



THE UNIVERSITY OF  
SYDNEY

# The new Chinese Australian entrepreneurs

**Enterprise & China Business  
Practice, KPMG Australia**

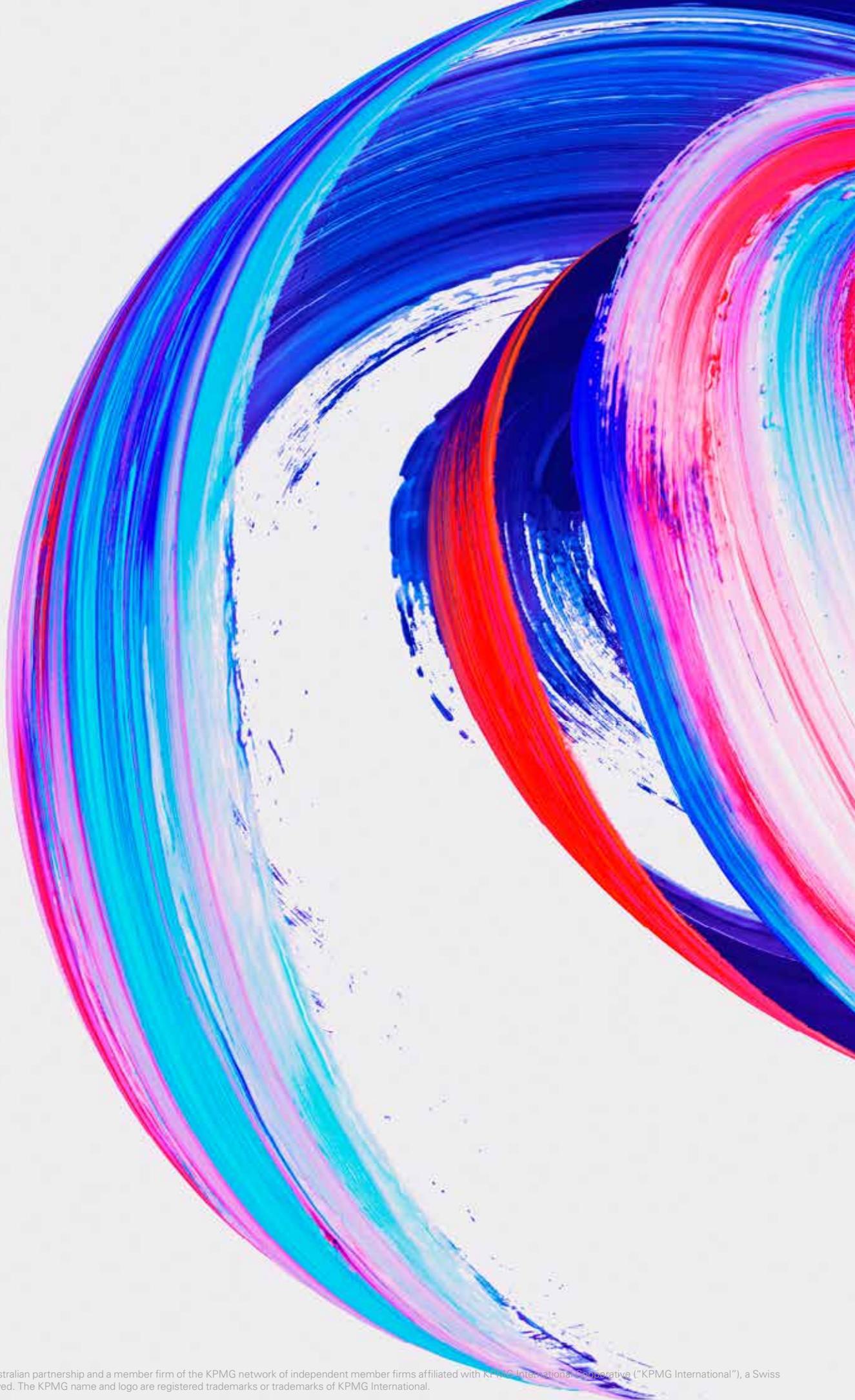
**The University of Sydney  
Business School**

September 2020

---

[KPMG.com.au](http://KPMG.com.au)







# Foreword

In what we believe is an Australian first, KPMG and the University of Sydney Business School conducted a research project into Chinese-born Australian entrepreneurs and the shape and state of their Australian businesses.

Migrants into Australia are a vitally important part of this country's economy, with the collective contribution expected to add an estimated \$1.6 trillion dollars towards the economy by 2050<sup>1</sup>.

Migrants not only offer important economic benefits, they also bring diversity of thinking, innovation and growth to the Australian business landscape. Our research uncovered new business models and other innovative approaches that these Chinese Australian migrants brought to our business communities. These entrepreneurs, who grew up in China and experienced Australian tertiary education, have an understanding of the norms of doing business in both countries and can offer a bridge between the two cultures and markets.

---

<sup>1</sup> <https://www.mia.org.au/documents/item/752>

# About our report

In 2019, KPMG and The University of Sydney Business School extended our strategic research<sup>2</sup> collaboration on Chinese direct investment in Australia to the new field of Chinese migrant entrepreneurs and their businesses in Australia (hereafter Chinese Australian entrepreneurs).

**The purpose of the research was to gain a better understanding of Chinese Australian entrepreneurs:**

how they operate, what makes them successful, how they view themselves compared with other businesses and the challenges they face. We thank the entrepreneurs who gave their valuable time to provide these insights.

Research findings and case studies form the basis of this report. The quotations highlighted represent statements by participants.

The report is structured under five key discussion areas:

<p>01 Typical demographic profile of Chinese Australian entrepreneurs.</p> 	<p>02 Business operations in Australia.</p> 
<p>03 What makes Australia businesses founded by Chinese migrants different?</p> 	
<p>04 Current challenges and concerns.</p> 	<p>05 Further plans.</p> 

KPMG and University of Sydney Business School would not suggest this report to be a comprehensive overview of Chinese Australian entrepreneurs and their businesses in Australia, but to collect useful insights and lessons from the integration of this group of ethnic entrepreneurs in Australia's small and medium enterprise (SME) sector.

There has been a surge in Chinese migrants to Australia since the late 1990s. Many of them initially arrived in Australia as students, skilled migrants or high-net-worth investors who then established local businesses. Most of them grew up in China during

China's economic opening and reform which started in 1978. Their business outlook and behaviours differ from previous generations of Chinese migrants. Members of this generation have started and built successful businesses which have created local Australian job opportunities and have played an active role as intermediaries in Australia's business relationship with China.

To date, documentation of the economic contribution of this generation of Chinese Australian entrepreneurs is largely limited to anecdotal evidence and individual case studies.

Key questions remained unanswered, such as their demographic profile, size and sophistication of their businesses, continued business connections to China and neighbouring countries, specific challenges and concerns, as well as their general outlook. Our report addresses these issues.

<sup>2</sup> Access the [Demystifying Chinese Investment in Australia report series](#)



# Methodology

Chinese Australian entrepreneurs in this report refer to people who were born in China and migrated to Australia since the beginning of China's economic reform period which started in 1978.

The businesses we studied were founded by Chinese Australian entrepreneurs and are Australian business entities registered with Australian Securities and Investment Commission (ASIC) and the Australian Tax Office (ATO). These businesses were founded in Australia, and majority of their daily operations are conducted in Australia.

To build a deep and nuanced understanding of the key success factors of Chinese Australian entrepreneurs, we undertook a qualitative study of their personal journeys and their businesses operations. From November 2019 through to January 2020, we conducted in-depth face-to-face interviews, and telephone interviews, with one hundred Chinese Australian entrepreneurs using a standard questionnaire which included an open-ended question segment. This report is based on the information from these interviews. Between conducting these interviews and launching this report, the coronavirus (COVID-19) pandemic broke out. To capture some of the initial impacts it has had on these businesses, we conducted follow-up interviews in April with 56 of the 100 business executives.

The participating entrepreneurs were identified through consultation with local Chinese Chambers of Commerce and leaders of local Chinese business and industry associations, who routinely engage with these migrant entrepreneurs. Our process of participant interview recruitment complied with The University of Sydney human research ethics guidelines. We owe our thanks to the local Chinese Chambers of Commerce and business and industry associations in Australia for their support.

Our aim was to interview a sample across a range of sectors and geographical locations to reflect the variety of these businesses. The largest group of founders interviewed had their business registered in New South Wales (42 per cent) and Victoria (32 per cent) with percentages of less than ten from Western Australia, Queensland and South Australia and a much smaller number of entrepreneurs from Tasmania and Northern Territory (Figure 1).

**Figure 1.** Where in Australia their businesses are registered  $N=100$



The data collected reflects the diversity of Chinese Australian entrepreneurs in terms of industries, know-how and how embedded they are in Australian, Chinese and other markets. Our results are skewed towards more established and successful Chinese Australian entrepreneurs. We believe this is the first report of its kind in Australia to present a snapshot of the new generation of Chinese Australian entrepreneurs and their businesses and offer lessons for the integration of migrant entrepreneurs in Australia.

# Key findings

The following key findings are common results from our interviews of Chinese Australian entrepreneurs.



## Chinese Australian Entrepreneurs generally

- 1 Educated at Australian tertiary institutions.
- 2 Start companies at a young age.
- 3 Originate from and maintain links with prosperous Chinese provinces.



## Business operations in Australia generally

- 1 Act as a business bridge between Australia and China.
- 2 Don't follow a generational family business strategy.
- 3 Cover a diverse range of sectors with services very popular.
- 4 Experience start-up challenges.
- 5 Value the importance of corporate social responsibility.



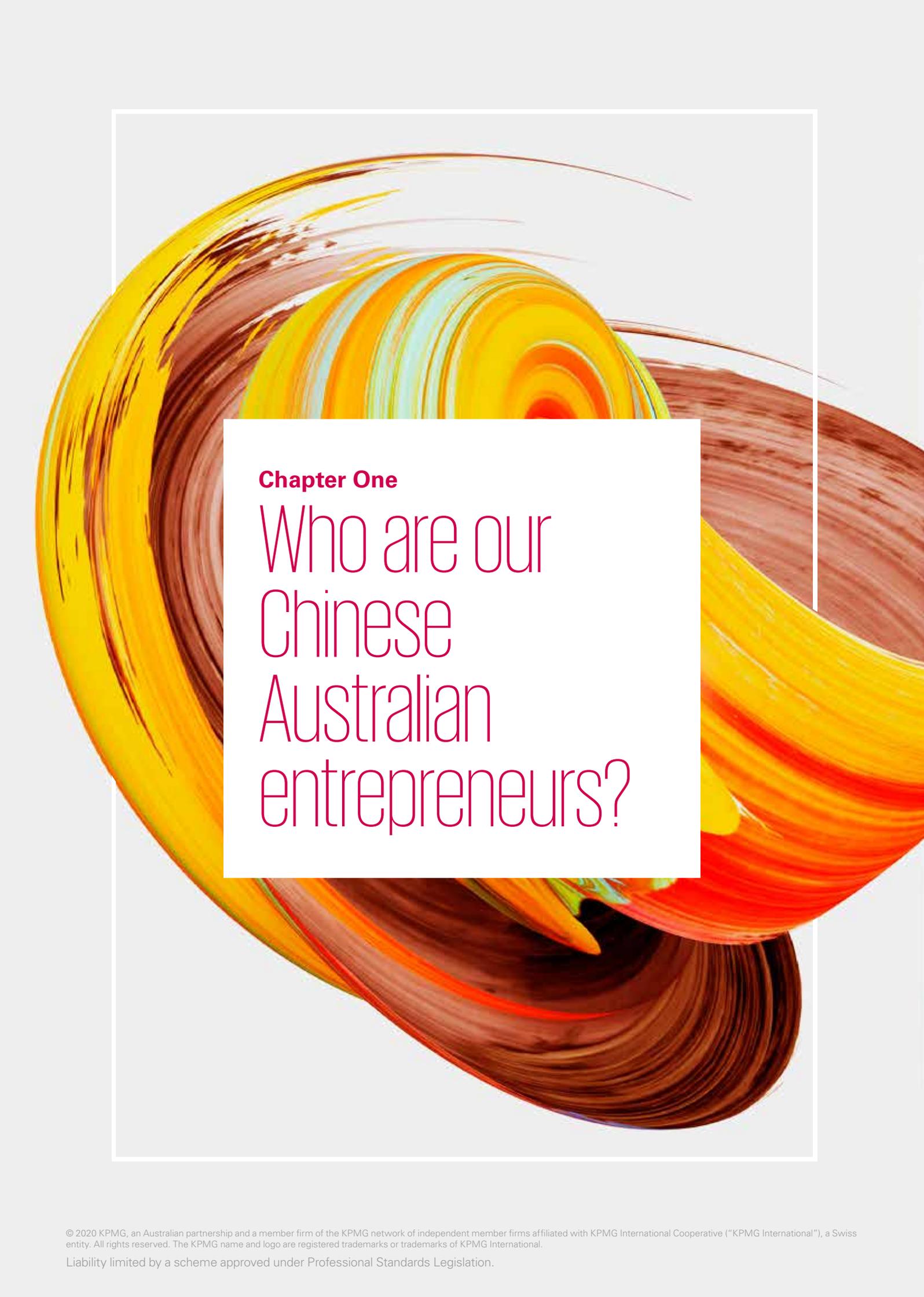
## What differentiates these businesses from other SMEs?

- 1 Integrated in both Australian and Chinese business networks.
- 2 Export Australian-made products into China and uncovered market opportunities in Australia's Chinese community.
- 3 Australia's Chinese business community networks are key to growth and ongoing operations.
- 4 Transfer technologies from China for local innovation in Australia.



## Common challenges they face:

- 1 Finding and retaining talent.
- 2 Balancing expansion with corporate governance.
- 3 The right expansion strategy and raising public capital.
- 4 Working across the cultural divide.
- 5 Economic impact of the COVID-19 pandemic.



**Chapter One**

Who are our  
Chinese  
Australian  
entrepreneurs?



**Many of our Chinese Australian entrepreneurs were tertiary educated in Australia and started their businesses at a relatively young age.**

### Background and education

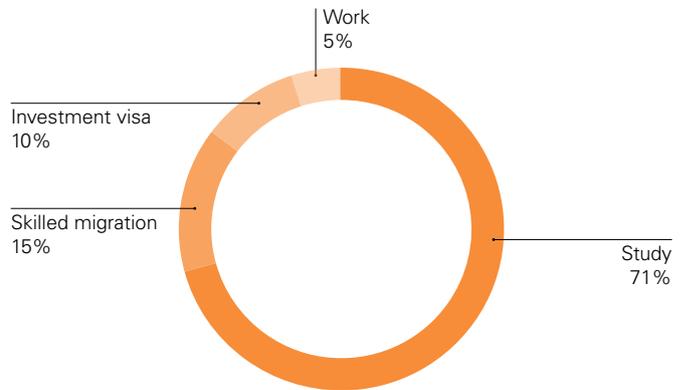
Our selection of Chinese Australian entrepreneurs are highly educated and professionally trained. Three quarters (75 per cent) of the founders have had some form of tertiary education in Australia.

When we considered the original reason that these entrepreneurs first migrated to Australia, 71 per cent came to study (Figure 2).

Over half (59 per cent) of all respondents had previous employment experience in Australia before they started their own business. Before arriving in Australia, 51 per cent had no work experience in China. An Australian degree and previous work experience gave them the confidence to seek new business opportunities in Australia.

This experience with the Australian education sector played an important role in preparing them for building a high growth business. Out of our interviewed enterprises, 68 per cent qualify as high growth. High-growth is defined as an increase in turnover of 20 per cent or more in average annualised terms, over a five-year period.

**Figure 2.** Why high growth entrepreneurs first migrated to Australia *N=100*



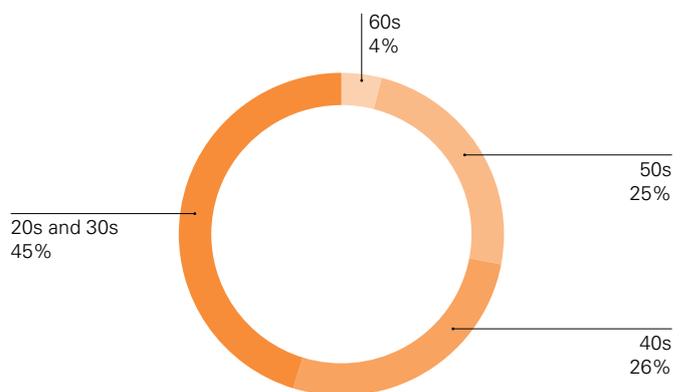
### Started young

Our group of Chinese Australian entrepreneurs started their businesses when they were relatively young. The average age of those we interviewed was 39. Of this group, 45 per cent are in their 20s and 30s, and 26 per cent are in their 40s (Figure 3).

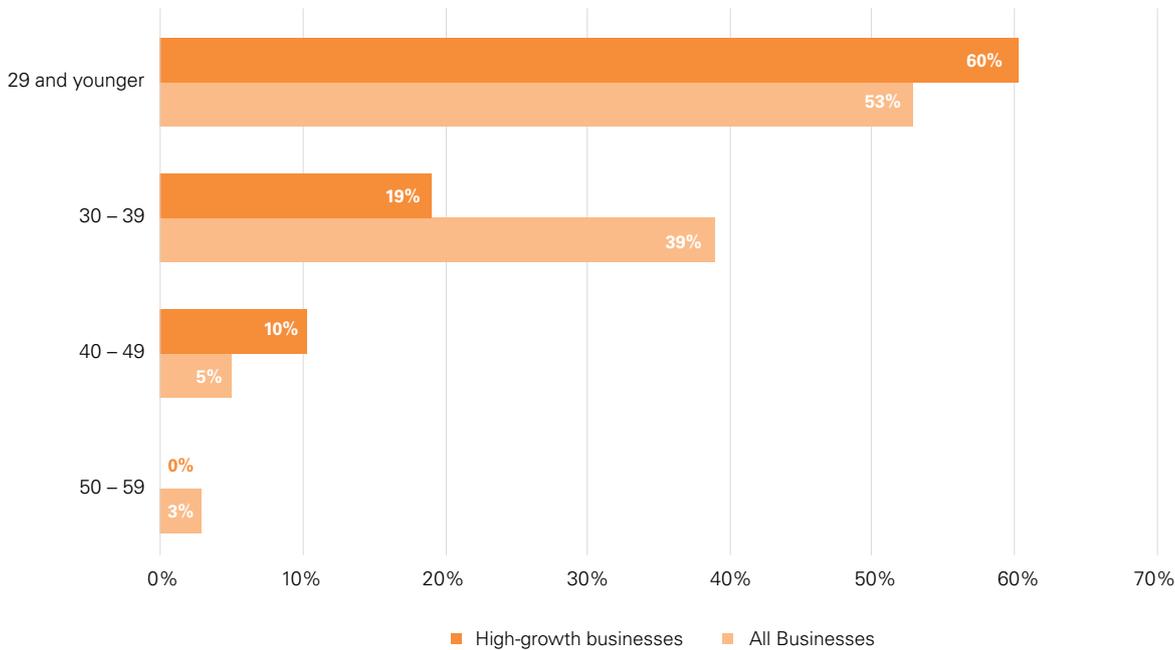
The entrepreneurs grew up in China during a time when the government was promoting rapid economic development and people were encouraged to start their own businesses. Many of them witnessed significant economic growth in China and have learnt to seek business opportunities overseas.

For our 68 high growth enterprises, the owners started their business at the average age of 27. The high proportion of young Chinese Australian entrepreneurs driving high-growth companies in Australia reflects the propensity of young immigrants from China to start their own ventures, rather than pursuing corporate careers (Figure 4).

**Figure 3.** Age of Chinese Australian entrepreneurs *N=100*

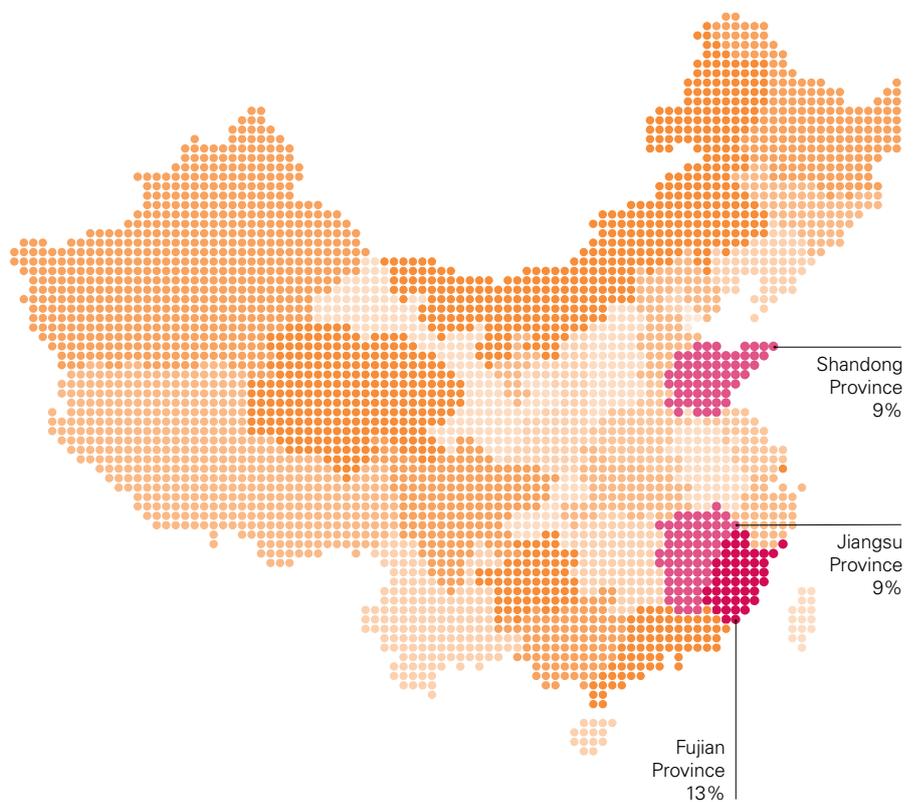


**Figure 4.** Age of high-growth enterprise founders at start up *N=100*



### Linked with prosperous provinces

Over two thirds (67 per cent) of the respondents originated from China’s eastern seaboard provinces from Shandong to the Lower Yangtse and South-East coastal region, including Shanghai municipality, and the provinces of Jiangsu, Fujian and Guangdong. The largest proportion (13 per cent) come from Fujian, followed by nine per cent each from Shandong and Jiangsu. These regions became the most prosperous parts of China since economic reforms started. Families in these regions could afford to send their children to live and study overseas sooner than those in other parts of China. Entrepreneurs from these regions tend to maintain business connections in China.





**Chapter Two**

Business  
operations  
in Australia



**The businesses started by Chinese Australian entrepreneurs span many different industries, with a large proportion in the services industry. These businesses regularly engage in cross-border activities, with operations simultaneously in China and Australia.**

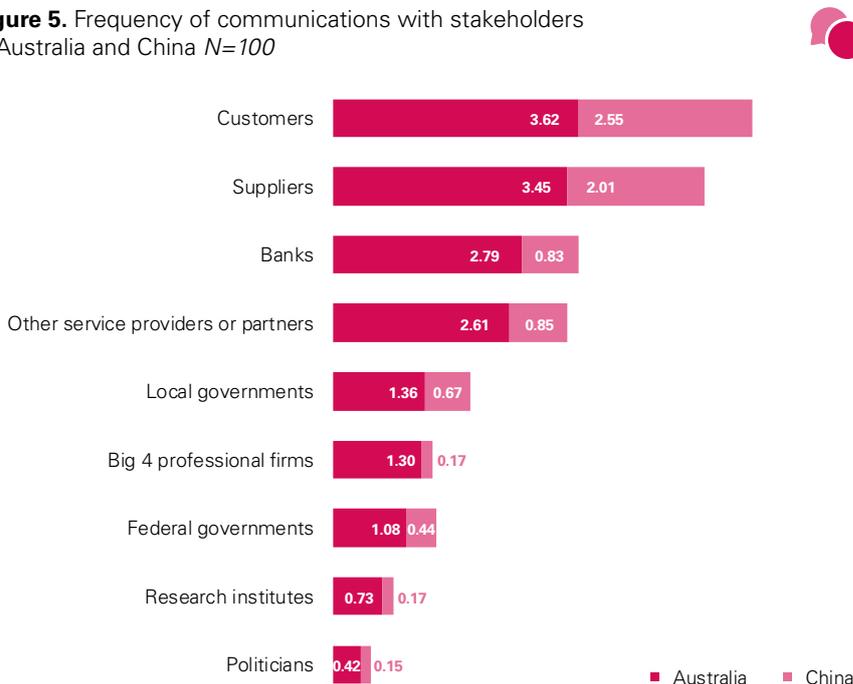
**In contrast to what we see with many Australian-born founders with Australian companies, they don't expect to hand down the business to other family members, or even employ family members. Many of the companies they have started fall into the high growth sector, but still face many of the same growing pains that all SMEs do.**

## Bridge between Australia and China

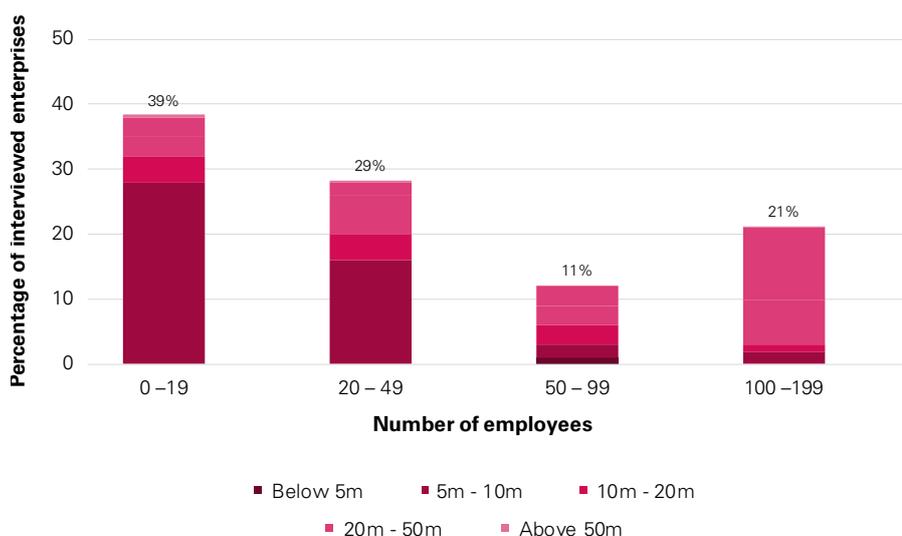
Over half of Chinese Australian businesses engage in regular cross-border business activities with China and are operating simultaneously in both countries. Of the responding companies, 45 per cent have offices in China and 11 per cent in other countries in Europe and North America.

Our Chinese Australian entrepreneurs reported that they interact with, and use resources from, both Australia and China but are more active in Australia. They consider regular cross-border cooperation with commercial partners and an economic presence in both Australia and China as their competitive advantage. On average, these businesses communicate with their Australian customers and suppliers a few times per month, in comparison to a few times per year with their Chinese customers and suppliers (Figure 5).

**Figure 5.** Frequency of communications with stakeholders in Australia and China *N=100*



**Figure 6.** Australian Chinese owned businesses – by revenue and employee numbers *N=100*



## Business size

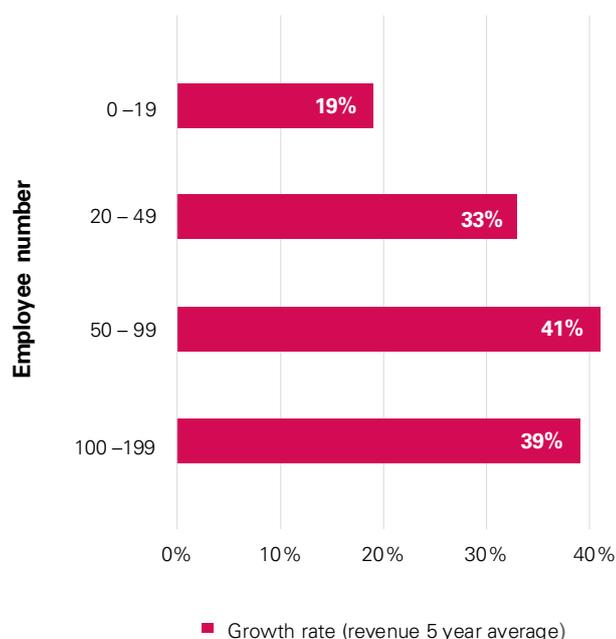
Among the businesses we interviewed, 61 per cent are medium-sized, employing between 20 and 199 staff and 21 per cent employ between 100 - 199 staff (Figure 6). Half of the businesses (51 per cent) reported a turnover above AU\$10 million and 19 per cent had a turnover above AU\$50 million, 19 per cent between AU\$20-50 million and 13 per cent between AU\$10-20 million.

Firms with between 50 and 100 employees recorded the highest growth rate (41 per cent), and firms with less than 20 employees recorded the lowest rate (19 per cent) among all participants (Figure 7).

**From our research, we found that high revenue growth resulted from those businesses:**

- (i) being able to clearly identify the needs and wants of their customers (whether in Australia or in China); and
- (ii) developing a business strategy that enables them to effectively address these needs and wants by providing high-quality goods and services at competitive prices.

**Figure 7.** Revenue growth by number of employees *N=100*



## More than a family business

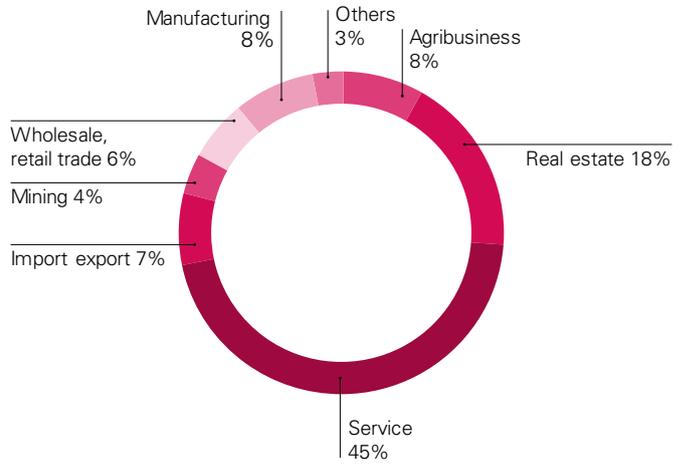
In contrast to the Chinese diaspora tradition, our group of Chinese Australian entrepreneurs do not see themselves as running family enterprises, and few of them are considering long-term plans for their businesses beyond retirement. Two thirds (68 per cent) of the entrepreneurs reported that no family members work in their business. One quarter stated that one or two family members work in their companies, mainly their spouses or siblings.

Only 14 entrepreneurs out of 100 said they would hope to have their children take over the business in the future. Six of those 14 entrepreneurs still anticipated hiring a CEO to run the organisation alongside their children after their retirement. Many of the entrepreneurs felt their success was due to their strong work ethic, but also thought their business needed to be managed with more formal corporate governance in the future. They indicated that they thought their Australian-born children lacked the Chinese business culture awareness and networks, and that they don't have the experience to manage a medium-sized business. Hiring a manager is an option they actively consider, hoping to find one with some level of appreciation for Chinese culture.

### Diversity of industry

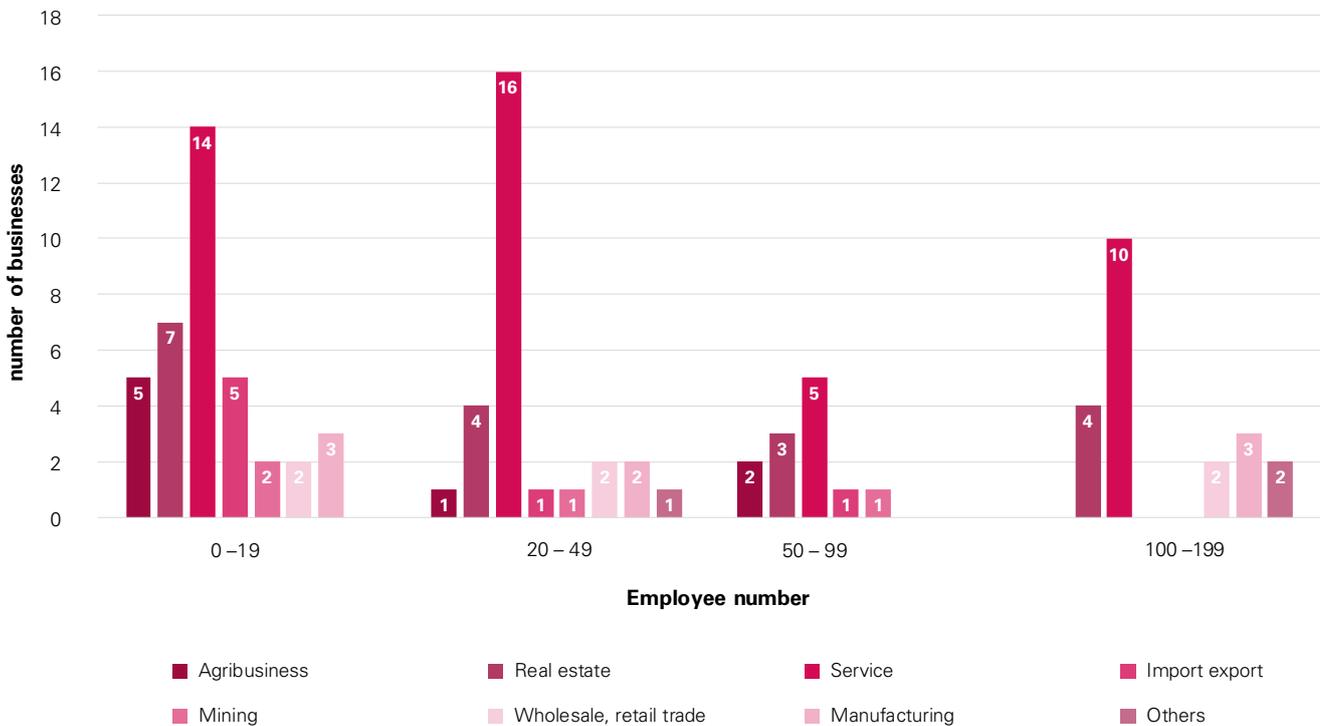
Of our Chinese Australian entrepreneurs, 45 per cent are in the services industry with businesses in areas such as tourism, property agents, immigration agents and professional services like asset and wealth management, legal, accounting, high tech, healthcare and media (Figure 8).

**Figure 8.** Companies by industry sector *N=100*



The remaining 55 per cent are distributed across real estate, agribusiness, manufacturing, import and export, wholesale retail trade and mining industries (Figure 9). Five per cent are in high-tech industries, such as game development, block chain applications and FinTech.

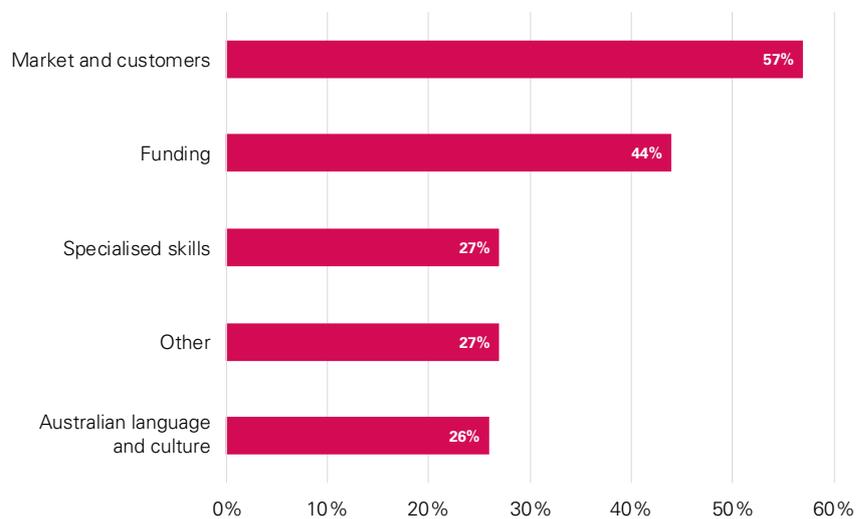
**Figure 9.** Business size by industry sector *N=100*



## Start-up challenges

Like other migrant entrepreneurs, our group of Chinese Australian entrepreneurs faced numerous challenges when starting up in Australia (Figure 10). More than half (57 per cent) noted identifying and capturing markets and customers as the biggest challenge when first starting their businesses, followed by access to funding (44 per cent) and acquiring specialised skills (27 per cent). In terms of starting capital, 28 per cent of the entrepreneurs reported they started with less than AU\$50,000, while 11 per cent reported they had more than AU\$500,000 capital to draw on.

**Figure 10.** Main challenges when starting the business (multiple choice) *N*=100



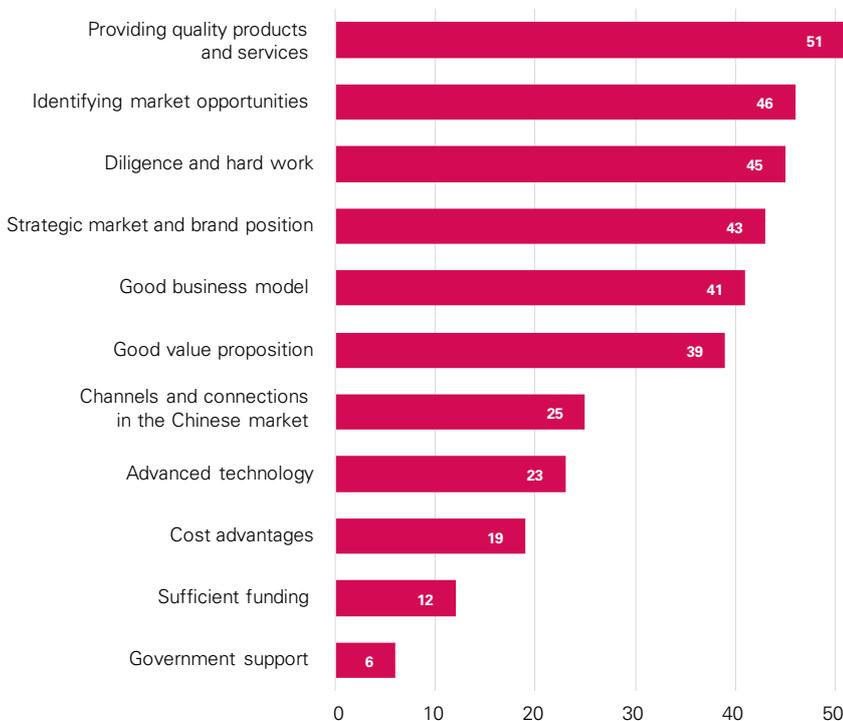
**Figure 11.** Success factors *N*=100



## What makes a successful business?

Differentiation and quality are seen as more important than cost advantage for these businesses to be successful. Over half (51 per cent) of these Chinese Australian entrepreneurs identified the ability to provide quality products and services as a key reason for their success, this is followed by identifying the market opportunities and diligence and hard work. Only 19 per cent identify cost advantages as a reason for success (Figure 11).

Their business success is more about having the right strategy in place – market opportunities, strategic marketing and brand positioning, good business model, and good value proposition.





# Case Study

## **William Wang,** CEO, WW Cables

William Wang first learnt about cables while studying his MBA course in Australia. He started his company WW Cables to import Chinese-manufactured cables to Australia and other Asia Pacific markets. Today, his company's cables are used on large mining sites and public utilities infrastructure projects nationwide. Next, Wang plans to bring WW Cables to the capital market through an IPO to help drive his company forward. His goal is to create a group company that offers design, installation and supply capabilities.

---

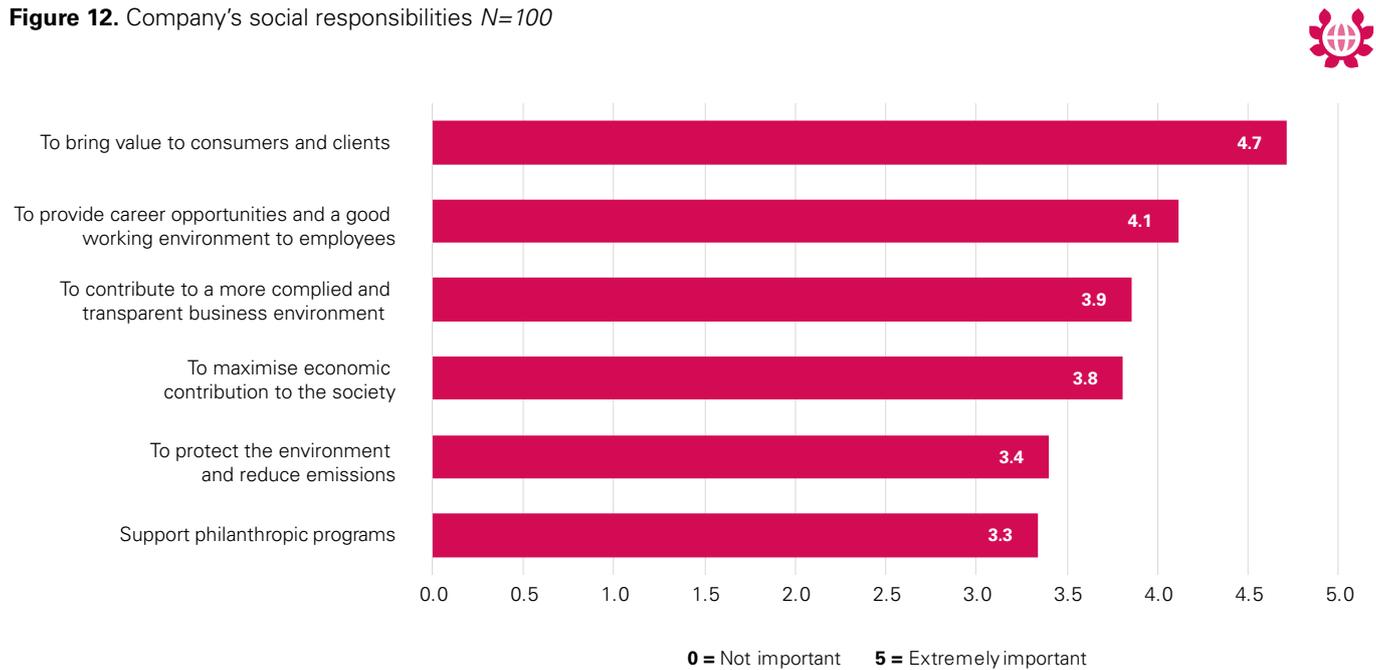
### **His tips for success?**

“Know your local market, seize opportunities, be the first to market and keep working on yourself, as well as your company.”

## Corporate social responsibility

Chinese Australian entrepreneurs have a broad understanding of corporate social responsibility. They feel they have obligations towards their customers, employees, business stakeholders as well as the local environment and community support (Figure 12).

**Figure 12.** Company's social responsibilities *N=100*



The background of the slide is a light grey color. Overlaid on this are several thick, expressive brushstrokes in various shades of blue and purple. These strokes are curved and layered, creating a sense of movement and depth. A white rectangular box is positioned in the center-left of the slide, containing the chapter title and main question.

## Chapter Three

What  
differentiates  
these businesses  
from other SMEs?



**Chinese Australian entrepreneurs utilise their knowledge of both China and Australia to identify market opportunities. This cross border knowledge became a key reason for their success. These entrepreneurs believe they've benefited from China's growing economic strength and spending power, which they coupled with their knowledge about Australia to identify new opportunities in both countries. The quality of the products and services they offer is another significant factor that contributes to the success of their business. Forming and executing business strategies with knowledge and hard work also played a crucial role.**

All businesses examined are primarily integrated in Australian stakeholder networks and supply chains and two thirds (66 per cent) of the interviewed entrepreneurs deal mainly with Australian clients. Of the interviewed enterprises, 19 per cent deal with clients from China and 14 per cent have a client base beyond Australia and China.

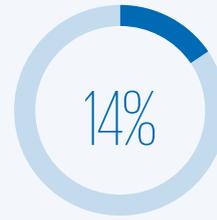
The same proportions are reflected when looking at what suppliers these businesses use. Two thirds (65 per cent) of the companies have business partners and suppliers in Australia. One quarter (25 per cent) use suppliers from both Australia and China. Nine per cent rely on suppliers from China, while one per cent of businesses find suppliers in other countries.



Two thirds of the interviewed entrepreneurs deal mainly with Australian clients.



Of the interviewed enterprises, 19 per cent deal with clients from China.



14 per cent have a client base beyond Australia and China.



Two thirds of the companies have business partners and suppliers in Australia.



One quarter use suppliers from both Australia and China.



Nine per cent rely on suppliers from China.



One per cent of businesses find suppliers in other countries.



One per cent consider both markets to be equally important to them.

# Case Study

## **Dr Hong Chang and Jeffrey Gao,** Co-Founders, Experteeth Dental

Dr Hong Chang and Jeffrey Gao identified a gap in the market for providing dental services to the Australian Chinese consumers. Consequently, they established Experteeth, a network of dental surgeries with Mandarin speaking staff. There are now 12 Experteeth dental clinics throughout Sydney and regional NSW and one clinic in Tasmania. They have also expanded their business offerings and now also run Odontex Dental Lab (which manufactures dental products), Origin Dental Suppliers (a material supplier), and Origin Dental Academy (a dental career training institution). With the four businesses now established, they are continuing to expand their company's value chain and are hoping to build a corporate model for the businesses that will deliver scale.



---

Both Chang and Gao believe their Chinese heritage and Australian education gives them a unique ability to combine the two cultures to create new opportunities.

## Selling Australian-made products into China

When asked about the changing dynamics of their business operations in Australia and China over time, the entrepreneurs made a distinct transition from drawing on Chinese resources to build their local position to selling Australian-made products to China.

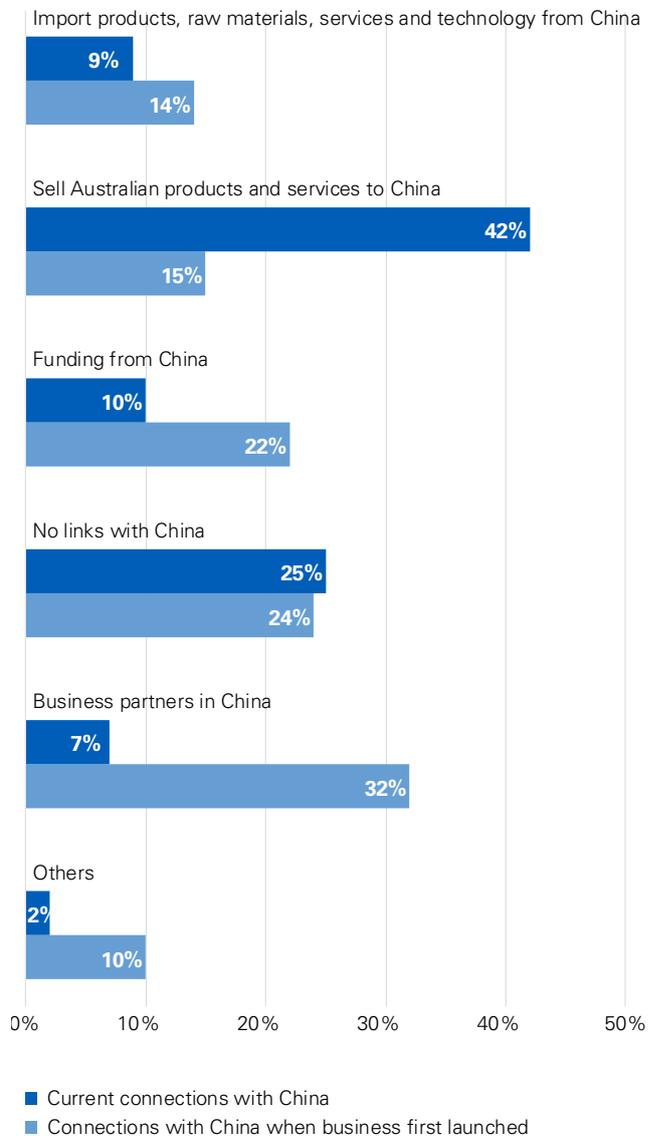
When first starting their businesses, one in three (32 per cent) Chinese Australian entrepreneurs relied on Chinese business partners for transactions, and one in five (22 per cent) for funding. Their sourcing from China (14 per cent) and export to China (15 per cent) were balanced (Figure 13).

## Less reliance on Chinese partners

On average, after two decades of operation in Australia, these businesses established themselves as bridge builders between Australia and China. Their overall reliance on Chinese partners decreased, dropping from 32 per cent reliance to seven per cent, and so did their reliance on funding from China, down to 10 per cent from 22 per cent. The near even balance of import from, and export to, China has now shifted to a five to one ratio in favour of exporting to China (Figure 13).

Interestingly, their businesses shift relies on their strong ties with Chinese suppliers and consumers. Overall, three quarters (75 per cent) of the companies interviewed claimed their business remained closely connected with the Chinese market.

Figure 13. Connections with China N=100



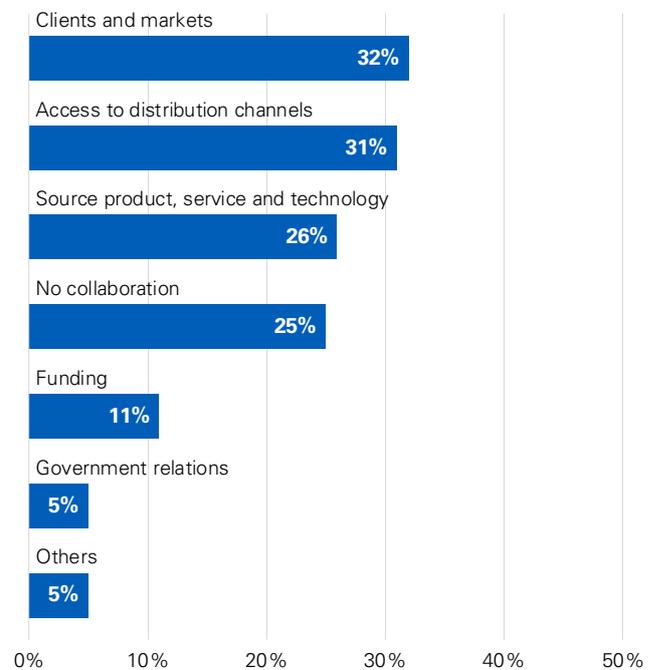
## Local Chinese ethnic networks

For many newly arrived Chinese Australian entrepreneurs, a reliance on local Chinese ethnic networks was important. This was true for established enterprises also. Three quarters (75 per cent) of respondents stated they collaborated with companies with a Chinese background in Australia. These collaborations included support in gaining local market access and supply of products, services and capital.

We found that one in three Chinese Australian entrepreneurs use ethnic business networks to access clients, markets and distribution channels. One in four of these businesses turn to ethnic business networks to source products, services and technology (Figure 14).

These ethnic networks help Chinese Australian entrepreneurs to overcome some of the difficulties that many Australian small and medium enterprises face in getting **established** as discovered by the Australian Small Business and Family Enterprise Ombudsman's *Small Business Counts report*<sup>3</sup>. Some of the challenges include reducing information cost, financing risks and identifying business opportunities, and talent for employment.

**Figure 14.** Connections with other Chinese businesses in Australia *N=100*



## Innovation

Among our respondents, 80 per cent were engaged in some form of innovation in their business. The different innovations being looked at included bringing new products and services to the market, business model innovation, changes to management and operations and technology upgrades. We also discovered different approaches to innovation that were specific to Chinese Australian businesses.

A number of the businesses interviewed were creating new products specifically for the ethnic Chinese market in Australia. For example, wealth management firms had developed products specifically tailored to Australia-based Chinese clients. Beyond the obvious service delivery by bi-lingual teams and language support, their offering included flexible financial services modelled on Chinese services.

We found that 14 per cent of businesses surveyed brought innovative technologies from China to their Australian operations. One business we spoke to was a glass manufacturing company that imported equipment from China to produce high-tech glass products which previously had to be imported. Other businesses had installed IoT (Internet of Things) and Artificial Intelligence (AI) solutions that are widely used in China's warehouse and logistics sector, but were not available in Australia.

<sup>3</sup> <https://www.asbfeo.gov.au/sites/default/files/documents/ASBFEO-small-business-counts2019.pdf>

The background of the page is a dynamic, abstract composition of thick, overlapping brushstrokes. The colors range from deep, dark blues and blacks to vibrant, bright greens and light blues. The strokes are curved and fluid, creating a sense of movement and energy. A white rectangular box is centered on the page, containing the chapter title.

## Chapter Four

# Operational challenges and concerns



**Chinese Australian entrepreneurs face many of the same operational challenges and concerns as other migrant entrepreneurs, but some challenges are unique to their situation. While finding the right talent is an almost universal obstacle for start-up businesses so too is governance compliance, implementing expansion strategies and access to new capital.**

## Sourcing the right talent

For these entrepreneurs, 71 per cent believe that acquiring and retaining talent is the number one challenge. They believe that many small- to medium-sized businesses lack a recognised brand name in the job market, making it harder to attract talent in the first place. Once the talent is employed, motivating them to stay is the next challenge. Most of the interviewed businesses do not have short- or long-term incentive schemes. Additionally, there are a limited number of high performing staff that can operate efficiently in Chinese and Australian business environments simultaneously. Several entrepreneurs stated that obstacles such as immigration policies can result in the loss of talent.

## The right expansion strategy

Many have ambitious plans to grow and expand into new markets however many also admit to having limited experience and focus on business and operating models. How to maintain the high growth of their business and take it to the next level of success is the second most shared challenge.

## Corporate governance

Corporate governance is considered a key challenge by 39 per cent of the entrepreneurs interviewed. While their businesses experienced high growth in the past five years, founders who were concentrating on expanding the business only later recognised the need for better governance in internal controls and better business processes and data systems for efficiency. Many want to pivot from the traditional 'one-man-general' operating model to a more team-based corporate structure.

## Government regulations

Complex government regulations are a concern for 39 per cent of the interviewed entrepreneurs, especially in the real estate industry. Businesses in the education sector working with overseas students and immigration issues thought that government policies had become restrictive and unsupportive. Tax burden concerns were raised by 21 per cent of the interviewed entrepreneurs.

## Access to new capital

Of our interviewed Chinese Australian entrepreneurs, 28 per cent regard access to new capital as another key challenge to growing their business. This was also reflected in 40 per cent of responses revealing that new capital funding, or new investors coming in, is needed to take the company to the next level.

## Working with Australians and Chinese

Our surveyed entrepreneurs felt frustrated in finding ways to work with two cultures that approach business dealings differently.

---

**One interviewee stated,**  
*"Australians are straightforward and most will follow rules and procedures. On the other hand, Chinese usually emphasise relationships and like to keep things flexible. We have to spend more time on communications and go back and forth to explain details and check what people understand."*

---

It can be equally challenging for some of the entrepreneurs to work with their Chinese counterparts who apply their expectations and practices from China to the Australian market.

They recognise that many Australian companies have limited understanding of the Chinese market and business culture and often have impractical expectations and less patience. This creates an advantage for these entrepreneurs who have been educated in Australia, and have work experience in both China and Australia. These companies are positioned to understand both sides, and are able to utilise their understanding of the different cultures to bring the two business communities together.





## Chapter Five

# The new reality



**Before the COVID-19 pandemic, Chinese  
Australian entrepreneurs were optimistic  
about their businesses, with growth  
and expansion plans.**

The majority (90 per cent) had plans to grow, mainly through introducing new products and services, and expanding into new markets. Many hoped to attract equity investors (72 per cent) and wish to invest into other businesses (67 per cent).

These entrepreneurs had ambitious plans. One mentioned that their aim was to help an Australian wine brand to become a world-renowned brand. Just under half had plans to restructure their business and 43 per cent were open to the idea of an IPO in Australia, or a stock exchange in another country.



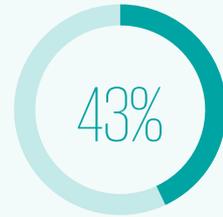
Plans to grow, through introducing new products and services, and expanding into new markets.



Hoped to attract equity investors.



Wish to invest into other businesses.



Open to the idea of an IPO in Australia, or a stock exchange in another country.

## Post COVID-19

In late April, we spoke to 56 of our original 100 interviewees and asked five questions to understand the impacts of COVID-19 to their business.

Of the 56 interviewees, 86 per cent claimed that COVID-19 had a negative impact on their business. Those of the 14 per cent who claimed to be unaffected at that time were mainly in healthcare manufacturing, industrial manufacturing, construction and professional services industries. However, some of these businesses expressed that they were concerned about future economic trends.

About half (54 per cent) of the companies' turnover from January to March 2020 fell by less than 30 per cent compared to the same period last year. For approximately one-third (27 per cent), it has declined by 30-50 per cent. More than 14 per cent of the companies have been hit particularly hard, with revenues falling by more than 50 per cent. Most of these companies are in the restaurant, hotel and education sectors (Figure 15).

Despite the downturn, five per cent of the interviewed companies reported an increase compared to the same period last year. Some are looking to exceed growth achieved during the past year and some are still growing, although slower, due to COVID-19. There are a few companies that have found new opportunities during the pandemic. For example, one manufacturer repurposed its production lines to create hand sanitiser and disinfectant. This quick change in strategy boosted the previously underperforming business. The owner acknowledged his business acumen to his previous experience with SARS in 2003.

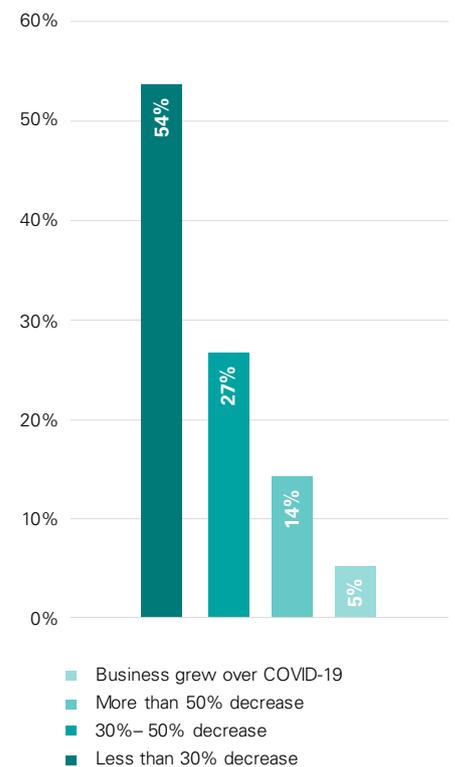
Companies are trying to retain their employees with 57 per cent claiming they have not laid off any staff, 25 per cent of them have cut working hours and salaries to preserve jobs. But there have been some layoffs, with 13 per cent cutting staff, another five per cent of companies are still recruiting during this period. One interviewee in the renewable energy sector believes that this presents an opportunity to acquire talent in the market.

Post COVID-19, 55 per cent of respondents believe it will take around one to two years for economic activity to return to previous levels, about a third of the respondents are more optimistic believing that economic activity will resume in six months after the epidemic.

As for the impacts on immigration policy, geopolitics and global trade, 13 per cent believe that it will take three to five years, or even longer, to return to the level before the outbreak.

Of the various stimulus packages issued by the federal and state governments, 62 per cent of the respondents said they are applying but 36 per cent of the interviewees did not apply because they believed they weren't qualified.

**Figure 15.** Turnover compared to the same period last year (January to March 2020 compared to January to March 2019) N=56





# Final words

The majority of our interviewed entrepreneurs agreed that Australia is a good place to start and run a business, citing transparent rules and a level playing field as two key reasons. Their businesses have experienced significant growth in the past 5-10 years, and they harbour ambitions to grow further.

Many of them assist in the export of Australian domestic products and services to the global market, contributing to the growth of the Australian economy and employment.

Most of them are young entrepreneurs, who grew up during the opening of the Chinese economy. The growth of their business is generally regarded as a result of the increase in Chinese migrant population in Australia. They are seeking further capital support, they continue to modernise their business' operating models, and aim to develop their capabilities to attract and retain talent for the future expansion. Many of these entrepreneurs bring high levels of passion and energy to their business and they strive to harness this passion to deliver a higher goal.

This group of Chinese Australian entrepreneurs is different from previous generations. They value the importance of continued corporate culture over hiring members of their family or handing their business over to their children. They have ambitious plans, are quick to take action and stress the importance of harmony when managing stakeholders. However, the lack of understanding of this market, compared with other Australian private and family businesses, is a disadvantage.

When Australian businesses want to enter the Chinese market but are unsure how, these Chinese Australian entrepreneurs can be great partners and facilitators – they understand the two cultures and their different ways of doing business.

While the impacts of COVID-19 have affected them in the short- and mid-term, the optimism of the findings from this survey has reinforced the impression that many Chinese Australian entrepreneurs have a unique set of characteristics and qualities that sets them apart from other organisations and business models. They are highly educated, many are run by young entrepreneurs who have experienced significant economic growth in China, and have learnt to seek business opportunities overseas.

They have a long-term commitment and investment in the business from a financial perspective, and to their role in the Australian community and economy.

This new generation of Chinese Australian entrepreneurs is a valuable part of our local business fabric and contributes significant economic and social benefits to Australia.

# Authors and key contacts



**Doug Ferguson**  
NSW Chairman, Head of Asia and  
International Markets Adjunct Professor,  
University of Sydney Business School,  
KPMG Australia  
T: +61 2 9335 7140  
E: dougferguson@kpmg.com.au



**Dr. Hans Hendrichske**  
Professor of Chinese Business  
& Management, China Studies  
Centre/Business School  
The University of Sydney  
T: +61 2 9351 3107  
E: hans.hendrichske@sydney.edu.au



**Helen Zhi Dent** 支巧玲  
Partner in Charge,  
China Business Practice  
KPMG Australia  
T: +61 2 9335 7059  
E: helenzhident@kpmg.com.au



**Dr. Wei Li** 李薇  
Lecturer in International Business,  
University of Sydney Business School  
The University of Sydney  
T: +61 2 9036 6399  
E: li.wei1@sydney.edu.au



**Sissi Qian** 钱琨  
Associate Director,  
China Business Practice  
KPMG Australia  
T: +61 2 9346 6304  
E: sissiqian@kpmg.com.au



**Robyn Langsford**  
Partner in Charge,  
Family & Private Clients  
KPMG Australia  
T: +61 2 9455 9760  
E: rlangsford@kpmg.com.au

[KPMG.com.au](https://www.kpmg.com/au)

## Contributors

**Stephen Xiao** 肖晓斌  
Director, Deals Tax Legal  
KPMG Australia  
T: +61 3 9288 6605  
E: sxiao2@kpmg.com.au

**Cathy Ai** 艾雪梅  
Associate Director  
China Business Practice  
KPMG Australia  
T: +61 3 9838 4982  
E: cai@kpmg.com.au

**Peter Chong** 张贤达  
Associate Director  
China Business Practice  
KPMG Australia  
T: +61 8 9263 4847  
E: pchong@kpmg.com.au

**Anna Chong** 庄燕薇  
Head of Indirect Tax,  
Enterprise  
KPMG Australia  
T: +61 8 8236 3241  
E: annachong@kpmg.com.au

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

© 2020 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Liability limited by a scheme approved under Professional Standards Legislation.

September 2020 506541781ENT