



22 October 2025

Ms Fiona Fraser

First Assistant Secretary, Biodiversity Division

Department of Climate Change, Energy, the Environment and Water

GPO Box 3090

Canberra ACT 2601

via email: nbssecretariat@dcceew.gov.au

Dear Ms Fraser

Implementing Australian's Strategy for Nature 2024-2030

The ASBFEO welcomes the opportunity to respond to the discussion paper on implementing *Australia's Strategy for Nature 2024-2030* (the Strategy). As governments progress the Strategy it is crucial that small businesses are actively supported so they are not left behind.

Small businesses are the engine room of the Australian economy. Representing 97 per cent of all businesses in Australia, small businesses collectively generate around \$600 billion in economic activity each year and employ 5.36 million people.

Small businesses, like consumers, are struggling with cost-of-living/input cost pressures and face ever-growing and often changing regulation at all levels of government. Small businesses often lack the time and administrative capacity to manage new compliance requirements or make changes to business processes. This responsibility often falls to the business owner, working late at night after they have been running their business all day, surrendering their time with family.

Many small businesses operate in sectors that will be affected by the implementation of the Strategy, such as agriculture, construction, and tourism. In June 2024, Tourism Research Australia reported that 95 per cent of tourism operators have fewer than 20 employees, and that 78 per cent are sole traders or micro business with 1-4 employees. Almost half of businesses in the tourism sector turnover less than \$200,000 per year.¹ The Committee for Economic Development of Australia reports similar figures across the construction and agriculture sectors.²

We acknowledge the interconnection between many small businesses and the natural environment, who depend on its resources for their operations and livelihoods. However, changes to land use obligations and restrictions, ethical sourcing requirements, and reporting obligations, will place greater pressure on small businesses in environmentally dependent sectors, with flow-on effects to the industries that support them. It is therefore essential that targeted support and engagement is provided to enable those small businesses to integrate the practices into their operations that will contribute to the Strategy's goals.

¹ Australian Trade and Investment Commissions (Austrade), *Tourism Businesses in Australia*, Austrade, Australian Government, June 2024, viewed 8 October 2025, p 3

² Committee for Economic Development of Australia, *Size matters: why construction productivity is so weak*, CEDA, 2025, viewed 8 October 2025, p 8



Mainstreaming nature into government and business decision-making including financing, policies, regulations and planning policies

Small businesses are integral to local economies and communities, often representing regional voices, Indigenous enterprises, and community-based stewardship. Consultation with small business stakeholders is essential to the success of implementation of the Strategy.

Due to their limited size and resources, small businesses often lack dedicated resources and access to expertise needed to navigate regulatory complexity, so tend to face disproportionately higher costs of compliance. This makes compliance more challenging, and also disincentivises small businesses from taking steps to embed nature into their operations, and thereby seize new opportunities to lower costs and reduce environmental impacts.

It is therefore essential that policymakers engage early with small business stakeholders to better understand the diverse challenges different sectors and regions will face in implementing practices that support the Strategy's goals. Insights gathered in these consultations should help identify how small businesses can be supported to mainstream nature into their operations.

More specifically, stakeholders in the tourism sector have raised concerns about overlapping compliance requirements and the lack of recognition for existing programs that support sustainable activities. In our submission to the Productivity Commission's inquiry into the Circular Economy, we noted the fragmented regulatory landscape and urged the Australian Government to unify the National Circular Economy framework with other relevant environmental social and governance policies. A similar approach could help reduce regulatory duplication and identify programs for expansion or modification.

Supporting small businesses to transition to the circular economy through education and guidance

Australia's transition to a circular economy has been slower than comparable nations and we support the Strategy's target of increasing the circularity rate in Australia. We urge the taskforce to explore practical ways to incentivise and assist small businesses to participate in the transition to a circular economy.

Small businesses typically face bigger challenges in adopting circular economy practices than larger corporations. While large corporations often have dedicated sustainability teams, small businesses generally lack access to expertise, training, or clear guidance on circular practices such as resource recovery, product redesign, or waste minimisation.³ Often guidance material provided by governments is suitable for large corporates with dedicated resources, staff and technical capacity, but is less relevant for small businesses. This risks small businesses not having the guidance needed to help recognise and seize opportunities to reduce costs, innovate, or improve resilience through adopting circular economy practices.

A Queensland qualitative study investigating factors influencing the adoption of sustainable business practices among small and medium-sized enterprises (SMEs) indicated that a lack of financial resources, insufficient expertise, and an inability to see value when making decisions to invest in technologies to adapt their standard operating procedures for the circular economy was

³ H T S Caldera, C Desha, L Dawes *Evaluating the enablers and barriers for successful implementation of sustainable business practice in 'lean' SMEs*, Journal of Cleaner Production, Vol 218, 2019, p 575-590.



a major barrier.⁴ This may be exacerbated by regulatory complexity and inconsistency across federal, state and local governments which may deter SMEs from taking action, as they often lack the administrative capacity and expertise to navigate these regulations. Failing to equip small businesses with relatable examples and accessible education could jeopardise Australia's plan to double its circularity by 2035.

Supporting small business to understand and participate in data collection and analysis for decision-making

We support improving access to environmental data and information, so businesses are empowered to make informed decisions and contribute meaningfully to policy development and implementation. Achieving the Strategy's goal of protecting Australia's biodiversity and restoring degraded ecosystems relies on high quality data to identify target areas, develop evidence-based solutions and accurately measure outcomes.

A 2023 pilot study commissioned by the Taskforce on Nature-related Financial Disclosures (the Study) found that participants struggled to assess the size and scale of nature-related impacts due to insufficient high-quality data. Further, the participants noted that SMEs may lack capacity to collect and analyse data, which not only limits their ability to manage environmental impacts but affects upstream suppliers and financial institutions seeking to understand their own value chain impacts.⁵

The pilot study highlighted the importance of leveraging existing information and building the capacity of businesses to understand the types of data they will need to effectively evaluate nature-related impacts. To enable small businesses to meaningfully contribute to data hubs such as Environment Information Australia or the Biodiversity Data Repository, the Government should standardise the entry forms through simplified templates and integration with existing industry body practices and frameworks.

If you require any further information, please do not hesitate to contact the Advocacy team via email at advocacy@asbfeo.gov.au.

Yours sincerely

The Hon. Bruce Billson

Australian Small Business and Family Enterprise Ombudsman

⁴ H T S Caldera, C Desha, L Dawes *Evaluating the enablers and barriers for successful implementation of sustainable business practice in 'lean' SMEs*, Journal of Cleaner Production, Vol 218, 2019, p 575-590.

⁵ Department of Climate Change, Energy, the Environment and Water (DCCEEW), *Taskforce on Nature-related Financial Disclosures: Pilots – Australian Case Study Report*, DCCEEW, Australian Government, 2023, p 28