AUSTRALIA CHINA BUSINESS COUNCIL
澳大利亚中国工商业委员会

Australia’s China Gap:

A National Benchmark of Australian Business China Capability

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The Australia China Business Council acknowledges the Traditional Custodians of country throughout Australia, and their connections to land, sea and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Australian Government

NATIONAL FOUNDATION FOR AUSTRALIA-CHINA RELATIONS
澳中基金会

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Contents

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Findings from this research provide greater insight for the Australia-China business community and inform the ACBC's China Capability Program: a structured program which empowers Australian businesses to build practical, market-relevant capability to engage successfully with China over the medium to long term. The China Capability Program is supported by the National Foundation for Australia-China Relations, an Australian Government initiative to promote and coordinate enhanced cooperation between Australia and China in support of Australia's national interests.

Background

The Australia China Business Council (ACBC) has commissioned this national market research study to establish a baseline understanding of China capability across Australian industries.

Findings from this research provide greater insight for the Australia-China business community and inform the ACBC's China Capability Program: a structured program which empowers Australian businesses to build practical, market-relevant capabilities to engage successfully with China over the medium to long term.

ACBC Executive Summary

Australia's China Gap: A National Benchmark of Australian Business China Capability

Overview

China is Australia's largest two-way trading partner, a position it has held for almost two decades. In 2024, it accounted for 36.9% of Australia's goods exports and 25.8% of imports. Its influence goes beyond trade, shaping Australian supply chains, investment flows, competitive dynamics and regulatory risk. Yet the capability of Australian businesses to operate effectively in and with China has not kept pace with the market's rapid evolution. Without improving their China readiness, Australian exporters may miss out on the next phase of Chinese consumer growth.

This national baseline study, commissioned by the Australia China Business Council (ACBC) provides the first and most comprehensive picture to date of China capability across Australian industries. Using in-depth qualitative interviews with senior decision-makers and a large-scale quantitative benchmark survey, this Report shows Australia's business community is highly interested in China, but only moderately equipped to succeed in it. Awareness and intent are strong, but deeper, system-level capability remains uneven and underdeveloped. These findings are relevant not only for organisations actively engaging with China, but for any business exposed to China.

Key Findings

1. China capability varies widely across Australian organisations

Across the six dimensions of China capability - Knowledge, Networks, Cultural Adaptability, Leadership & Strategy, Localisation, and In-Market Operation - Australian organisations demonstrate moderate overall readiness. In the survey, organisations were asked to rate their performance on a five-point scale, where1 indicated strong disagreement and 5 indicated strong agreement with capability statements.

The findings reveal that Australian organisations **perform best in Knowledge (4.10) and Networks (3.95)**. Most understand how Australia–China relations affect their business and actively monitor market trends. Business-to-business relationships are relatively well established, particularly with commercial partners. These strengths reflect Australia's long history of trade with China and provide a solid foundation for future engagement.

The weakest capability areas are **Localisation (3.52)** and **In-Market Operation (3.41)**. In terms of Localisation, many organisations (even if monitoring trends) struggle to tailor products, marketing and digital strategies to Chinese consumer preferences, and often lack up-to-date, in-China market insights. For In-Market Operation, businesses often lack a physical presence, or they lack a safe, compliant operating model in China. Few organisations maintain staff or regular delegations on the ground, and many operate without essential safeguards such as risk-management frameworks, cybersecurity and data-security plans, or clear compliance protocols for in-country activity.

2. Organisational mindset explains China capability better than size of business alone

Although large organisations generally have an advantage and tend to perform better on China capability because they have dedicated teams and greater experience, size is not the decisive factor. The research shows that a business's underlying psychographic mindset (its strategic orientation, leadership alignment, and approach to capability) explains China capability far better than scale alone.

The Four Mindsets

Four key mindsets emerged within Australian organisations that dictate how they perform on China capability:

- "China-Confident Leaders" (35%)

These organisations represent the highest level of maturity in China engagement. With clear strategy, committed leadership, embedded training, strong networks and consistent in-market activity, they demonstrate high-confidence and long-term capability. While there is still room to strengthen aspects of formal training, "China-Confident Leaders" remain the benchmark for effective China engagement.

- Tactically Engaged Practitioners" (37%)

The largest segment, "tactically engaged practitioners" are characterised by strong relationships and the knowledge to operate practically "in the game". However, their engagement is more operational than strategic. They may lack consistent board level alignment, organisation wide strategy, or formal capability systems.

- "Developing Capability Learners" (12%)

Learners are early-stage organisations with emerging intent and some foundational strengths, particularly in building contacts and adapting behaviour culturally. But their capability remains uneven, with lower performance on regulatory knowledge, networks and market insights. "Developing Capability Learners" capability is often dependent on individuals rather than solid systems.

- "Low Engagement Onlookers" (16%)

"Low engagement onlookers" have the lowest China capability across all six dimensions. They demonstrate minimal readiness, limited understanding of regulatory or cultural dynamics, weak networks, and little or no in-market presence and the lowest confidence. China engagement is often only reactive or opportunistic.

3. ACBC membership correlates with higher China capability

ACBC members score higher on every dimension (Knowledge +0.47; In-Market +0.34; Cultural +0.34; Networks +0.27; Localisation +0.22; Leadership +0.19), reinforcing the role of membership in accelerating capability.

Implications for Businesses

Our findings point to four key focus areas to ensure Australian businesses can be "leaders" in terms of China capability:

- **Make China strategy a leadership priority:** strengthening executive and board-level ownership of China strategy, linking capability investment to long-term objectives. Appointing an Executive Level Officer with responsibility for geopolitics and China.
- **Increase localisation:** deepening understandings of China's regulatory environment, digital ecosystem and customer expectations.
- **Increase risk-informed in-market presence:** organisations need stronger risk management, cybersecurity and compliance protocols, as well as more frequent, purposeful activity in-market - whether through delegations, partnerships or staffed presence.
- **Design tailored China pathways:** Different organisations require different forms of support. Australia needs to provide tiered training and development pathways – from early-stage confidence to fully embedded best-practice capability – to help lift the entire business community and close the gap between the most and least prepared.

Research Overview and Methodology

Research Need and Considerations

As Australia recalibrates its trade and diplomatic ties across Asia, and particularly with China: it is critical that Australian businesses are equipped with the right tools, relationships, and cultural literacy to engage effectively.

ACBC is uniquely positioned to lead this national effort, and the research has already provided a foundational asset to support that role. Specifically, the research has:

- Established a baseline of "China capability" across industries
- Identified capability gaps and growth opportunities
- Provided insight into readiness, strategy, and in-market experience
- Informed ACBC's program and event design
- Produced a repeatable research model for future years

While macro-level discourse on trade and diplomacy remains prominent, there has been limited data reflecting real business capability on the ground—particularly outside capital cities or beyond traditional sectors of engagement. Chinese-Australian workforce representation is also growing across all sectors in Australia, adding further strategic importance to the matter.

This research, which aimed to address existing limitations in data and analysis, targeted both ACBC members and the broader business community, with an emphasis on peak industry bodies and their members who are active in, or interested in, Australia– China trade and investment. It also balanced depth and breadth, with clear representation across business size, industry, and state/territory, providing insights into China engagement and capability across Australia.

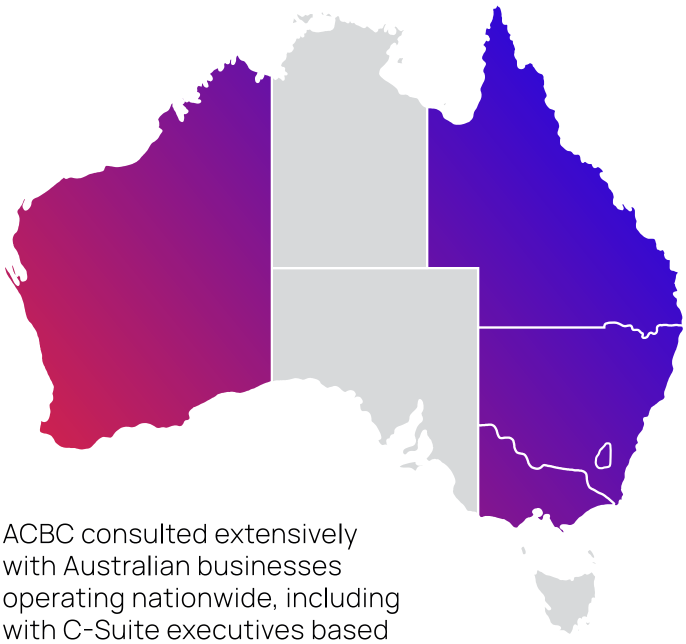
Research Phase 1: Qualitative benchmarking of Australian C-Suite executives

Total of *n*=17 in-depth interviews with C-Suites

12 Large corporations

3 Peak bodies

2 SMEs



ACBC consulted extensively with Australian businesses operating nationwide, including with C-Suite executives based in these major states.

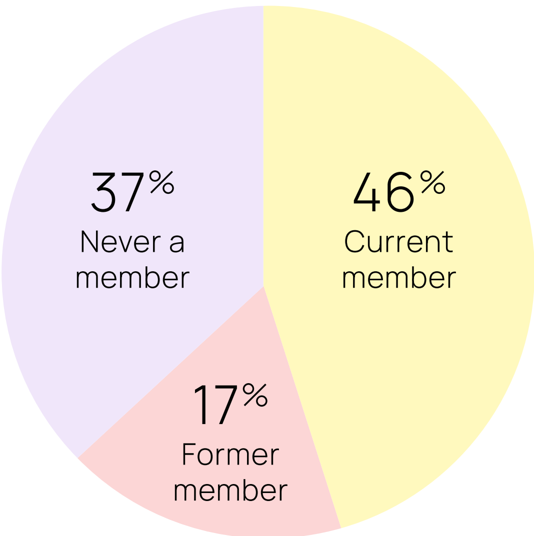
Key industries represented in ACBC's qualitative interviews

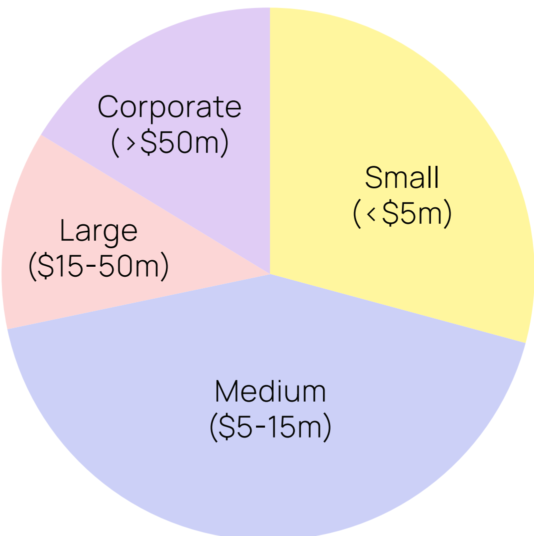
- Consultancies - Finance & Accountant, Investment, Legal
- Logistics
- Pharmaceutical and Health
- Agribusiness and Food
- Airports and Tourism
- Energy and Resources

Research Phase 2: Quantitative benchmarking of Australian industry and business

Seeking a representative sample across the Australia–China business community, ACBC took a leading role in widely disseminating the survey, with support from government organisations, associations, and business leaders. The survey targeted the ACBC community (comprising current, former, and prospective member companies) alongside the broader business community not affiliated with ACBC, including organisations with a known interest in China/Asia trade and business or a high proportion of Chinese-Australian employees in their workforce.

Sample controls were applied to ensure diversity by state/territory, business size, seniority/position, and level of China experience or interest (from 3 to >25 years). Additional profiling variables included business size, state/territory, industry, years of engagement with China, and future intent in relation to doing business with China.





In total, ACBC's survey achieved 331 responses (*n= 331*), broken down as follows based on self-reported information:

Sample breakdown:

By membership

n= 153	Current member
n= 56	Former member
n= 122	Never a member

By company size

n= 94	Small (<$5m)
n= 137	Medium ($5m - $15m)
n= 38	Large ($15m - $50m)
n= 53	Corporate (>$50m)

NB: *n= 9* organisations did not classify themselves

By number of employees

n= 157	1-50 employees
n= 91	51-200 employees
n= 33	201-500 employees
n= 50	>500 employees

By Industry sector

n= 34	Agribusiness & Food
n= 48	Education & Training
n= 16	Energy & Resources
n= 22	Health, Pharmaceutical, Aged Care & Medical Research
n= 19	Property, Construction & Urban Development
n= 27	Tourism, Hospitality & Events
n= 64	Financial & Professional Services
n= 25	Manufacturing & Supply Chain
n= 23	Digital, E-commerce & Technology
n= 6	Government, Industry Body or Policy Organisation
n= 8	Arts, Culture & Creative Industries
n= 11	Logistics & transport
n= 10	Warehouse
n= 18	Other

Member Profiling: **Who engages with ACBC**—and how?

Membership correlates with scale and strategic priority

- **Corporates (>$50m)** show the highest engagement (70% current members; 21% never a member), reflecting deeper China involvement and demand for policy access and premium intelligence.
- **Large ($15m - $50m) and Medium ($5m - $15m)** firms demonstrate moderate membership with some churn (e.g., Large: 42% current members, 26% former members).
- **Small (<$5m)** firms are split (46% current members; 46% never a member), signalling outreach potential among SMEs exploring or expanding their China activity.

Years of engagement scale with size

- **Corporates** are the most seasoned (61% with >20 years of engagement), while a majority (62%) of **medium-sized firms** have around 3–10 years of engagement.
- **Small businesses** show a "barbell" pattern: some long-standing niche operators (28% with >20 years of engagement) and many newer entrants (20% with <3 years of engagement).

Key Implications:

- Phase I qualitatively observed that resources, leadership attention and institutional networks drive capability.
- Phase II confirms this quantitatively—size matters, but mindset and strategic embedment matter more (with further insight via the segmentation analysis).

Demographic profile of members of the Australia-China Business Community

Following qualitative interviews and quantitative surveys, the following four business profiles were found to be broadly representative of businesses within the Australia-China business community, and which could be further subdivided into eight categories.

Profile 1: International corporates

With dedicated China desk in China and Australia

Without dedicated China desk in China and Australia

Profile 2: Australian corporates

With a dedicated China team in China and Australia

Without a dedicated China team in China and Australia

Profile 3: SMEs

Chinese first-generation migrant founders

Australian-born founders

Profile 4: Small Businesses

Chinese-Australian businesses

Local Australian businesses

China Capability within the Australia-China Business Community

Analysis of surveyed organisations reveals clear patterns in how Australian businesses engage with China, shaped strongly by company size, resource availability, strategic maturity, and historical experience.

1. Larger organisations are significantly more engaged—and more structured—in their China operations

Corporate and large companies are far more likely to be doing business with China and to have multiple modes of engagement. In contrast, small and medium-sized businesses show lighter, more transactional engagement, reflecting limited resourcing and more cautious investment approaches.

2. China-related roles and teams scale steeply with company size

Corporates (>$50m) overwhelmingly maintain dedicated China teams in both Australia and China, while smaller firms rely on ad hoc arrangements or outsourced support. Medium-sized businesses sit in between, often with an Australia-based China function but limited in-market presence. Team size correlates clearly with capability: larger teams enable deeper partnerships, regulatory navigation, and workforce specialisation.

3. Years of experience with China vary widely and follow two distinct patterns

Corporates are the most seasoned: 61% report more than 20 years of China engagement, reflecting long-term integration into global supply chains. Medium-sized firms skew towards mid-maturity (3–10 years), while small businesses show a "barbell" pattern—some long-established niche operators with deep China ties, alongside many relatively new entrants still building capability.

4. Workforce size also reflects different levels of China readiness

Larger employers generally have the scale to invest in specialist roles, bilingual capability, compliance resources, and market intelligence. Smaller organisations operate with leaner structures, limiting their ability to pursue sustained China engagement without stretching internal bandwidth.

5. Revenue exposure to China increases with company size, but corporates show the most diverse profiles

Small businesses typically generate only modest China-derived revenue (<20%), while medium and large companies show heavier dependence (often 21–50% or above). Corporates, however, display polarised strategies: some maintain low exposure as a risk-management approach, while others generate more than half their revenue from China. This dispersion indicates varying strategic models.

Key Implications:

- Scale is a critical driver of China capability. Larger firms have the structure, resources, and leadership alignment needed for sustained China engagement.
- Smaller organisations show high interest but lack embedded capability systems, suggesting a strong role for external support, training, and partnerships.
- China engagement is uneven, with significant maturity gaps between company sizes.
- The China-readiness and capability among mid-sized and small organisations who show intent but lack depth should be improved.

Segmentation Profiles of Australian Firms

Across surveyed organisations, cutting across scale and sector demographics, four distinct types of organisational segments have also emerged: reflecting broad differences in confidence, capability, leadership alignment, and China Capability embedment.

35%

China-Confident Leaders

China-confident leaders are the benchmark of maturity: clear strategy, senior alignment, deep networks, and long-standing operations. However, the confidence levels of this surveyed demographic (97%) can sometimes exceed capability depth (e.g., 86% on embedded intercultural training), highlighting scope for objective capability building.

37%

Tactically Engaged Practitioners: the 'Doers'

Tactically engaged practitioners are "in the game" operationally, with strong relationships, yet uneven strategic embedment and patchy systems; the opportunity is to move from practical activity to structured maturity.

12%

Developing Capability Learners

Developing Capability Learners represent early-stage organisations and businesspeople, with emerging intent but limited structure, capability, and leadership commitment to drive sustained engagement.

16%

Low Engagement Onlookers

Low engagement onlookers demonstrate minimal readiness, with a flat capability profile across strategy, regulatory knowledge, networks, cultural adaptability, and in-market experience. Confidence is similarly low (17%).

Positioning the Segmentation Profiles of the Australia-China Business Community

Strategic Leaders

35%

China-Confident Leaders

- High capability and active presence. ACBC to advise on advancing capability.
- **High Capability & Strategic Embedment** - Clear documented strategy, strong leadership, embedded training, robust insights.

Operational Doers

37%

Tactically Engaged Practitioners: the 'Doers'

- Operationally strong, mid capability. ACBC to help with strategic uplift.

Initial Engagers

12%

Developing Capability Learners

- Early-stage, low capability.ACBC to help with foundation systems.
- **High operational confidence & active presence** - Regular Board visits, strong confidence, established operations.

Emerging Explorers

16%

Low Engagement Onlookers

- Minimal readiness, low confidence. ACBC to help with confidence building.
- **Low operational confidence & limited presence** - Little/no in-market presence, low confidence to expand, minimal risk protocols.

Characteristics of Segmentation Profiles

Across the sample, four distinct organisational mindsets toward China engagement emerged. These clusters differ not only in capability, but also in confidence, maturity, structure, and the degree to which China is embedded into strategy, operations, and leadership focus.

A clear maturity gradient emerges from the highest-capability segment to the lowest:

- **China-Confident Leaders (35%)** represent the benchmark for mature, strategic, and highly capable China engagement, marked by strong leadership support, embedded capabilities, and longstanding networks.
- **Tactically Engaged Practitioners (37%)** form the largest group, demonstrating active, hands-on engagement with China, but lacking deep, organisation-wide alignment and consistent systems.
- **Developing Capability Learners (12%)** reflect organisations early in their journey—showing emerging intent and interest, but limited structure, capability, and leadership commitment for sustained and coordinated engagement.
- **Low-Engagement Onlookers (16%)** show minimal readiness, limited capability, and weak strategic direction.

These distinctions are reinforced across the quantitative indicators relating to strategy, capability, networks, cultural adaptation, in-market presence, and confidence in expanding China business.

China-Confident Leaders (35%)	Tactically Engaged Practitioners (37%)	Developing Capability Learners (12%)	Low-Engagement Onlookers (16%)
• The most mature and capable cohort with well-defined China strategies, senior leadership alignment, deep operational capability, and strong networks. • Many have >20 years' experience and established China teams. Confidence may exceed depth in some areas, and ACBC membership is overrepresented.	• Actively doing business in China but in a practical, uneven, and operational way. • Strong on relationships and operational engagement but weaker on strategic alignment, leadership involvement, and capability investment.	• Early-stage organisations showing willingness and exploratory behaviour but lacking structure, capability systems, and leadership commitment. • Resemble 'beginners' testing the waters.	• Minimal China readiness: low capability, low confidence, weak strategy, and limited networks. • Often not active in China and score lowest on regulatory knowledge, cultural capability, insights, and partner relationships.

Understanding segment profiles: 1

	China-Confident Leaders (35%)	Tactically Engaged Practitioners (37%)	Developing Capability Learners (12%)	Low-Engagement Onlookers (16%)
Organisation Size	• Mix of medium/ large	• Mix of medium/ large	• Skews small–medium	• Skews small
Experience with China	• Longest experience (mean 19 years)	• Medium experience (mean 12.5 years)	• Medium–low experience (mean 12.5)	• Moderate but low relevance (mean 15.6)
Revenue Exposure	• Highest (mean 40%)	• Moderate (mean 31%)	• Moderate (29%)	• Lowest (22%)
Membership of Business Associations	• 63% current ACBC members; 15% former members; 23% never a member. • 29% also belong to other China/ Asia business associations (highest among all segments). • Membership correlates strongly with confidence and network access.	• 41% current ACBC members; 19% former members; 41% never a member. • 11% belong to other business associations. • Mixed membership base; confidence more operational than strategic.	• 36% current members; 18% former members; 46% never a member. • Early-stage firms with moderate membership uptake.	• 31% current ACBC members: 17% former members; 52% never a member. • Membership does not significantly shift low engagement.
Confidence Expanding China Business	• Extremely high (97%)	• High (71%)	• Moderate (46%)	• Very low (17%)

Understanding segment profiles: 2

	China-Confident Leaders (35%)	Tactically Engaged Practitioners (37%)	Developing Capability Learners (12%)	Low-Engagement Onlookers (16%)
Overall Maturity	• High – fully mature, embedded, strategic	• Medium – active, practical, uneven strategy	• Early – stage, emerging but inconsistent	• Very low – minimal readiness
China Strategy	• 97% have clear leader-supported strategy • 95% report strategy being widely understood	• 81% have a strategy • 78% report strategy being understood internally	• 56% have (often emerging) strategic clarity	• Only 31% agree they have a strategy
Leadership Alignment	• Very strong alignment (93% review strategy)	• Leadership support exists but varies • 72% report that leaders review strategy	• Leadership awareness without deep investment	• Leaders largely uninvolved (28% review strategy)
Capability & Skills	• Highest capability across all items (e.g., regulatory 4.57; language/culture 4.62)	• Solid operational capability (means around 3.9–4.0) • Not systematic	• Limited capability (means ~3.1–3.3)	• Lowest capability (regulatory 3.04; culture 3.11)
Market Intelligence & Monitoring	• Very strong monitoring (4.65) High-quality, China-originated insights	• Strong monitoring (4.08) • Some China-originated insights	• Emerging, inconsistent insight systems (3.23)	• Weak monitoring and insight generation (3.35)
Relationship Capability	• 94% have contacts • 89% hold strong China government networks	• 77% have established contacts • 73% collaborate with China associations	• Patchy networks (69% contacts; 15% strong government networks)	• Only 26% have contacts • Very weak networks (15% collaborate with China associations)
In Summary	Mature, experienced, strategically confident	Practical operators with uneven strategic alignment	Early-stage experimenters building capability	Unprepared, disengaged, minimal capability

Benchmarking Australia's 6-Dimensional China Capability

Developed by ACBC in consultation with academic, industry, and government representatives, the 6 dimensions encapsulate ACBC's operationalised understanding of China Capability.

1

Knowledge

Understanding of China's domestic economy, political and legal environment, international trade policy, green and digital economies, and language/cultural literacy.

2

Networks

Quality of trusted relationships both inside and outside China and Australia covering government, industry associations, suppliers, and customers.

3

Cultural Adaptability

Intercultural communication – understanding their own organisational culture and how that fits within Australia and how that differs from Chinese cultural norms and practices (within a business setting).

4

Leadership & Strategy

The presence and visibility of a China strategy, internal communication, senior executive and board-level engagement, and investment in China capability with the organisation's workforce as well as the engagement of Chinese-Australian staff.

5

Localisation

Level of market research, product/service tailoring, and marketing strategy to suit Chinese market preferences and regulatory frameworks.

6

In-Market Operation

Physical presence in China, delegation history, and lived operational or partnership experience. – does your engagement model suit your market stage.

Where Australian organisations are strong— and where they must improve

Across *n*= 331 organisations, six capability dimensions were quantified, confirming a mixed readiness profile across Australia:

- **Knowledge (4.10) –** Most organisations report feeling well informed about China's economy and regulations; however, keeping regulatory knowledge up to date remains a challenge.
- **Networks (3.95) –** Connections are relatively strong, particularly with business partners; however, links to Chinese government and formal stakeholder mapping are weaker.
- **Cultural Adaptability (3.82) –** Respondents report strong relationship-building capability (4.23), yet relatively few organisations have formal cultural training programs (3.66).
- **Leadership & Strategy (3.65) –** Many organisations have a China strategy, but it is not always backed by leadership commitment or investment in staff skills.
- **Localisation (3.52) –** Product and marketing adaptation for China is inconsistent, and use of China's digital platforms is the weakest area.
- **In-Market Operation (3.41) –** This is the largest gap: most organisations operate remotely, with limited physical presence and under-developed risk and security plans.

Key Implication:

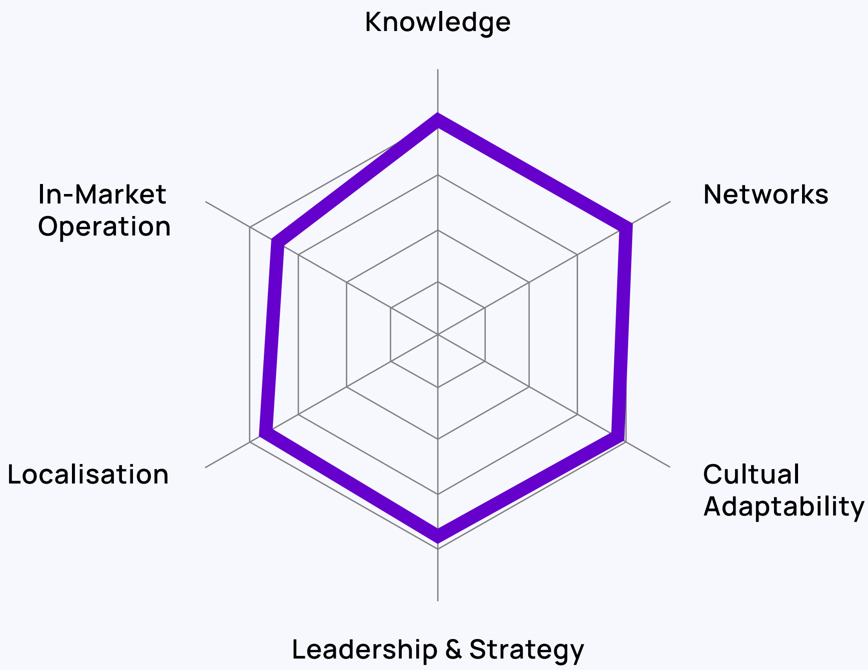
The segments confirm the maturity gradient observed qualitatively:

- **China-Confident Leaders** outperform across all dimensions (Knowledge 4.58; Localisation 4.53; In-Market Operations 4.18).
- **Tactically Engaged Practitioners** are strong operationally (In-Market Operations ~3.79) but weaker on embedment (Leadership & Strategy 3.50).
- **Developing Capability Learners and Low-Engagement Onlookers** show pronounced gaps (e.g., regulatory knowledge 3.18/3.04; China government networks 2.00/2.70).

*Organisations were asked to rate their China capability across six areas on a 1–5 scale (where 5 = excellent capability; 4 and above = very strong capability; 3.0–3.9 = moderate capability (room for improvement); and below 3 = weak capability (significant gaps)). The scores reported above are average (mean) scores.

Quantitative Survey Results Overview: 6 Dimensions of China Capability

Overall China Capability Mean Scores (*n*= 331)



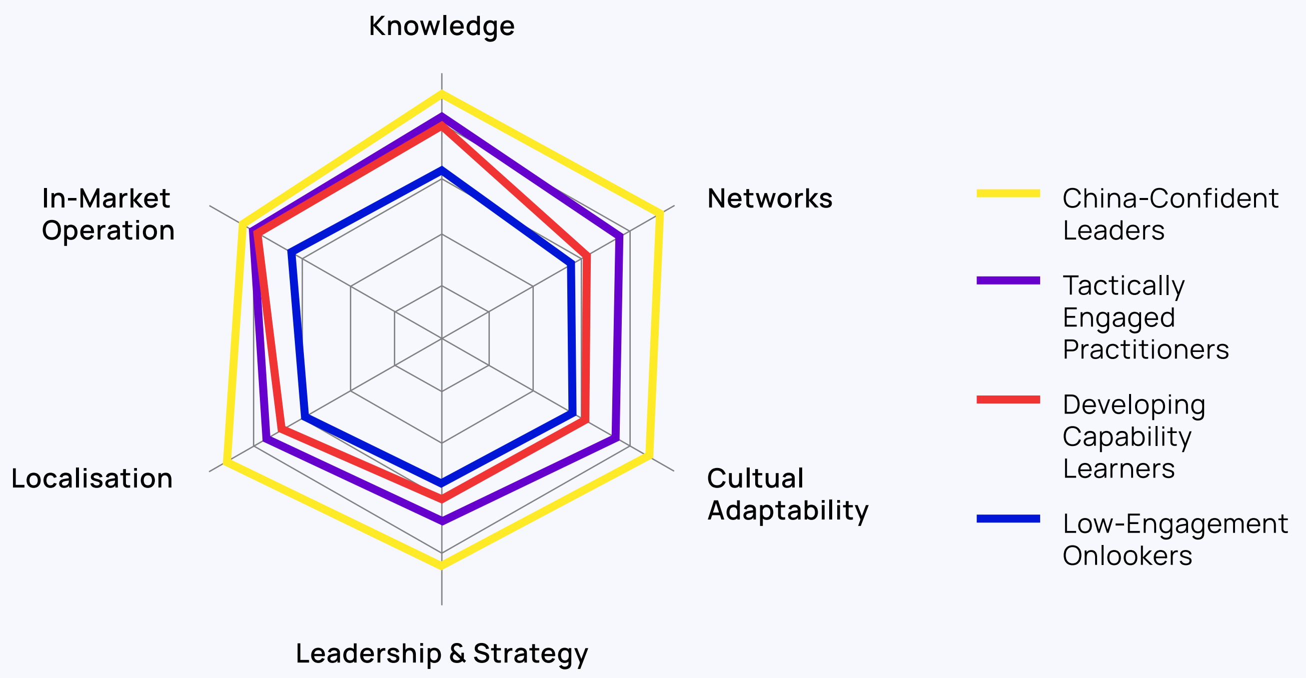
- Overall, capability is strongest in areas where Australian organisations already have long-established commercial ties (knowledge and networks), and weakest where deeper commitment or sustained in-market presence is required.
- Across the six China Capability dimensions, Australian organisations demonstrate moderate overall readiness, with substantial gaps between the most capable segment (China-Confident Leaders) and the least capable (Low-Engagement Onlookers). The gap between China-Confident Leaders and Low-Engagement Onlookers exceeds 1.0 mean scale point across every dimension.

- **Knowledge and Networks are the strongest dimensions overall**, supported by established export activity and long-term familiarity with China.
- **Cultural Adaptability and Leadership & Strategy** sit in the middle—present in pockets but not yet systematically embedded across organisations.
- **Localisation and In-Market Operation are the weakest**, reflecting limited on-the-ground presence, resource constraints, and underdeveloped China-specific strategy.

Q9. How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331

Capability from a size and segment perspective



Segments:

- **China-Confident Leaders:** highest across every measure
- **Tactically Engaged Practitioners:** strong operationally, but strategically uneven
- **Developing Capability Learners:** emerging intent and activity, but inconsistent capability and structure
- **Low-Engagement Onlookers:** lowest across all capability areas

Overall, psychographic segmentation explains capability better than company size. Notably, some small organisations in the "China-Confident Leaders" segment outperform larger firms in certain areas—indicating that mindset and experience can drive capability more than revenue scale.

Company size (not shown*) is also a consistent differentiator. Corporate-sized companies outperform all other groups across the dimensions, particularly in:

- Knowledge
- Networks
- In-Market Operation
- Leadership & Strategy

In relation to smaller businesses:

- Medium firms generally track above small firms but below large firms.
- Small firms show the lowest capability across most dimensions.

Overall, capability largely correlates with resources. Corporates benefit from longer histories in China, dedicated China teams, and established partnerships, while smaller firms are more likely to operate at arm's length.

Q9. How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331, China-Confident Leaders *n*= 115, Tactically Engaged Practitioners *n*= 123, Developing Capability Learners *n*= 39, Low Engagement Onlookers *n*= 54 *Detailed slides in Appendix

Knowledge

Overall strength:

Knowledge is the highest-rated capability dimension (mean scores range 3.92–4.18), indicating strong foundational understanding.

Top agreement:

"We understand how Australia's relationship with China affects our business" (86% NETT Agree, mean 4.18) – suggests broad awareness of macro-level dynamics.

"We actively monitor emerging trends and opportunities in the Chinese market" (82%, mean 4.13) – proactive market scanning is common.

Moderate agreement:

Access to Chinese language/cultural knowledge when needed (77%, mean 4.04) – capability exists but not universal.

Lowest score:

Up-to-date knowledge of Chinese regulations (73%, mean 3.92) – regulatory complexity remains a challenge.

Regulatory knowledge gap:

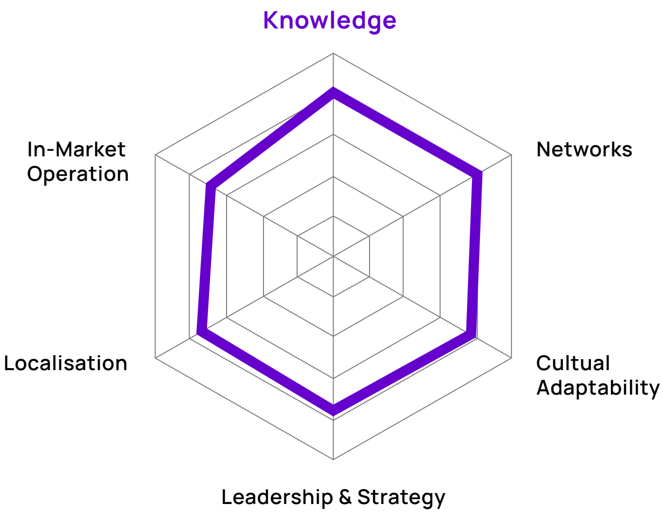
Nearly 1 in 5 are neutral or disagree, highlighting risk exposure and a need for compliance support.

Cultural and language access:

While 77% agree, this is lower than other items, suggesting opportunity for ACBC to strengthen cultural capability programs.

Monitoring trends vs. acting on them:

High agreement on monitoring trends, but qualitative feedback suggests members want deeper insights and actionable intelligence.



Q9. How much you agree or disagree with each of the following statements about your organisation's business with China, where 1 = strongly disagree and 5 = strongly agree.

Base: Total *n*= 331

Knowledge mean score by segmentation				
	Tactically Engaged Practitioners	China-Confident Leaders	Low-Engagement Onlookers	Developing Capability Learners
We understand how changes in China's economy affect our business	4.05	4.52	3.37	3.87
Our team has up-to-date knowledge of Chinese regulations relevant to our industry	3.93	4.57	3.04	3.18
We have access to people with Chinese language and cultural knowledge when needed	3.89	4.62	3.11	4.10
We actively monitor emerging trends and opportunities in the Chinese market	4.08	4.65	3.35	3.82
We understand how Australia's relationship with China affects our business	4.08	4.55	3.65	4.18

4.5 – 5.0 (Excellent) 4.0 – 4.49 (Strong) 3.5 – 3.99 (Moderate) 3.0 – 3.49 (Weak) < 3.0 (Critical Gap)

China-Confident Leaders

Highest scores across all items (4.52–4.65), especially on monitoring emerging trends (4.65) and access to Chinese language/cultural knowledge (4.62).

Tactically Engaged Practitioners

Solid performance (around 4.05–4.08) but slightly weaker on cultural access (3.89) and regulatory knowledge (3.93).

Developing Capability Learners

Mixed results: relatively strong on understanding Australia-China relationship (4.18) and cultural access (4.10), but low on regulatory knowledge (3.18).

Low-Engagement Onlookers

Lowest scores across all items (3.04–3.65), especially regulatory knowledge (3.04) and cultural access (3.11).

Regulatory knowledge is the weakest point for all but China-Confident Leaders—a critical compliance risk for less engaged segments.

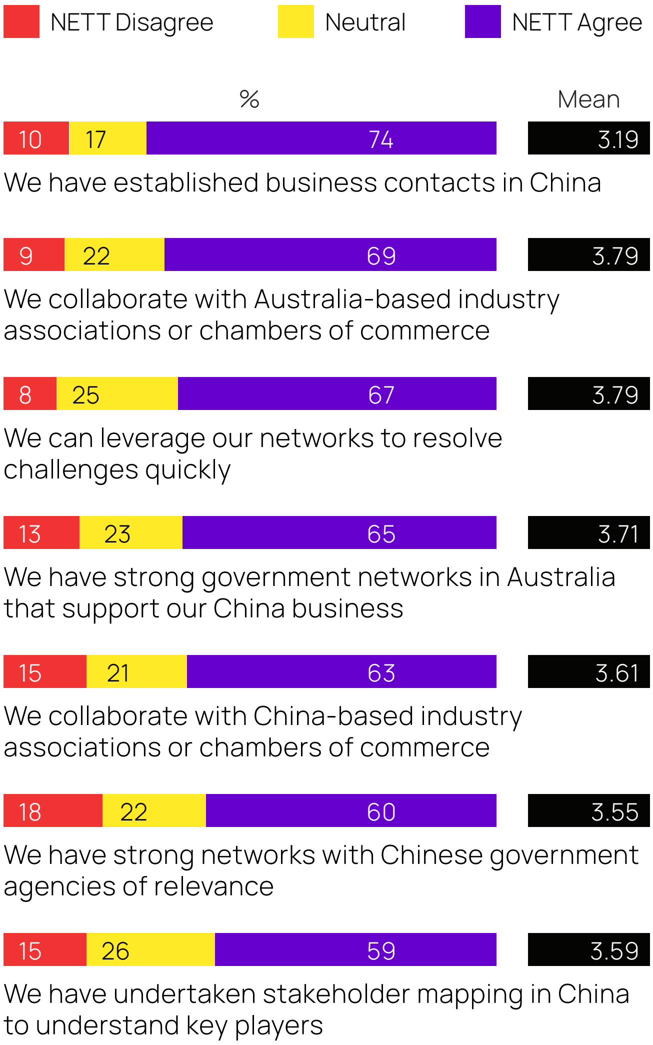
Developing Capability Learners shows cultural strength but lacks technical/regulatory depth, suggesting early-stage engagement focused on relationships rather than operational readiness.

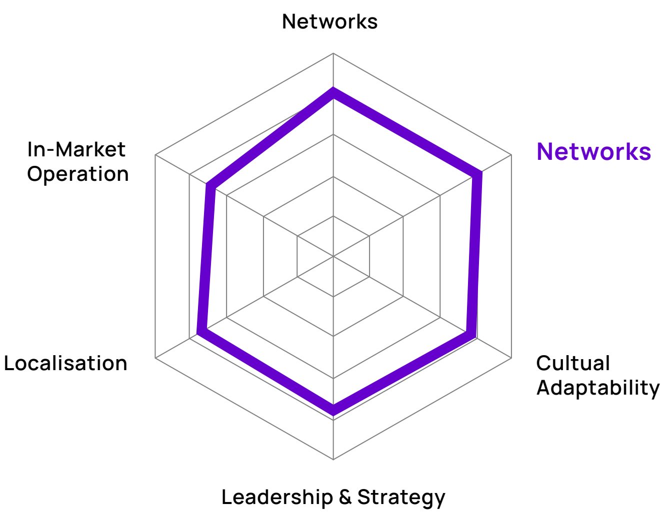
Low-Engagement segment is aspirational but under prepared, requiring foundational support across all knowledge areas.

Q9. How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331, China-Confident Leaders *n*= 115, Tactically Engaged Practitioners *n*= 123, Developing Capability Learners *n*= 39, Low Engagement Onlookers *n*= 54

Networks





Networks score moderately (means range 3.59–3.91), indicating room for improvement compared to Knowledge.

Top item:

Established business contacts in China (74% NETT Agree, mean 3.91) – most organisations have basic connections.

Mid-tier items:

Collaboration with Australian-based associations (69%, mean 3.79) and ability to leverage networks (67%, mean 3.79).

Weakest areas:

Stakeholder mapping in China (59%, mean 3.59) and strong networks with Chinese government agencies (60%, mean 3.55) – significant gaps in strategic relationship-building.

Government and strategic networks are underdeveloped, limiting influence and ability to navigate regulatory complexity.

Stakeholder mapping is rare, suggesting organisations lack structured approaches to identify key players.

Collaboration with China-based associations is weaker than with Australian associations, pointing to limited in-market engagement.

Q10. We have established business contacts in China (e.g. customers, suppliers). - How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331

Networks mean score by segmentation

	Tactically Engaged Practitioners	China-Confident Leaders	Low-Engagement Onlookers	Developing Capability Learners
We have established business contacts in China	3.88	4.57	2.85	3.54
We have strong government networks in Australia that support our China business	3.84	4.14	3.13	2.82
We have strong networks with Chinese government agencies of relevance to our China business and actively grow and maintain our government network of China-related contacts	3.69	4.32	2.70	2.00
We collaborate with Australia-based industry associations or chambers of commerce on China issues	3.78	4.24	3.22	3.26
We collaborate with China-based industry associations or chambers of commerce on China issues	3.80	4.21	2.76	2.46
We can leverage our networks to resolve challenges quickly	3.80	4.42	3.04	2.97
We have undertaken stakeholder mapping in China to understand key players of importance and influence on our China business	3.69	4.26	2.72	2.49

4.5 – 5.0 (Excellent) 4.0 – 4.49 (Strong) 3.5 – 3.99 (Moderate) 3.0 – 3.49 (Weak) < 3.0 (Critical Gap)

China-Confident Leaders

Highest scores across all items (4.14–4.57), especially on established business contacts (4.57) and stakeholder mapping (4.26).

Tactically Engaged Practitioners

Moderate performance (3.69–3.88), strong on leveraging networks (3.80) but weaker on stakeholder mapping (3.69).

Developing Capability Learners

Low scores overall (2.46–3.54), particularly weak on Chinese government networks (2.00) and stakeholder mapping (2.49).

Low-Engagement Onlookers

Consistently lowest scores (2.70–3.22), indicating minimal network depth or strategic engagement.

Government and strategic networks are the biggest differentiator between high and low capability segments.

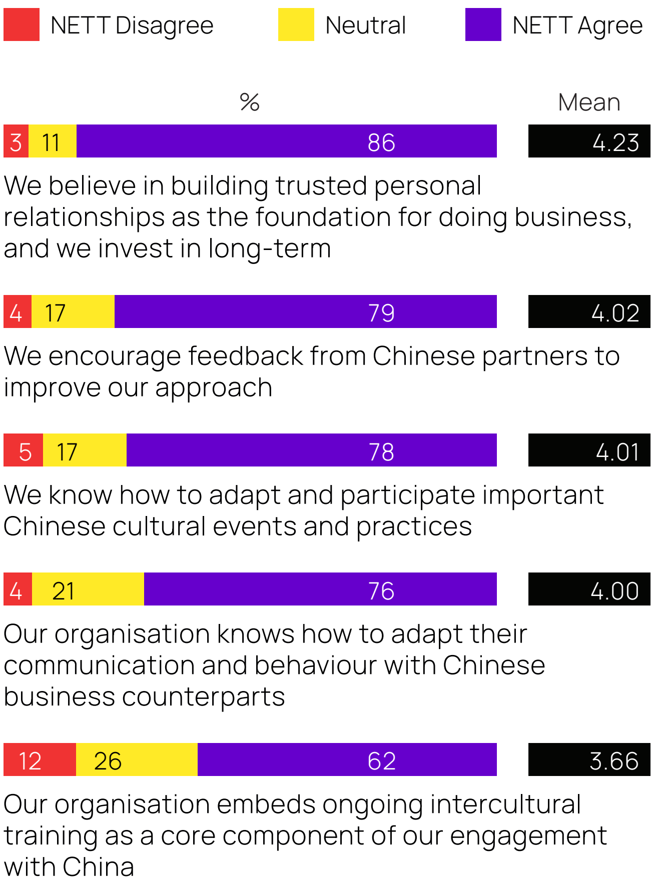
Developing Capability Learners segment shows some progress on basic contacts (3.54) but lacks advanced networking structures.

Low-Engagement segment is highly disconnected, requiring foundational networking support.

Q10. We have established business contacts in China (e.g. customers, suppliers). - How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331, China-Confident Leaders *n*= 115, Tactically Engaged Practitioners *n*= 123, Developing Capability Learners *n*= 39, Low Engagement Onlookers *n*= 54

Cultural adaptability



Overall strength:

Cultural adaptability scores are moderate (means range 3.66–4.23), slightly below Knowledge and Networks.

Top item:

Building trusted personal relationships (86% NETT Agree, mean 4.23) – strong relational orientation.

Mid-tier items:

Encouraging feedback from Chinese partners (79%, mean 4.02) and participating in cultural events (78%, mean 4.01).

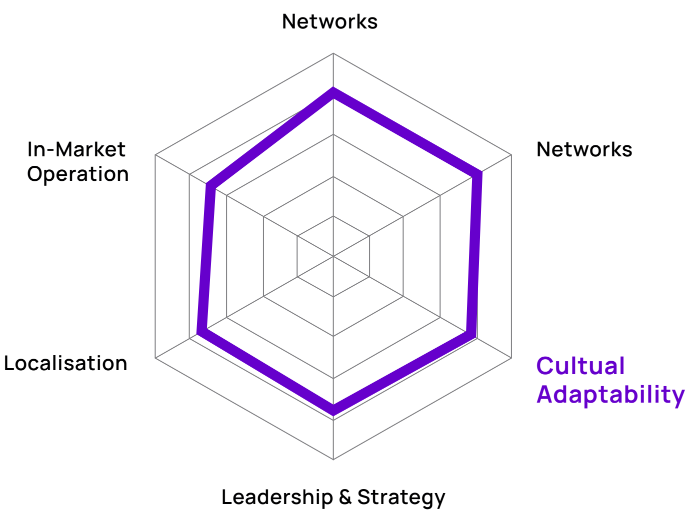
Lowest score:

Embedding ongoing intercultural training (62%, mean 3.66) – significant gap in formal capability-building.

Intercultural training is not institutionalised, leaving cultural competence dependent on individual experience.

Adaptation to cultural practices is relatively strong, but structured learning and feedback loops need improvement.

Neutral responses (20–26%) suggest uncertainty or inconsistency in applying cultural adaptability practices.



Q11. Our organisation knows how to adapt their communication and behaviour with Chinese business counterparts. - How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331

Cultural adaptability mean score by segmentation

	Tactically Engaged Practitioners	China-Confident Leaders	Low-Engagement Onlookers	Developing Capability Learners
Our organisation knows how to adapt their communication and behaviour with Chinese business counterparts	3.91	4.60	3.00	3.90
We believe in building trusted personal relationships as the foundation for doing business, and we invest in long-term relationship building just as much as in the business itself	4.13	4.69	3.43	4.33
We know how to adapt and participate important Chinese cultural events and practices	3.90	4.63	3.04	3.82
Our organisation embeds ongoing intercultural training as a core component of our engagement with China	3.66	4.29	2.87	2.92
We encourage feedback from Chinese partners to improve our approach	3.94	4.51	3.24	3.87

4.5 – 5.0 (Excellent) 4.0 – 4.49 (Strong) 3.5 – 3.99 (Moderate) 3.0 – 3.49 (Weak) < 3.0 (Critical Gap)

China-Confident Leaders

Highest scores across all items (4.29–4.69), especially on building trusted relationships (4.69) and cultural event participation (4.63).

Tactically Engaged Practitioners

Moderate performance (3.66–4.13), strong on relational aspects but weaker on formal training (3.66).

Developing Capability Learners

Mixed results: relatively strong on relationships (4.33) but low on intercultural training (2.92).

Low-Engagement Onlookers

Lowest scores across all items (2.87–3.43), indicating minimal cultural capability.

Intercultural training is the weakest point for all but China-Confident Leaders, leaving cultural competence informal and inconsistent.

Developing Capability Learners segment shows relational strength but lacks structured cultural practices.

Low-Engagement segment is highly disconnected, requiring foundational cultural support.

Q11. Our organisation knows how to adapt their communication and behaviour with Chinese business counterparts. - How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331, China-Confident Leaders *n*= 115, Tactically Engaged Practitioners *n*= 123, Developing Capability Learners *n*= 39, Low Engagement Onlookers *n*= 54

Leadership & Strategy

Overall performance:

Leadership & Strategy scores are moderate (means range 3.76–3.92), lower than Knowledge and Networks.

Top item:

Clear China strategy supported by senior leaders (73% NETT Agree, mean 3.92).

Mid-tier items:

Strategy articulation and resource allocation (both 69%, mean ~3.81–3.84).

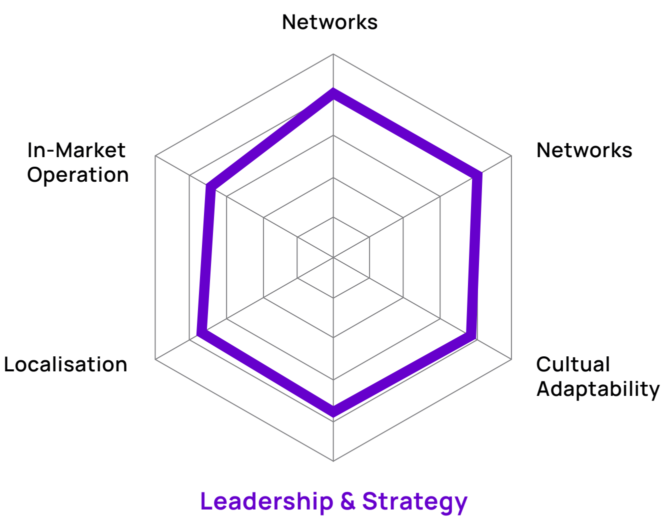
Lowest score:

Investment in building China skills among staff (65%, mean 3.76) – weakest area of strategic commitment.

Strategy exists but is not deeply embedded—neutral responses (19–25%) suggest inconsistency in communication and execution.

Capability investment is limited, leaving staff under prepared for China engagement.

Regular review and adjustment of strategy is not universal, indicating risk of outdated approaches.



Q12. Our organisation has a clear China strategy supported by senior leaders. - How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331, *n*= 331

Leadership & Strategy mean score by segmentation

	Tactically Engaged Practitioners	China-Confident Leaders	Low-Engagement Onlookers	Developing Capability Learners
Our organisation has a clear China strategy supported by senior leaders	3.92	4.56	2.80	3.56
Our China strategy is articulated and well understood across our total organisation	3.85	4.43	2.80	3.26
We invest in building China skills among our staff	3.66	4.53	2.67	3.31
Senior leaders regularly review and adjust our China strategy	3.81	4.49	2.85	3.41
We allocate sufficient resources to implement our China strategy	3.77	4.52	2.76	3.54

4.5 – 5.0 (Excellent) 4.0 – 4.49 (Strong) 3.5 – 3.99 (Moderate) 3.0 – 3.49 (Weak) < 3.0 (Critical Gap)

China-Confident Leaders

Highest scores across all items (4.43–4.56), especially on clear China strategy supported by senior leaders (4.56) and investment in China skills (4.53).

Tactically Engaged Practitioners

Moderate performance (3.66–3.92), strong on basic strategy but weaker on capability investment.

Developing Capability Learners

Low scores overall (3.26–3.56), indicating early-stage strategic maturity.

Low-Engagement Onlookers

Consistently lowest scores (2.67–2.85), showing minimal strategic commitment or resource allocation.

Strategic clarity and resource allocation are major differentiators between high and low capability segments.

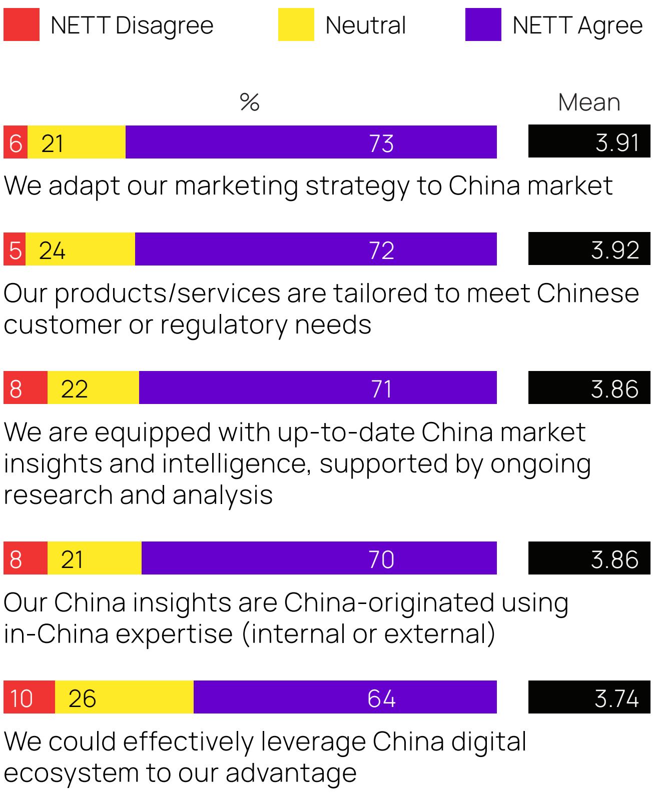
Developing Capability Learners segment shows some progress on basic strategy but lacks depth in capability investment and review processes.

Low-Engagement segment is highly disconnected, requiring foundational support to even define a China strategy.

Q12. Our organisation has a clear China strategy supported by senior leaders. - How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331, China-Confident Leaders *n*= 115, Tactically Engaged Practitioners *n*= 123, Developing Capability Learners *n*= 39, Low Engagement Onlookers *n*= 54

Localisation



Overall performance:

Localisation scores are moderate (means range 3.74–3.92), indicating this is a weaker capability compared to Knowledge and Cultural Adaptability.

Top items:

Tailoring products/services to meet Chinese needs (72% NETT Agree, mean 3.92). Adapting marketing strategy to China market (73%, mean 3.91)

Mid-tier items:

China-originated insights and up-to-date market intelligence both at 71–70% agreement, mean 3.86.

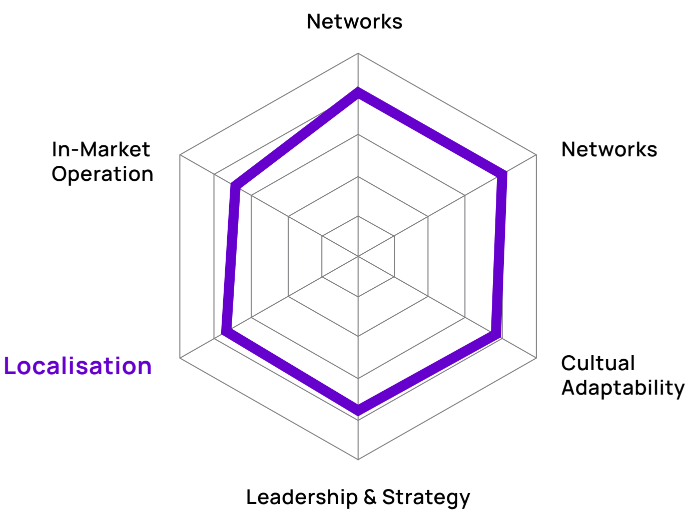
Lowest score:

Leveraging China's digital ecosystem (64% NETT Agree, mean 3.74) – a clear capability gap.

Digital ecosystem is the weakest link, suggesting organisations struggle to navigate platforms like WeChat, Douyin, and Alibaba.

Market insights and China-originated expertise are not universal, leaving many firms reliant on second-hand or outdated information.

Neutral responses (21–26%) indicate uncertainty or inconsistency in localisation practices.



Q13. Our products/services are tailored to meet Chinese customer or regulatory needs. - How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331

Localisation mean score by segmentation

	Tactically Engaged Practitioners	China-Confident Leaders	Low-Engagement Onlookers	Developing Capability Learners
Our products/services are tailored to meet Chinese customer or regulatory needs	3.76	4.55	3.06	3.77
We adapt our marketing strategy to China market	3.83	4.50	2.93	3.77
We are equipped with up-to-date China market insights and intelligence, supported by ongoing research and analysis	3.93	4.47	2.85	3.23
We could effectively leverage China digital ecosystem to our advantage	3.62	4.41	2.91	3.33
Our China insights are China-originated using in-China expertise (internal or external)	3.82	4.53	2.76	3.51

4.5 – 5.0 (Excellent) 4.0 – 4.49 (Strong) 3.5 – 3.99 (Moderate) 3.0 – 3.49 (Weak) < 3.0 (Critical Gap)

China-Confident Leaders

Highest scores across all items (4.41–4.55), especially on tailoring products/services (4.55) and marketing adaptation (4.50).

Tactically Engaged Practitioners

Moderate performance (3.62–3.93), strongest on market insights (3.93) but weakest on digital ecosystem leverage (3.62).

Developing Capability Learners

Mixed results (3.23–3.77), relatively strong on tailoring products/services (3.77) but low on market insights (3.23).

Low-Engagement Onlookers

Consistently lowest scores (2.76–3.06), especially weak on China-originated insights (2.76) and market insights (2.85).

Digital ecosystem and China-originated insights are major differentiators between high and low capability segments.

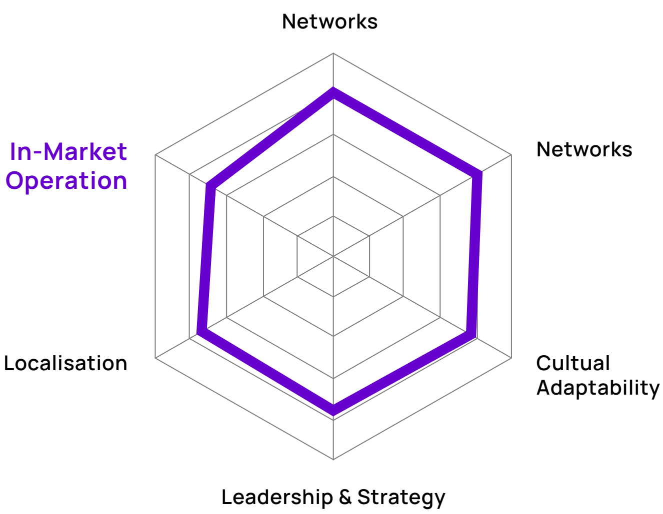
Low-Engagement segment is highly disconnected, requiring foundational localisation support.

Developing Capability Learners segment shows early progress on product tailoring but lacks depth in insights and digital readiness.

Q13. Our products/services are tailored to meet Chinese customer or regulatory needs. - How much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331, China-Confident Leaders *n*= 115, Tactically Engaged Practitioners *n*= 123, Developing Capability Learners *n*= 39, Low Engagement Onlookers *n*= 54

In-Market Operation



Overall performance:

Scores are the lowest among all capability dimensions (means range 3.56–3.83), signaling significant gaps in on-the-ground engagement..

Top items:

Visiting China regularly to maintain relationships (68% NETT Agree, mean 3.83). Confidence in entering or expanding business in China (68%, mean 3.82).

Mid-tier items:

Board/Senior Management visits China annually (69%, mean 3.79) and risk management as part of China strategy (67%, mean 3.80).

Lowest score:

Cyber/data security plan (62%, mean 3.69) and on-the-ground presence in China (60%, mean 3.56)—critical operational gaps.

Physical presence is limited, with 22% disagreeing and only 60% agreeing—many organisations operate remotely.

Cybersecurity and risk protocols are underdeveloped, exposing firms to operational and compliance risks.

Neutral responses (18–25%) suggest uncertainty or lack of formalised processes for safety and security.

Q14. We have on-the-ground presence or staff in China. - And finally, how much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331

In-Market Operation mean score by segmentation	Tactically Engaged Practitioners	China-Confident Leaders	Low-Engagement Onlookers	Developing Capability Learners
We have on-the-ground presence or staff in China	3.54	4.39	2.48	2.67
We visit China regularly to maintain, strengthen and build relationships	3.76	4.58	2.74	3.36
Our Board/Senior Management visits China at least once a year	3.73	4.50	2.70	3.41
We are confident in entering or expanding our business in China	3.74	4.52	2.87	3.36
We have risk management as part of our China strategy	3.79	4.50	2.89	3.05
We have a clear plan to manage cyber and data security risks related to our China operations	3.53	4.39	2.81	3.33
We have protocols in place to manage the safety and security of staff travelling to China	3.76	4.43	2.94	3.03

4.5 – 5.0 (Excellent) 4.0 – 4.49 (Strong) 3.5 – 3.99 (Moderate) 3.0 – 3.49 (Weak) ‹ 3.0 (Critical Gap)

China-Confident Leaders

Highest scores across all items (4.39–4.58), especially on regular visits to China (4.58) and confidence in expanding business (4.52).

Tactically Engaged Practitioners

Moderate performance (3.53–3.79), strongest on risk management (3.79) and protocols for safety/security (3.76).

Developing Capability Learners

Mixed results (2.67–3.41), relatively better on Board visits (3.41) but weak on risk management (3.05) and cybersecurity (3.33).

Low-Engagement Onlookers

Consistently lowest scores (2.48–2.94), especially weak on on-the-ground presence (2.48) and Board visits (2.70).

Physical presence and regular visits are major differentiators between high and low capability segments.

Risk and cybersecurity planning are weakest for Low-Engagement and Developing segments, exposing operational vulnerabilities.

Developing Capability Learners segment shows some progress on relationship-building but lacks structured risk protocols.

Q14. We have on-the-ground presence or staff in China. - And finally, how much you agree or disagree with each of the following statements about your organisation's business with China.

Base: Total *n*= 331, China-Confident Leaders *n*= 115, Tactically Engaged Practitioners *n*= 123, Developing Capability Learners *n*= 39, Low Engagement Onlookers *n*= 54

Conclusion: Where Australian organisations are strong—and where they must improve

Further understandings:

- **Size vs mindset:**
  Larger firms lead on most items, but psychographic maturity explains capability better than size alone—small firms can appear in China-Confident when strategy and leadership are embedded.
- **Membership effect:**
  ACBC members score higher on every dimension (Knowledge +0.47; In-Market +0.34; Cultural +0.34; Networks +0.27; Localisation +0.22; Leadership +0.19), reinforcing the role of membership in accelerating capability.

Key Implications:

- **Anchor the continuum:**
  Treat capability as segmented, not linear, and design tiered pathways that move organisations from reactive engagement to embedded capability..
- **Scale what works:**
  Maintain ACBC's Knowledge & Advocacy edge; evolve Networks into curated introductions and referral programs; and expand capability-building through high-touch study tours, cultural and language training, and digital ecosystem toolkits.
- **Lift embedment:**
  Prioritise Leadership & Strategy (e.g., board-level engagement, strategy reviews, resourcing, and metrics) and In-Market Operation (e.g., delegations, and practical risk/cyber templates).
- **Measure & improve:**
  Use this baseline to set segment-specific KPIs and track uplift across the six dimensions. Publish best-practice case studies (leveraging China- Confident Leaders) to accelerate learning.

Where ACBC membership can bring value to lifting China Capability

ACBC's membership proposition build around four core pillars—Knowledge, Advocacy, Networks, and Capability—as these represent the most critical levers for supporting Australian businesses in their engagement with China. This structure was validated through Phase I qualitative research, where senior executives consistently highlighted the need for:

- **Knowledge:**
  Timely, credible market intelligence and regulatory guidance to navigate complexity and de-risk decisions.
- **Networks:**
  Trusted connections across government, industry, and business communities in both Australia and China, with growing demand for curated introductions and sector-specific missions.
- **Advocacy:**
  A strong, collective voice to influence policy settings and maintain a stable, pragmatic trade environment.
- **Capability:**
  Practical tools and programs to lift China readiness—cultural fluency, compliance, and operational confidence—especially for SMEs and early-stage entrants.

These themes informed the design of the quantitative survey, which tested perceived value across these four pillars.

> The results confirm the qualitative findings: Knowledge and Advocacy dominate as ACBC's strongest differentiators, while Networks remain essential for engagement, and Capability emerges as the greatest opportunity area for innovation and growth.

1 Knowledge

ACBC provides credible market intelligence through events, exclusive briefings, industry-specific updates, monthly newsletter, members only portal enabling members to stay informed and de-risk decisions.

2 Networks

ACBC facilitates trusted connections via networking events (National and branch) alongside business matching, hosting introductions and inbound missions plus an online Member directory.

3 Advocacy

ACBC acts as a trusted policy voice, offering access to government consultation updates, advocacy roundtables, and thought leadership to influence bilateral trade settings.

4 Capability

ACBC delivers practical tools and programs—such as government briefings, study tours, and cultural training alongside access to a fee-based China Capability Program—to build China readiness and operational confidence.

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