

FEBRUARY 2021

AUSTCHAM EDUCATION SURVEY REPORT



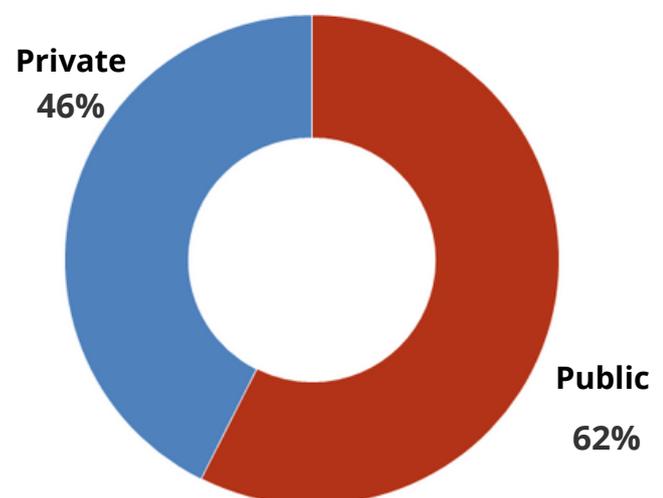
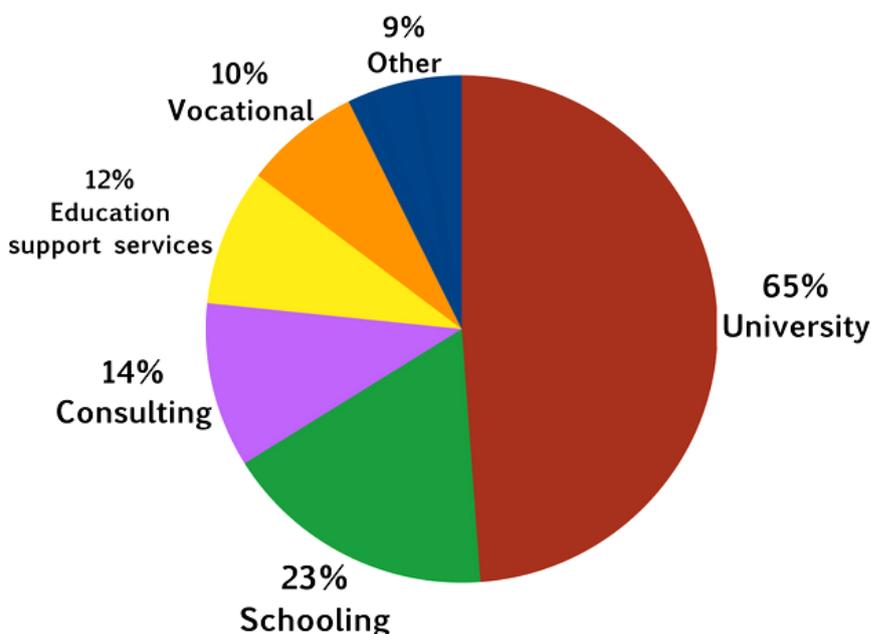
INTRODUCTION

AustCham surveyed members of the Australia-China Education community, as part of our ongoing Flash Survey Series, to better understand the impact of the COVID-19 pandemic, state of the Australia-China relationship, and sentiment of Australian education in China. There were 112 respondents in the survey, which ran from 3 November – 1 December 2020.

EXECUTIVE SUMMARY

- Three in five respondents believe Chinese attitudes towards Australian education have deteriorated.
- The large majority said that changes in the Australia-China bilateral relationship have negatively impacted business.
- It may not be easy for education businesses to diversify their China-related business to other countries in the region; half said it would be difficult, with the university sector most likely to say it would be difficult.
- The greatest perceived risks in China for education businesses are COVID-19 and deteriorating Australia-China relations. There is also concern about substitution of Australian education to other countries.
- More than half of respondents have expanded their online presence due to COVID-19, and three out of five respondents reported reduced headcounts, reduced salaries/bonuses, and/or reduced investment.

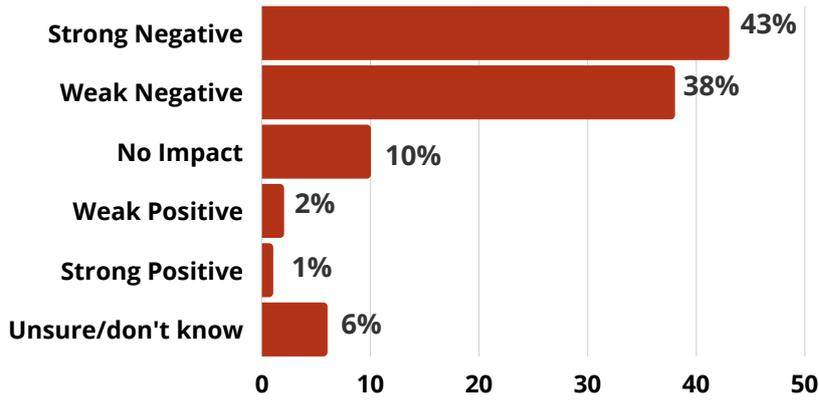
RESPONDENT PROFILE



[More than one choice possible]

AUSTRALIA-CHINA SENTIMENT

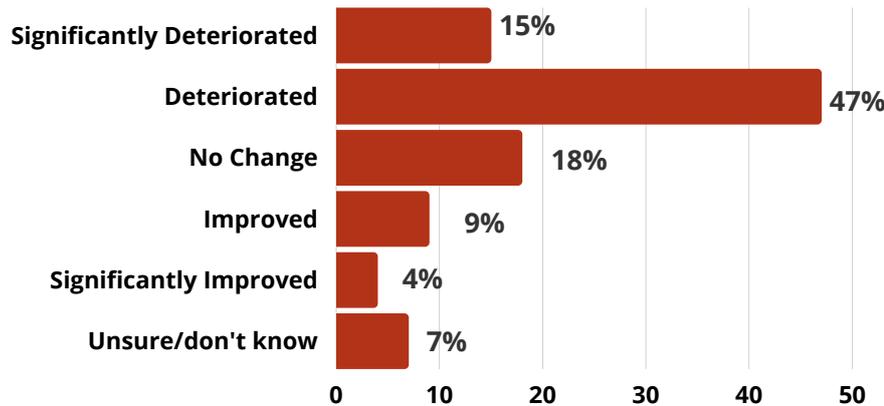
Impact of Australia China Bilateral Relationship on Business



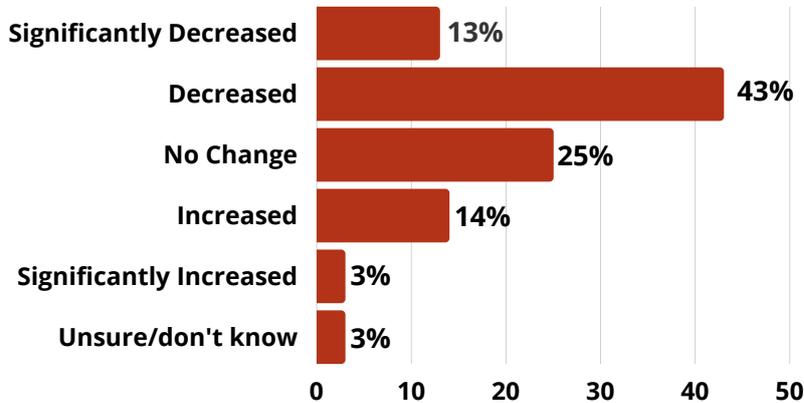
The **vast majority** (81%) believe that recent changes in the Australia-China relationship have had an **overall negative** impact on business over the past year.

Attitudes Towards Australian Education in China

We asked respondents to what extent attitudes in China towards Australian education have changed in the past year. More than **three in five** (62%) believe that attitudes in China towards Australian education have **deteriorated**.

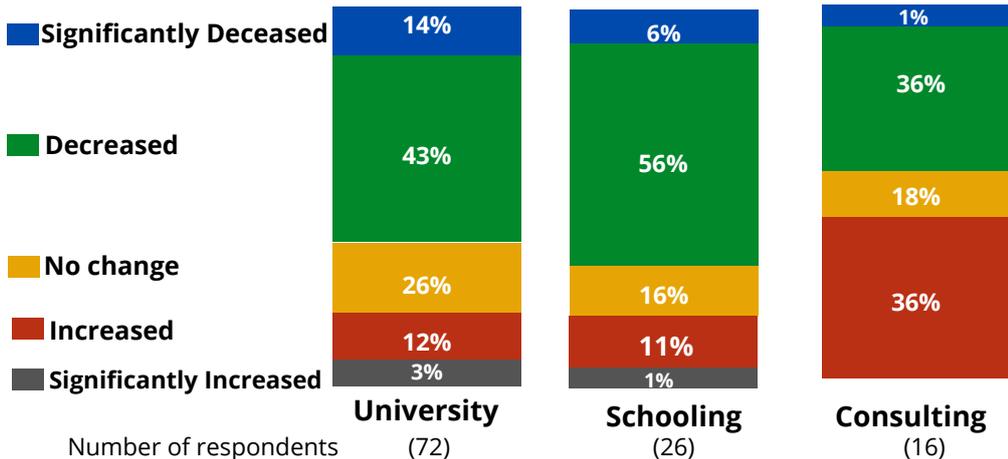


Confidence in Chinese Market



Over **half** of respondents indicate their confidence in the Chinese market has **decreased** in the last year (56%). One quarter (25%) say there has been no change. A small proportion says their confidence has increased in the last year (17%).

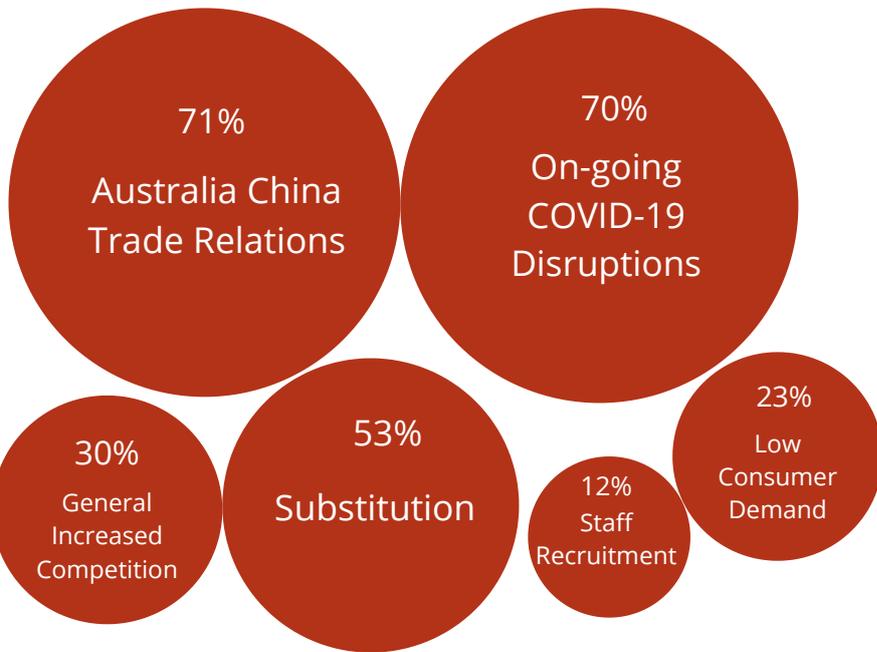
Schooling experienced the **largest decrease** in confidence (62%), with universities a close second (57%). Consulting was more equivocal, with respondents equally split between decreased and increased confidence (36%).



BUSINESS RISKS AND COVID-19

Top Business Risks

Selecting from a list of pre-coded options, education businesses reported that the greatest "potential risks to business performance in China" are Australia-China trade relations (71%) and COVID-19 disruptions (70%). Around half of all respondents saw substitution as a risk (53%) and just under a third (30%) nominated increased competition. Responses showed little variation by sector.

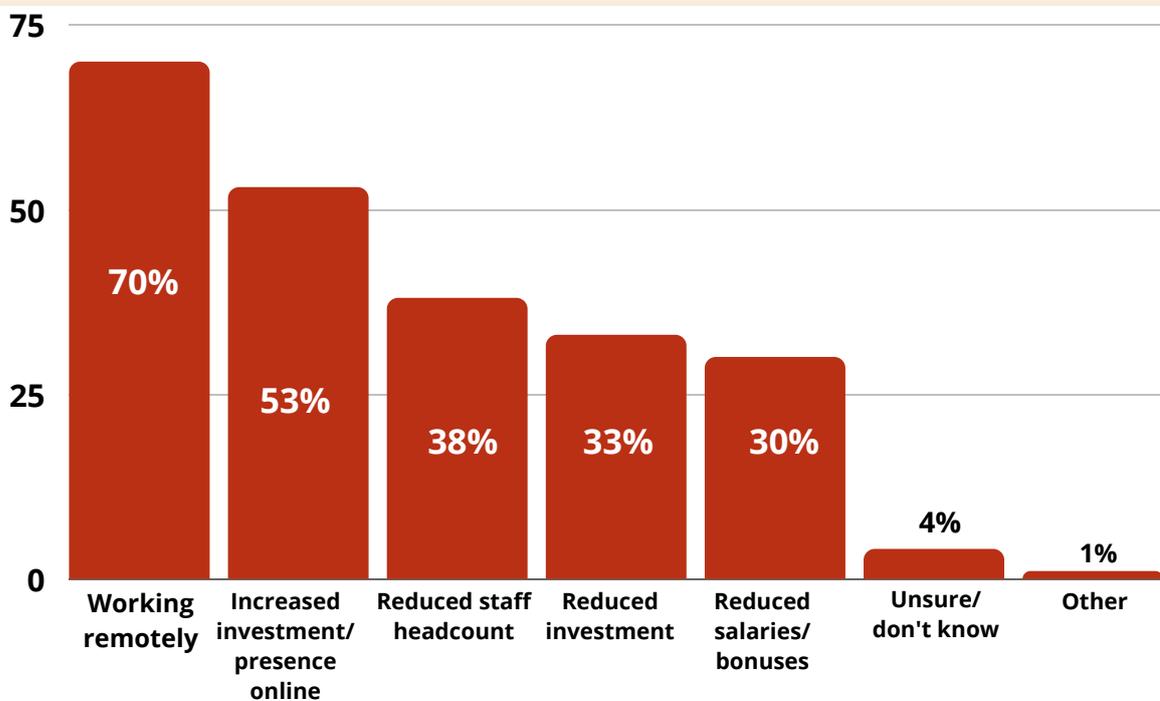


[Multiple choice, up to 3]

Note: Substitution refers to Australian education being replaced by other countries.

Changes Due to COVID-19

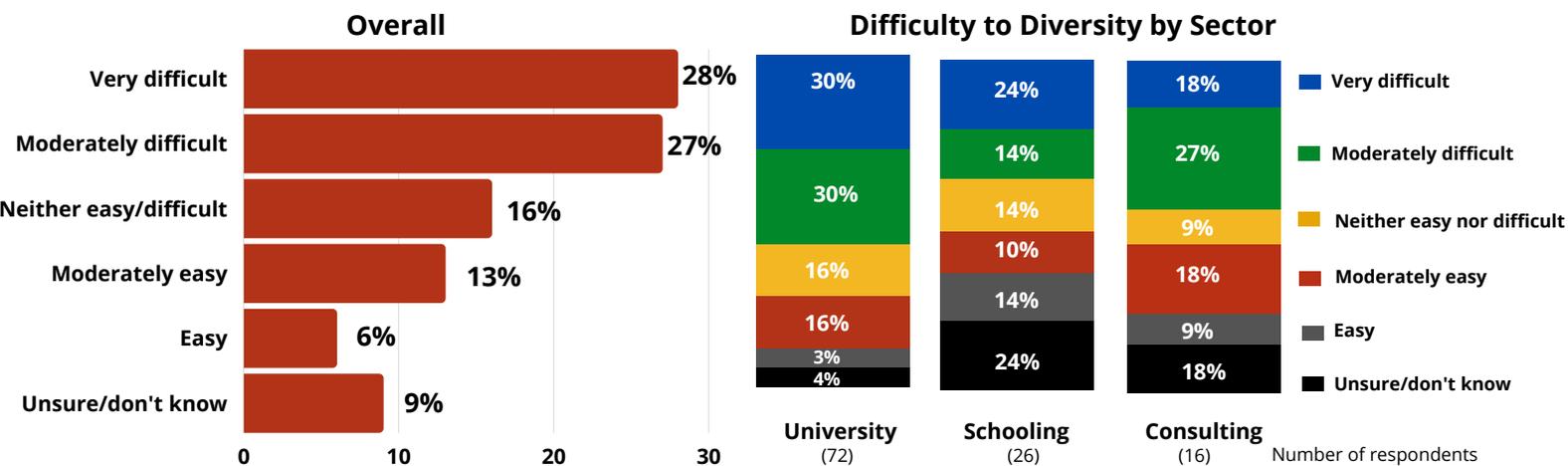
Looking at operational changes due to COVID-19, the majority of respondents selected working remotely (70%), increased investment and presence online (53%), followed by a roughly even split between reductions in staff (38%), investment (33%) and salaries/bonuses (30%).



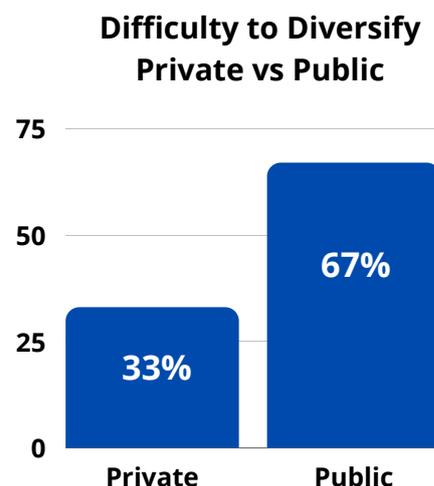
Educators have doubled down on their online presence with the majority (53%) expanding in the area, as online teaching and classes became the norm due to COVID-19 restrictions. Respondents clearly indicated the high stakes at play, with **3 out of 5 (60%)** respondents either **reducing their headcount and/or reducing salaries/bonuses and/or reducing investment**.

Diversification

Respondents were asked how easy it would be to diversify their China-related business to other countries in the region. **More than half** (55%) said it would be **difficult**, equally split between very difficult (28%) and difficult (27%), and around 20% said it would be easy.



Those working in the **public sector (67%)** are twice as likely as those working in the private sector (33%) to believe it would be **difficult to diversify** their China-related education business. Correspondingly, the **university sector (60%)** was the most likely to say diversification would be **difficult**.



MOST SIGNIFICANT ISSUES FACING BUSINESS

Over half of respondents provided responses to the open-ended question "What are currently the most significant issues being faced by your business?" The three issues most likely suggested were border restrictions, government relations, and diversification.

Border restrictions due to COVID-19



Poor government-to-government relations



Diversification and Investment



Poor government-to-government relations

The survey confirms that there are serious concerns about the current status of the Australia-China relationship. As one of the most significant issues being faced by education businesses operating in China, respondents suggested a number of constructive actions to bolster relations and improve conditions for organisations operating in the sector.

Support for Aus-China business in the media

Improve marketing and share more positive stories in order to improve attitudes towards the Australian education sector.

Long-term planning and strategic partnerships

More cross-cultural forums and partnership opportunities; cultivating avenues for long-term planning and engagement.

Easing bilateral tensions

Employing diplomacy to improve consumer confidence and attitudes in Australia and China; focusing on mutually beneficial partnerships.

Border restrictions due to COVID-19

Around half of the open-ended comments were about ongoing border and travel restrictions. Strong concerns were expressed with respondents urging more effective government-to-government dialogue to ease travel restrictions. There were also appeals to repatriate staff and international students stuck overseas.

"Rebuilding the bilateral trade relationship is the key. Open business travel is second."

"The most significant issue we are facing is the travel restrictions to international students"

Diversification and investment

"There currently are no other markets in the world that offer the same volume [as China], however as China continues to develop its own education system, it becomes more important to act on diversification"

China continues to be an integral part of Australia's international education market; Some respondents noted that enrollments are still strong, however are more inclined to believe that growth will not continue and that diversification is required. Diversification cannot happen overnight and requires a long-term and significant financial commitment.

China's domestic education system is developing rapidly

Students favouring domestic education due to COVID-19 and other global trends

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ABOUT AUSTCHAM

There is no doubt that businesses around the world are battling through unprecedented times of uncertainty. AustCham will continue to support the Australian business community in China through regular webinars and updates across our social media channels (WeChat/Weibo/email newsletter/LinkedIn).

The Chamber has an active Education Working Group that meets regularly, both in person and virtually, formally and informally. The Chamber has a wide network of members with experience in university and schooling sectors based in China - we are ready to support your Australian Education business in China.

We encourage you to reach out if there is any way we can help you and your business adjust to the 'new normal' more smoothly.



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