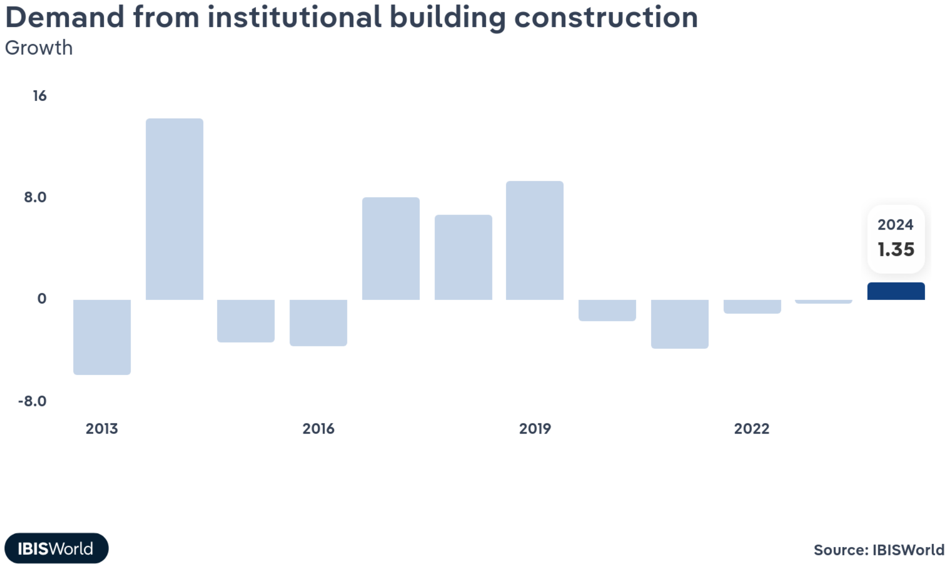
- **The industry is lightly regulated, with regulations mainly relating to environmental concerns and water usage.** Local governments may prevent turf farms from being built near environmentally sensitive areas.
- **The industry receives public assistance in the form of research and development.** Qualifying turf farms must pay a nationwide turf levy that's allocated towards industry R&D, marketing and testing initiatives.

External Drivers

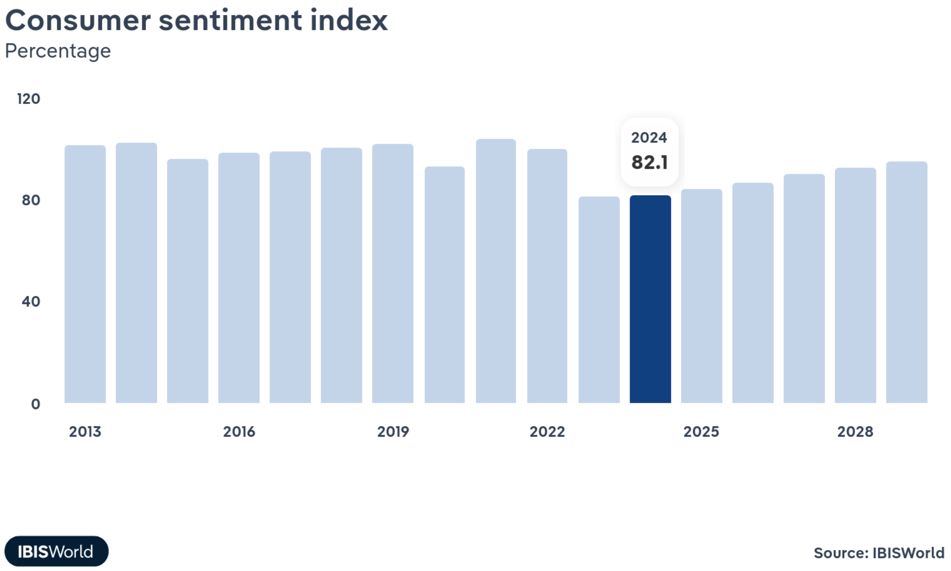
What demographic and macroeconomic factors impact the industry?



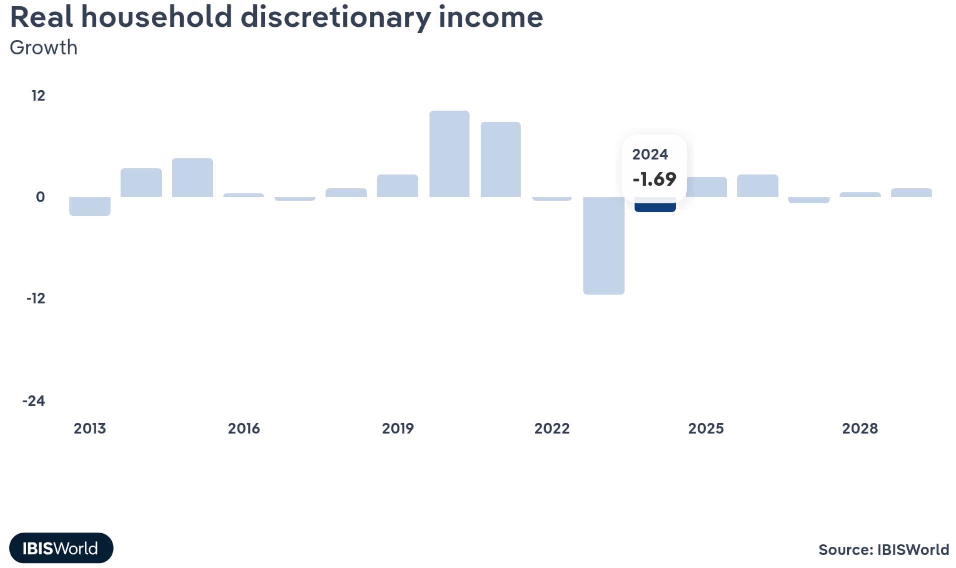
The number of dwellings built per year influences demand for turf. New homes are generally finished with gardens, which require grass. Many homeowners opt for turf instead of growing their own grass from seeds because of turf's convenience and the instant improvement to the landscape. Hence, declines in dwelling commencements adversely impact the industry. Projected growth in dwelling commencements represents a potential opportunity for the industry.



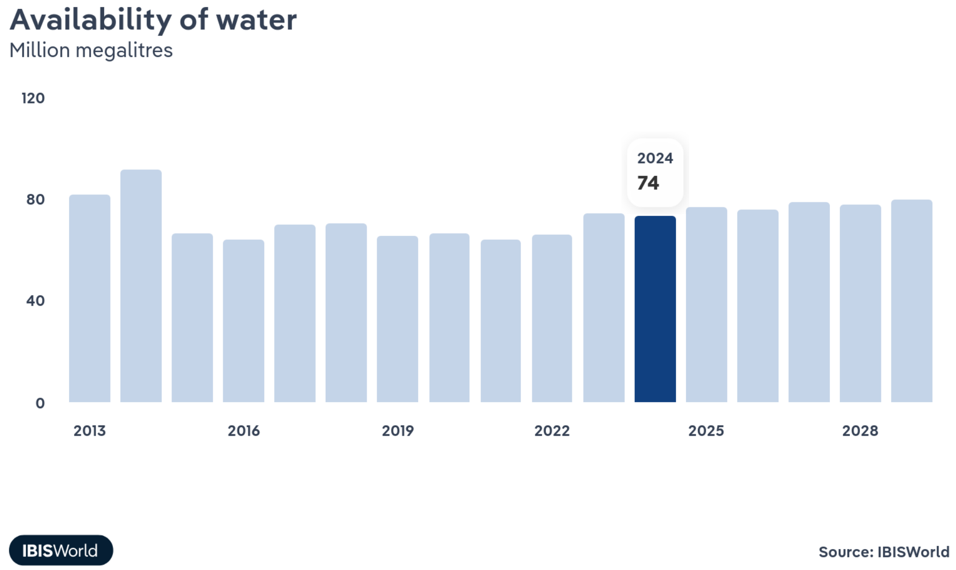
Institutional buildings encompass schools, universities, hospitals, museums, prisons and churches. The construction of new institutions and additions and renovations to existing ones can significantly boost turf demand. Conversely, stagnation in institutional construction negatively impacts industry demand. This dynamic demonstrates the direct correlation between the rate of institutional projects and market fluctuations in the turf-growing sector. Enhanced government funding and private investment in institutional infrastructure can further drive this demand.



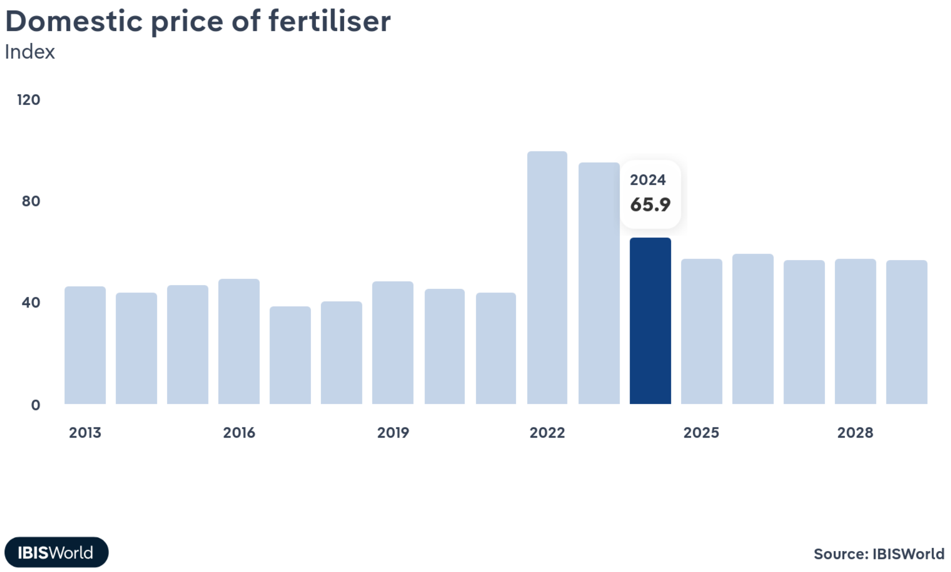
The industry's performance is closely tied to consumer willingness to invest in instant turf. Consumer sentiment serves as a reliable indicator of this propensity to spend. Positive consumer sentiment is typically associated with stronger economic conditions, leading to increased discretionary spending on products like turf. When consumers feel financially secure, they are more likely to invest in quality landscaping and turf solutions, driving industry growth.



Changes in consumers' discretionary incomes influence industry performance. Discretionary incomes indicate consumer capacity to spend after fulfilling necessary household expenses. A hike in discretionary income can lead to greater demand for discretionary items like turf products. This income growth can provide the industry with an opportunity to expand.



The industry's ability to grow turf depends on the availability of water. A drop in the water supply from self-extracted, distributed and reusable water can reduce water availability. A dip in water availability can make it more challenging for growers to access water to use in turf production, hindering industry growth.



Fertiliser represents a substantial purchase cost for turf growers. When fertiliser prices strengthen, turf growers typically raise turf prices to cover these costs. However, turf growers are not always able to pass on price increases in full without adversely impacting sales. Growth in the domestic price of fertiliser represents a potential threat to the industry where growers cannot successfully pass price increases.

Regulation & Policy

Low

Increasing

What regulations impact the industry?

Local and State Government Regulations

Local governments can control where turf growers can establish their farms. Local governments prepare their town planning and development schemes and turf farms are typically confined to zonal areas classified as rural. Indirect regulations can impact the industry. As water availability issues regularly afflict Australia, state governments may introduce water restrictions that control how frequently and for how long private lawns can be watered.

Accreditations

Some voluntary regulations apply to some industry businesses. For example, turf growers can become accredited through AusGAP or the Australian Genetic Assured Purity Turf Accreditation Program. The certification system ensures the genetic purity of turf and grass products and guarantees production and installation processes are undertaken to specified industry standards.

Modern Slavery Act

The Modern Slavery Act is unlikely to significantly impact the industry. Since the industry has a largely non-seasonal nature, turf-growing businesses tend to have their own employees. This is in contrast to some other agriculture industries that use overseas workers, who can be exploited in terms of living conditions and pay standards. Also, no industry business generates revenue above the required reporting thresholds.

Water licences and allocations

Turf growers in Australia must comply with stringent water regulations to ensure sustainable use. Water allocations are determined annually based on availability and climate conditions, such as historical rainfall. Under Victoria's Water Act 1989, growers need a water licence specifying extraction limits. In New South Wales, the Water Management Act 2000 mandates water access licences. Non-compliance can lead to fines and licence suspension.

Assistance

Low Steady

What assistance is available to this industry?

Horticulture Innovation Australia

The Federal Government imposes levies to fund industry research and development, marketing and testing. The levy funds Horticulture Innovation Australia's turf R&D. A national turf levy of 1.5 cents per square metre of turf produced applies to companies that sell more than 20,000 square meters of turf annually. The Federal Government matches 80.0% of the levy, which is allocated to R&D. The remaining 20.0% is unmatched and allocated to marketing.

Industry Associations

Turf growers can get information, support and other resources from industry associations like Turf Australia. The organisation represents member turf companies that pay the turf levy in Australia. Lawn Solutions Australia also represents accredited turf growers, which tend to be larger industry businesses. The organisation provides members with research, information and a common marketing message. Members also offer a 10-year lawn warranty.

Financial Benchmarks

Understand average costs for industry operators and compare financial data against key ratios and financial benchmarks broken down by business size.

9. Financial Benchmarks

https://my.ibisworld.com/au/en/industry/A0113/financial-benchmarks

Profit Margin	Average Wage	Largest Cost
6.9 %	**$60,166**	**Wages**
↓ Lower than sector	↑ Higher than sector	21.2% of Revenue

Key Takeaways

- **Industrywide profitability has suffered from high prices for inputs like fertiliser, slumping demand and competition from substitutes like artificial turf.** These challenges have weakened the industry's profitability over the past five years.
- **Investments in labour-saving machinery have helped minimise wage costs.** Despite these advancements, smaller turf-growing businesses struggle with achieving economies of scale, hurting their bottom line.

Cost Structure

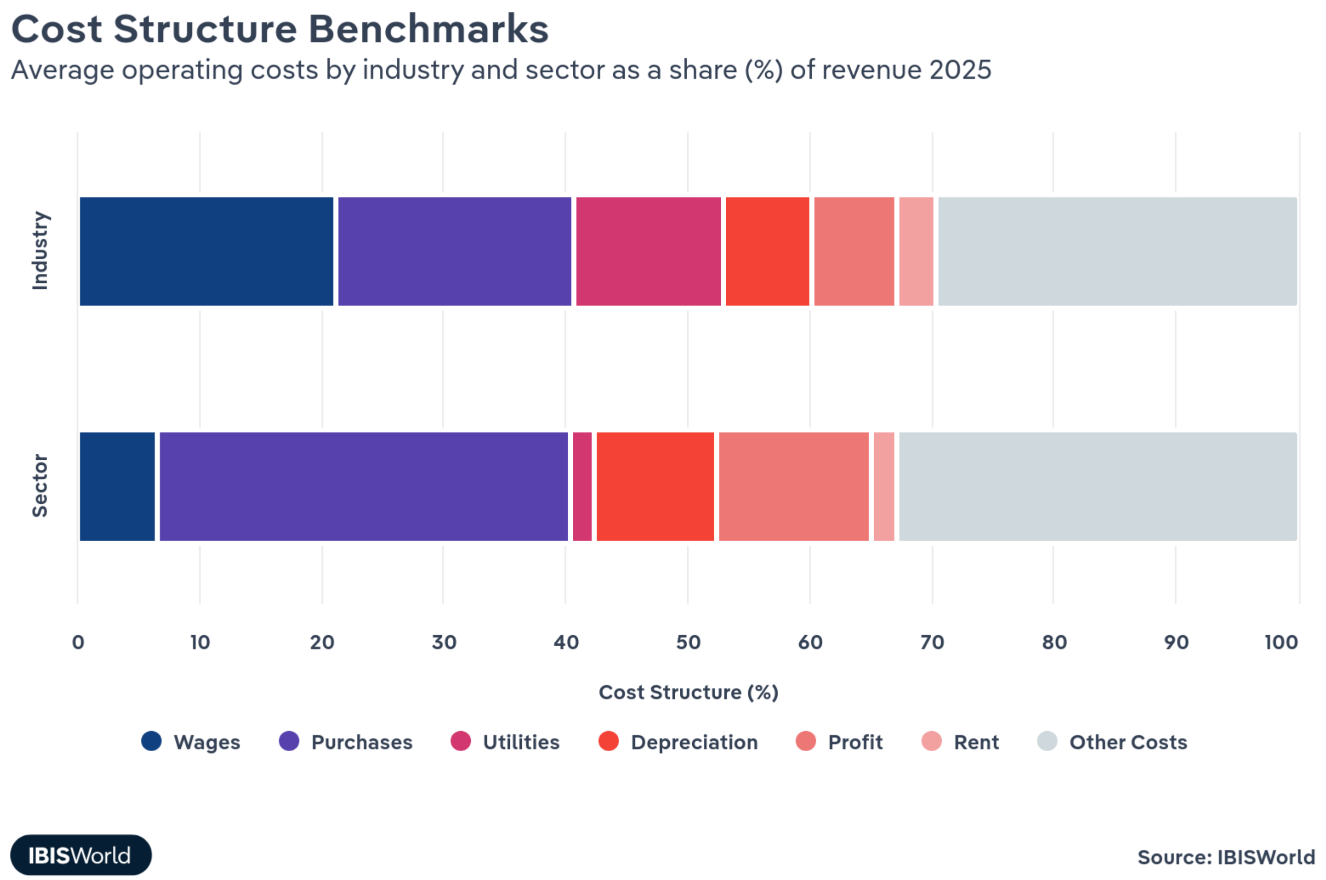


Chart displays current year only in the PDF version of this report. You can view and download chart for all other years associated with this industry on my.ibisworld.com.

What trends impact industry costs?

Hiked input prices, slumping demand and substitute competition have weakened profit

- The industry's profitability fell sharply in 2020-21 and has remained low due to slumping dwelling commencements and high fertiliser prices caused by the Russia-Ukraine war. With anticipated growth in dwelling commencements in 2024-25, profit is expected to improve but remain below 2019-20 levels.
- Competition from substitutes like artificial turf and self-planting from seeds has constrained demand, limiting the industry's profitability over the past five years.

Labour costs are falling with new technology

- Labour is essential for planting, harvesting and installing turf. Although wage costs have risen, revenue growth has outpaced this increase, which has reduced wage costs' share of revenue over the past five years.
- Some turf-growing companies have invested in labour-saving machinery, like large-scale turf cutters, to reduce their reliance on manual labour. Despite these advancements, the industry's economies of scale remain limited, while average wages have fallen. Small-scale local businesses have been forced to operate within their geographic regions to remain viable.

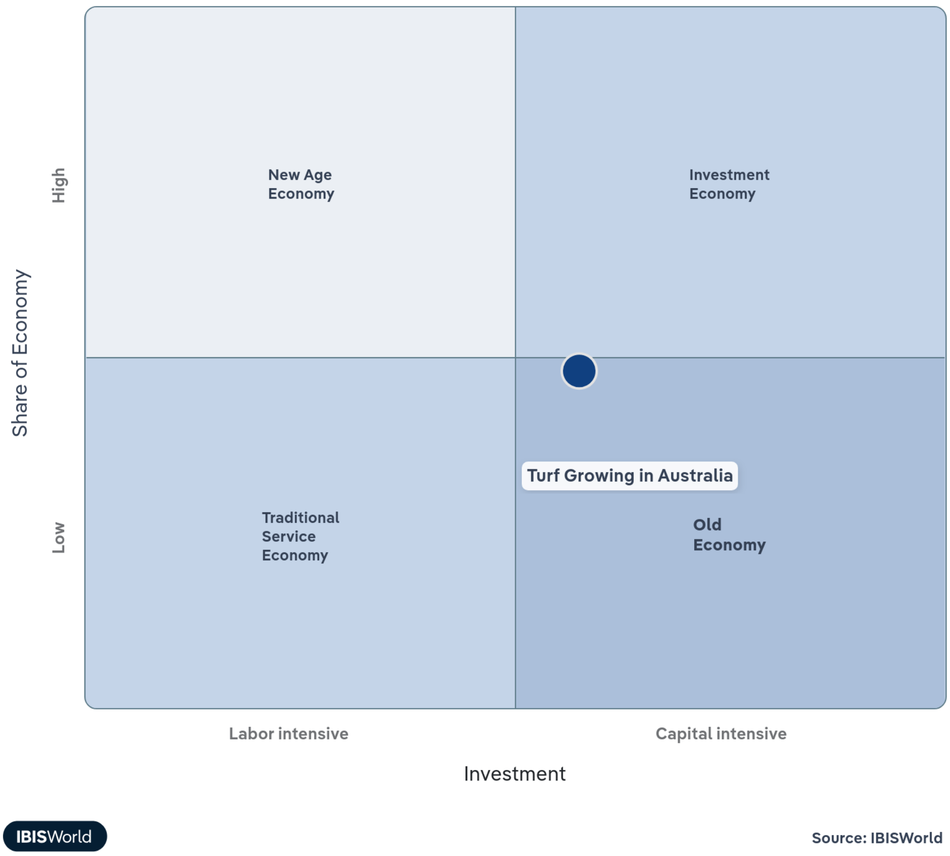
Rising investment in advanced equipment has lifted depreciation costs

- Depreciation expenses represent the cost of capital equipment, including irrigation systems and modern electronic control systems that monitor water applied to the turf to prevent leaching.
- Businesses have increasingly invested in capital equipment to reduce their reliance on labour, raising depreciation's share of industry revenue over the past five years.

Hiked input prices inflated turf growers' costs, but recent stability has provided relief

- Key raw materials and other direct inputs for turf growers include seeds, soil and fertilisers.
- Domestic fertiliser prices skyrocketed in 2021-22 due to the Russian-Ukraine conflict, while crude oil prices continued to surge upwards.
- Fertiliser prices have stabilised in recent years, receding from record highs. This trend has helped lower purchase costs' share of revenue.

Reliance on capital constrains growth
Share of economy vs. Investment



Key Ratios

Year	Revenue per Employee ($)	Revenue per Enterprise ($ Million)	Employees per Estab. (Units)	Employees per Ent. (Units)	Average Wage ($)	Wages/ Revenue (%)	Estab. per Enterprise (Units)	IVA/ Revenue (%)
2007-08	313,030	1.4	119100000.0	4.5	62,280	19.9	0.0	35.6
2008-09	330,042	1.6	4.4	4.8	64,514	19.5	1.1	35.4
2009-10	311,234	1.3	3.8	4.2	63,248	20.3	1.1	36.1
2010-11	322,995	1.3	3.7	4.0	63,761	19.7	1.1	35.6
2011-12	298,220	1.1	3.5	3.8	62,482	21.0	1.1	36.7
2012-13	318,693	1.3	3.7	4.1	65,366	20.5	1.1	36.5
2013-14	307,674	1.2	3.6	3.9	64,657	21.0	1.1	36.7
2014-15	300,268	1.2	3.6	3.9	65,083	21.7	1.1	37.5
2015-16	329,346	1.3	3.6	3.9	68,779	20.9	1.1	36.9
2016-17	303,713	1.3	3.8	4.2	64,460	21.2	1.1	37.3
2017-18	305,402	1.3	3.8	4.2	65,977	21.6	1.1	36.8

2018-19	290,395	1.2	3.9	4.3	67,316	23.2	1.1	38.4
2019-20	269,266	1.2	4.0	4.3	65,832	24.4	1.1	40.9
2020-21	309,466	1.4	4.2	4.5	69,070	22.3	1.1	38.9
2021-22	302,525	1.5	4.4	4.8	65,351	21.6	1.1	33.4
2022-23	299,502	1.5	4.6	5.0	62,631	20.9	1.1	34.1
2023-24	290,760	1.5	4.6	5.1	61,443	21.1	1.1	34.4
2024-25	283,179	1.4	4.6	5.1	60,166	21.2	1.1	35.4
2025-26	286,535	1.4	4.6	5.0	60,952	21.3	1.1	35.6
2026-27	287,814	1.5	4.6	5.0	61,470	21.4	1.1	35.8
2027-28	288,356	1.5	4.6	5.0	61,867	21.5	1.1	36.0
2028-29	289,333	1.5	4.6	5.0	62,311	21.5	1.1	36.0
2029-30	289,606	1.5	4.6	5.0	62,634	21.6	1.1	35.9
2030-31	290,630	1.5	4.6	5.0	62,872	21.6	1.1	36.4

*Figures are inflation adjusted to 2024-2025

Key Statistics

Discover 14 years of historical, current and forward-looking industry performance data in table format.

10. Key Statistics

https://my.ibisworld.com/au/en/industry/A0113/key-statistics

Industry Data

Values

Year	Revenue ($ Million)	IVA ($ Million)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Wages ($ Million)
2007-08	372.8	132.7	0	265	1,191	74.2
2008-09	387.5	137.2	268	247	1,174	75.7
2009-10	359.8	129.9	302	278	1,156	73.1
2010-11	342.7	122.0	289	266	1,061	67.7
2011-12	308.1	113.0	297	273	1,033	64.5
2012-13	336.9	123.0	284	259	1,057	69.1
2013-14	309.5	113.6	280	256	1,006	65.0
2014-15	304.2	114.1	284	260	1,013	65.9
2015-16	350.8	129.5	298	274	1,065	73.2
2016-17	313.1	116.9	269	247	1,031	66.5
2017-18	332.9	122.5	284	260	1,090	71.9
2018-19	304.9	117.1	267	245	1,050	70.7
2019-20	274.9	112.4	258	237	1,021	67.2
2020-21	337.0	131.1	262	240	1,089	75.2
2021-22	329.4	110.0	248	227	1,089	71.2
2022-23	325.0	110.8	235	215	1,085	68.0
2023-24	309.1	106.3	230	210	1,063	65.3
2024-25	306.4	108.5	234	214	1,082	65.1
2025-26	319.2	113.6	242	221	1,114	67.9
2026-27	321.2	115.0	241	221	1,116	68.6
2027-28	324.4	116.8	244	223	1,125	69.6
2028-29	325.5	117.2	244	223	1,125	70.1
2029-30	323.2	116.0	243	222	1,116	69.9
2030-31	331.9	120.8	249	227	1,142	71.8

*Figures are inflation adjusted to 2024-2025

Annual Change

Year	Revenue %	IVA %	Establishments %	Enterprises %	Employment %	Wages %
2007-08	N/A	N/A	N/A	N/A	N/A	N/A
2008-09	3.9	3.4	N/A	-6.8	-1.4	2.1
2009-10	-7.1	-5.3	12.7	12.6	-1.5	-3.5
2010-11	-4.7	-6.1	-4.3	-4.3	-8.2	-7.5
2011-12	-10.1	-7.3	2.8	2.6	-2.6	-4.6
2012-13	9.3	8.8	-4.4	-5.1	2.3	7.0
2013-14	-8.1	-7.6	-1.4	-1.2	-4.8	-5.9
2014-15	-1.7	0.5	1.4	1.6	0.7	1.4
2015-16	15.3	13.5	4.9	5.4	5.1	11.1
2016-17	-10.7	-9.7	-9.7	-9.9	-3.2	-9.3
2017-18	6.3	4.8	5.6	5.3	5.7	8.2
2018-19	-8.4	-4.4	-6.0	-5.8	-3.7	-1.7
2019-20	-9.8	-4.0	-3.4	-3.3	-2.8	-4.9
2020-21	22.6	16.6	1.6	1.3	6.7	11.9
2021-22	-2.2	-16.1	-5.3	-5.4	0.0	-5.4
2022-23	-1.4	0.7	-5.2	-5.3	-0.4	-4.5
2023-24	-4.9	-4.0	-2.1	-2.3	-2.0	-3.9
2024-25	-0.9	2.1	1.7	1.9	1.8	-0.3
2025-26	4.2	4.7	3.4	3.3	3.0	4.3
2026-27	0.6	1.2	-0.4	0.0	0.2	1.0
2027-28	1.0	1.6	1.2	0.9	0.8	1.5
2028-29	0.3	0.3	0.0	0.0	0.0	0.7
2029-30	-0.7	-1.0	-0.4	-0.4	-0.8	-0.3
2030-31	2.7	4.1	2.5	2.3	2.3	2.7

*Figures are inflation adjusted to 2024-2025

DISCLAIMER