PwC's 28th Annual Global CEO Survey

Australian private business insights

Australia's private business leaders are optimistic – but is confidence clouding reality? The world is changing at an accelerated pace.

For the first time, we can share the priorities and challenges of Australia's private CEOs, as revealed in PwC's 28th Annual Global CEO Survey.

It spotlights two defining forces driving business reinvention action: technological disruption and climate change. Some are seizing these opportunities, capturing new value and growth, yet many others are moving slowly.

> "We stand at the crossroads of disruption and opportunity. Private businesses have an agility advantage. Being less bureaucratic than others, they can act swiftly, take pragmatic risks and embrace change. This will define the success stories of tomorrow."
>
> **Jason Habak, Private National Leader, PwC Australia**

Key findings: Steps private CEOs can take today

Growth is on the agenda for private businesses

In the current economic climate, organic growth is challenging for private businesses, leading many to pursue mergers and acquisitions (M&A) for growth. Over half of Australian private CEOs plan to make an acquisition in the next three years, a trend partly fuelled by the increasing role of private capital in these deals.

Private companies backed by private equity, in particular, tend to pursue more ambitious growth strategies – using M&A to quickly access new customers, markets or products.

Expanding beyond company walls – and across industry boundaries – is becoming a key strategy for reinvention and value creation.

In order to achieve this growth, reinvention will be pivotal. We believe there's room to pick up pace. The business landscape is transforming rapidly and those who fail to adapt may find themselves left behind.

53% of Australian private CEOs plan to make an acquisition within the next three years.

The need to ramp up reinvention

71% of Australian private CEOs believe their business will be economically viable for more than 10 years if they continue down their current path (versus 54% of global private peers). Is this confidence misplaced?

Private CEOs express significant confidence in their company's future viability, similar to other CEOs in Australia **(74%)**. These figures are notably higher than with global CEOs and global private peers **(55% and 54%)**.

Do Australia's leaders believe their business is protected from the impact of converging megatrends currently causing global CEOs concern? This confidence, stemming from years of favourable conditions, might now be misplaced.

While some private CEOs are taking steps to reinvent their businesses in response to converging disruptive forces like climate change and artificial intelligence (AI), only a few are making bold moves.

Next steps for private CEOs? Private businesses have an agility advantage over large, established companies. To capitalise on it, leaders should actively challenge traditional models, embrace innovation and continuously seek new sources of value. Reallocation of resources is one way. Leaders can rapidly shift capital and talent toward emerging opportunities, ensuring resources flow where they drive the most impact.

AI as a catalyst for reinvention

Future profit expectations from Generative AI (GenAI) are on par with global private and global CEOs **(41% vs 49%)**. Local Private CEOs are also generally aligned with global counterparts in integrating AI – to a large/very large extent – into business processes **(41%)**, technology platforms **(41%)**, workforce and skills **(29%)** and new products/services **(24%)** over the next three years.

However, only a third have a high degree of trust in AI, and they report multiple barriers to greater adoption. Internal skills **(47%)** and technology/data platforms **(37%)** are the largest barriers.

AI is a major disruptor in the private market – adoption is no longer optional for those wanting to remain competitive, or grow.

Next steps for private CEOs? Build AI trust and adoption. With fewer legacy constraints, private businesses can move faster to integrate AI-driven business models. Success depends on embedding AI into core strategies while ensuring transparency, trust and responsible use.

Digital-savvy NextGen family members can help drive adoption, collaborating with tech-savvy employees who can act as internal champions. Starting the GenAI journey can be relatively inexpensive by experimenting with tools like ChatGPT Enterprise, Salesforce's Einstein and Microsoft's Copilot, along with other GenAI integrated vendor products. For those looking to scale, a short proof-of-concept with a vendor can help reduce risk and build confidence.

41% expect their investments in GenAI to increase profits in the year ahead.

27% report a high degree of trust in GenAI.

22% of private businesses in Australia are seeing a positive return from climate-friendly investments (outpacing their listed peers at 17%).

Unlocking value in sustainability

It's clear that when climate is treated as a growth opportunity rather than simply a compliance exercise, new revenue streams can be unlocked and opportunities forged. Private businesses in Australia are leading the pack, outpacing listed peers when it comes to returns from climate-related investment.

Sustainability reporting – now mandated in Australia and applicable for large private businesses that meet certain thresholds – has been a strong focus for many private businesses over this last year. Forward-looking CEOs use climate reporting to spur innovation and open up new market opportunities, build trust and engage new customers, and attract favourable finance.

Next steps for private CEOs? By investing in sustainability, leaders are not only protecting the planet but generally are creating long-term value for their company and its stakeholders. Ensuring long-term leadership stability can help. Unlike public companies, where short CEO tenures can hinder long-term transformation, private businesses can take a multi-year approach to sustainability and reinvention more broadly. This stability can drive sustained, strategic change.

Want to discuss how these findings relate to your business?

Get in touch with your PwC contact or reach out to one of our subject matter experts below.

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