

New Zealand findings from the
27th Annual Global CEO Survey

Time to make bold decisions



Drive reinvention through Generative AI, climate
action and your people



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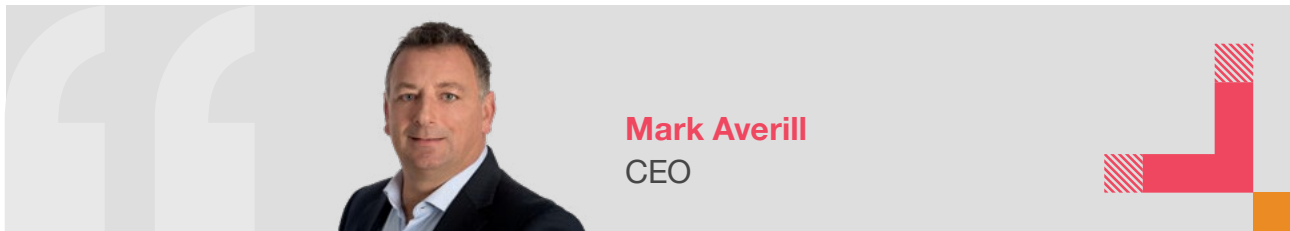
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Foreword



As we begin 2024 New Zealand businesses are finding themselves in a unique, but in many ways familiar, environment. They still face a magnitude of challenges and must respond to a number of immediate and pressing issues now, while also reinventing their business models to be fit for the future.

Conflicts around the world remain a threat to our trade and supply chains, including in the Ukraine and Middle East. Our country's infrastructure deficit continues to impact productivity gains. Rising political and societal expectations, the need to take action on climate change, along with the ongoing influence of disruptive technologies, specifically AI, present both new challenges and opportunities. Long-term considerations are catalysing change much faster than before and are becoming ever more urgent.

At the same time businesses are experiencing a number of shorter term challenges. However, compared to this time last year, these do appear to be less threatening. Inflation is starting to decline and there is every reason to believe that will continue. Likewise, the risk of a deep recession now appears to be less likely and we are seeing a steady labour market. We also have a new Coalition Government that is starting to enact its 100 day plan.

Critical for CEOs is the need to balance these long-term and short-term issues in an integrated way for sustainable success. Consistency in operating across these two time horizons will be crucial for the foreseeable future.

When we completed our survey in November last year we found 23% of local business leaders believe their companies will not be economically viable in the next decade, significantly lower than the Asia Pacific (63%) and global (45%) averages. This raises the question, are CEOs in New Zealand acting fast enough to transform their business models? In short, what we do as leaders in the next two years will significantly influence how our businesses fare in the next ten. Businesses need conviction to make some important decisions – how they adapt now will be a big determinant in long-term success.

“ What we do as leaders in the next two years will significantly influence how our businesses fare in the next ten. ”

Our survey results also showed New Zealand CEOs are taking steps to drive transformative change, including focusing on investing in essential skills and technologies. But we should remember that simply adapting will not be enough. Continuous reinvention is crucial for long-term business sustainability.

Top of mind for most CEOs is understanding the impact and opportunity that Generative AI (GenAI) will have for their businesses and employees. CEOs see its potential to significantly improve productivity and value creation, help their people develop new skills, and free them up from routine tasks. However, implementing GenAI will take time and require a strong foundation in governance and cyber security. We need to integrate new technologies into our operations carefully and with well thought out plans that work for our businesses.

Reflecting on our survey results and also the recent conversations I've had with business leaders over these past few weeks, there is a feeling of realistic optimism around business growth. Whilst CEOs continue to navigate a number of headwinds, there are still plenty of reasons to feel positive about what the next year will bring. That said, it will be important to keep a watchful eye on what happens around the world – 2024 will see much change geopolitically which, as we all know, will have a broader global economic impact from which New Zealand is not immune.

As I prepare to retire and step down as CEO of PwC New Zealand on 31 March 2024, I'm mindful this is the last time I'll be sharing our survey findings with you. So to finish, I thought I'd answer the question I've been asked a lot lately, which is what have I observed most in my time leading PwC New Zealand?

Most notable is the number of CEOs who have expanded their view of transformation. Back in the pre-COVID era, many leaders were focused specifically on technology implementation. Today, more CEOs are prioritising full business transformation with broader consideration for things like nimble workforces and climate change. Over these past seven and a half years, I've also observed rising stakeholder expectations and the need for businesses to play an even bigger role in solving some of society's most important issues. This in my mind is absolutely fundamental to our country's prosperity. Lastly, with the exponential pace of change, gone are the days of only long-term planning. Businesses need to quickly assess – and reassess – in order to adapt to the environment around them.

There's no doubt that during my tenure we've seen immense change and disruption. It's been an incredible ride and an absolute privilege to see businesses survive and thrive through this unique time in history.

Finally, I would like to express my gratitude to the more than 100 CEOs who participated in this year's survey and to those who have consistently shared their views with us over my time as PwC New Zealand's CEO. I hope you find the report thought-provoking and a useful guide on your path to reinvention.

Mark Averill

CEO

A more confident economic outlook

This year's survey results reveal local CEOs have a more positive outlook for global and local economic growth in 2024.

We found that 48% of business leaders in New Zealand are optimistic about global economic growth prospects over the next 12 months, up from 13% last year and higher than the global average of 38% this year. This optimism is also reflected in their outlook for New Zealand's economic growth, with 52% believing it will get better or stay the same, compared to 23% last year.

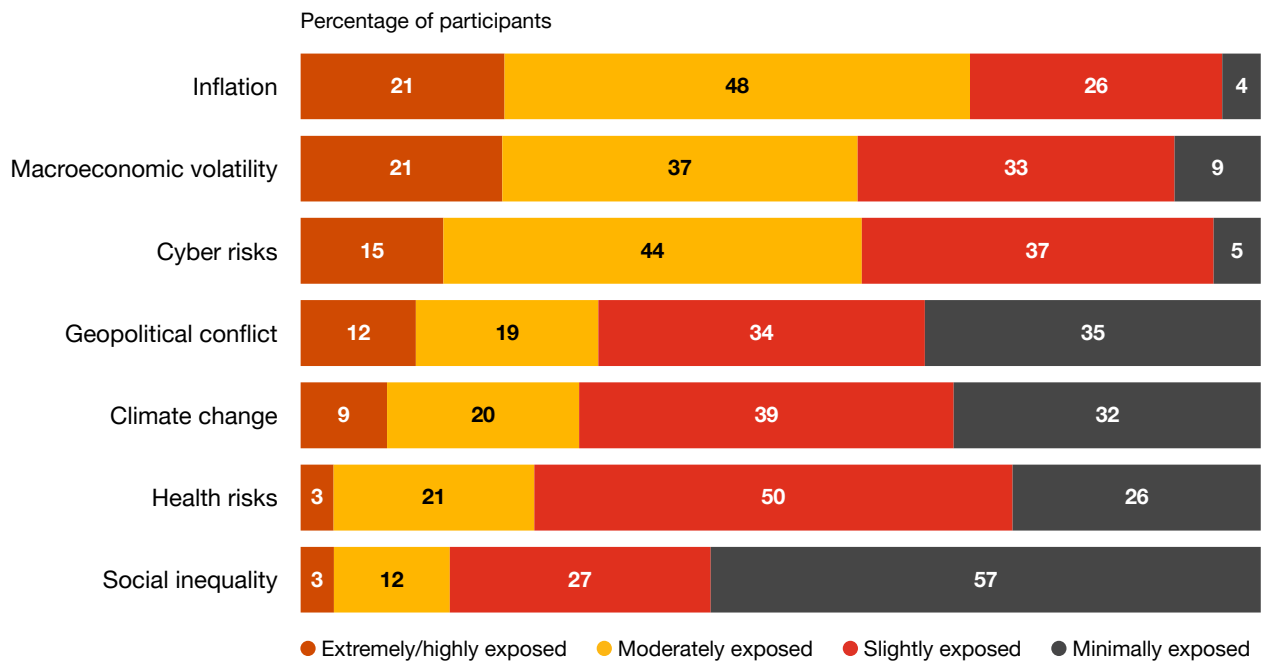
When it comes to areas of concern, macroeconomic volatility is still seen as a major threat, with all New Zealand CEOs surveyed acknowledging their business is exposed in some way. Inflation is also putting pressure on business decisions, although fewer CEOs (21%) believe they will be highly exposed to inflationary pressures in the next year, compared to 38% last year. This may be due to a decrease in interest rates and the expectation that the inflation rate will fall further, leading to improved consumer sentiment and an increase in disposable income.

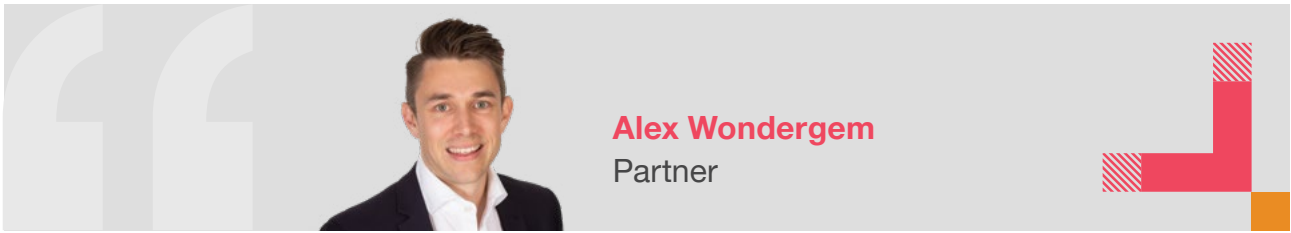
All New Zealand business leaders surveyed anticipate being exposed to geopolitical conflict in the coming year. However, despite escalating tensions in the Middle East and ongoing conflicts in other regions, the proportion of CEOs who believe their business will be affected at a moderate, high, or extreme level has decreased from 51% last year to 31% this year. In the Asia Pacific region, 51% of CEOs share similar concerns, while globally 53% of CEOs express the same level of apprehension.

The survey reveals that 36% of local CEOs are extremely confident in their own organisation's potential for revenue growth in the next 12 months, compared to 39% last year. CEOs are more optimistic about their three-year revenue growth prospects compared to the shorter term with 50% feeling extremely confident. However, the longer term picture is challenging, due to geopolitical volatility and the increasing pace of technology change.



How **exposed** do you believe your company will be to the following key threats in the **next 12 months**?





Shifting to positive sentiment

“There are reasons to believe that the pessimistic period has passed and that we can now be more confident that, with the risks of a recession reduced, things will likely improve again this year.

If the survey was conducted in early 2024 instead of during October and November 2023, I think we would see less negativity among CEOs regarding their company’s potential revenue growth. Around the time of the survey, interest rates were at their peak and the Reserve Bank of New Zealand was predicting further increases. It was a time of heightened uncertainty.

However, since then, we have seen a moderation in interest rate levels, with potential decreases later in the calendar year owing to an anticipation of inflation returning to the target range of 1-3%. These factors, including a new government, have instilled a greater sense of hope and optimism as evidenced in recent business outlook surveys.

There are reasons to believe that with a period of uncertainty passing, we can now be more confident that economic activity will begin to improve this year.”

“ CEOs can finally feel more confident about making those bold strategic decisions they’ve been hesitant about taking.

An improving labour market

“We’re starting to see things normalise in the job market. Over the past year, there has been a population growth of more than 2% due to net migration. This is helping to ease the tightness in the labour market, which is good news for CEOs.

It means there’s less pressure to increase salaries. This will also play a significant role in reducing inflationary pressure for local businesses. So, overall, it’s a positive development for the employment landscape. This is in sharp contrast to the global position, where there has been a steep increase in salaries due to continued inflation.”

Make bold decisions

“With a more positive outlook, CEOs can finally feel more confident about making those bold strategic decisions they've been hesitant about taking in recent years. As we enter a phase of anticipated economic stability, where recessionary risks are diminishing and there is the potential that interest rates will decrease further, it's our hope that this will motivate business leaders to move forward and implement the plans that have been put on hold. It's time to take action and embrace the opportunities that lie ahead.”



The imperative to reinvent

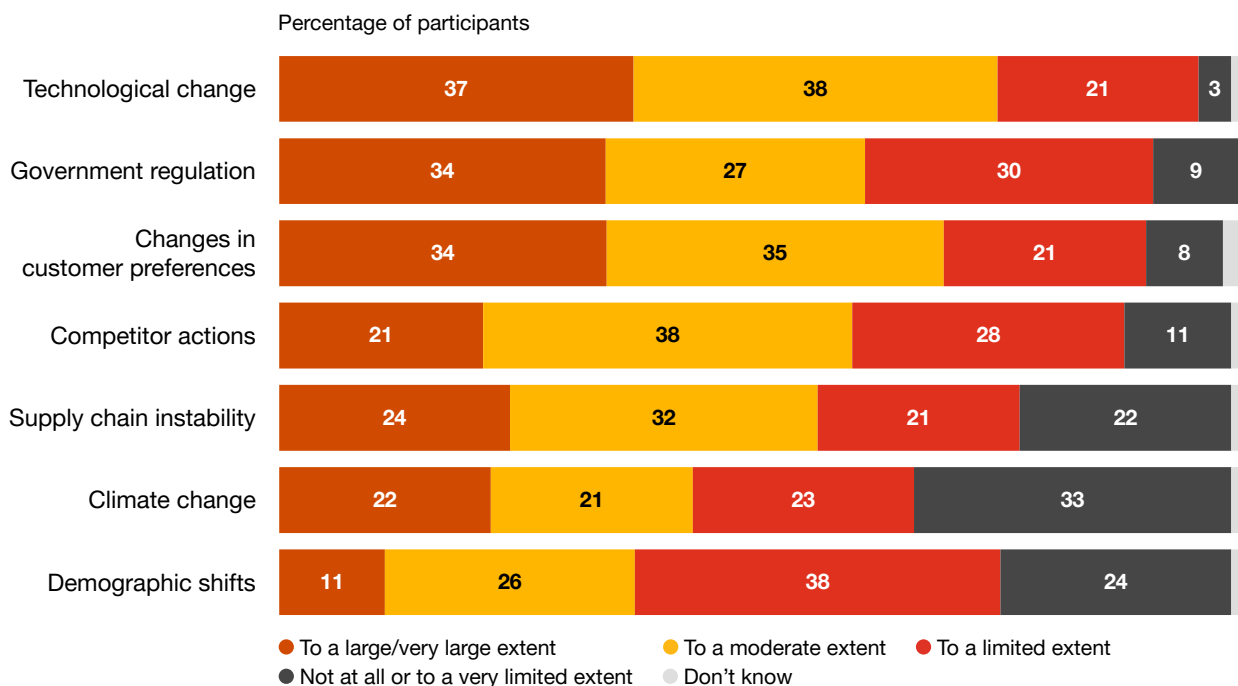
Business reinvention will be key for all New Zealand companies to thrive. The survey results show that most local executives are taking steps to do this, but are they doing enough now to succeed in the long-term?

The research reveals that 23% of business leaders here believe their companies will not be economically viable in the next decade, if they continue on their current path. This is a slight decline compared to 2023 (27%), but significantly lower than the Asia Pacific average (63%) and the global average (45%).

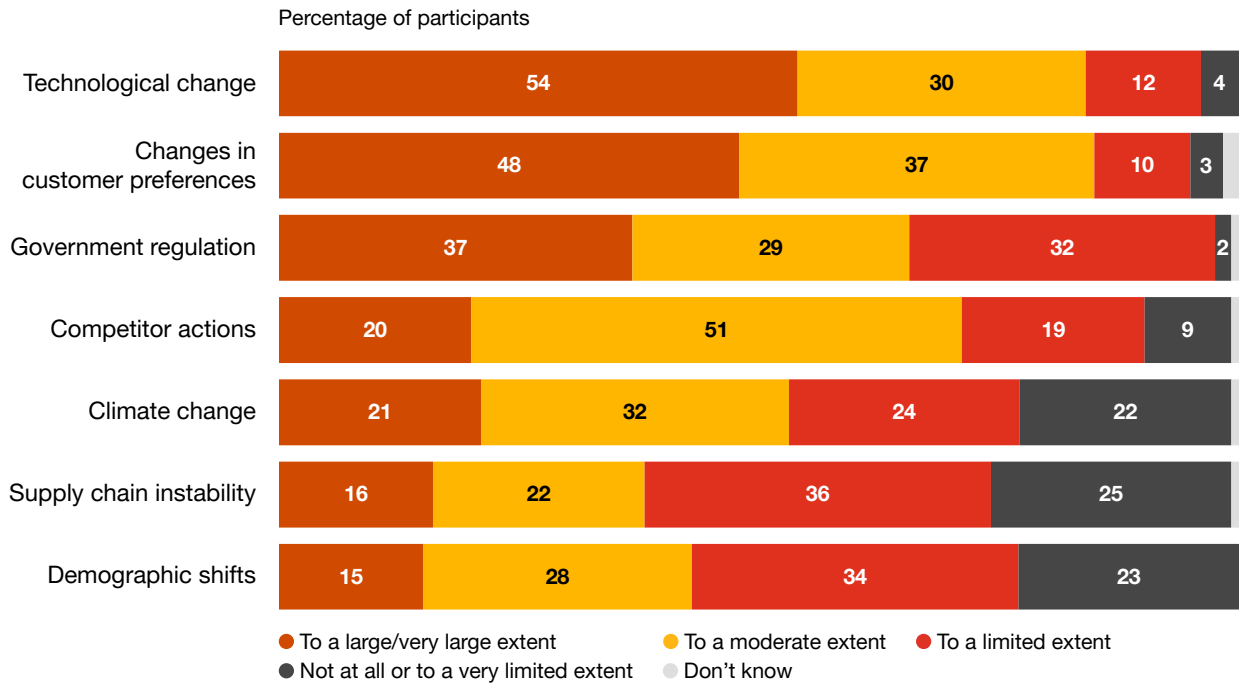
We asked New Zealand CEOs what they have done to drive transformation. Ninety-five per cent have taken steps to change how they create, deliver, and capture value over the past five years. During that time, 70% have implemented at least one action that had a large or very large impact on their company's business model.

Compared to the past five years, CEOs here expect changes related to technology (54%), evolving customer preferences (48%) and government regulations (37%) to have a more significant impact on how they deliver value in the next three years. The perception of near-term threats like supply chain instability (16%) and climate change (21%) have both decreased as business leaders look ahead to the next three years.

Indicate the extent to which the following factors **have driven changes** to the way your company creates, delivers and captures value in the **last five years**?

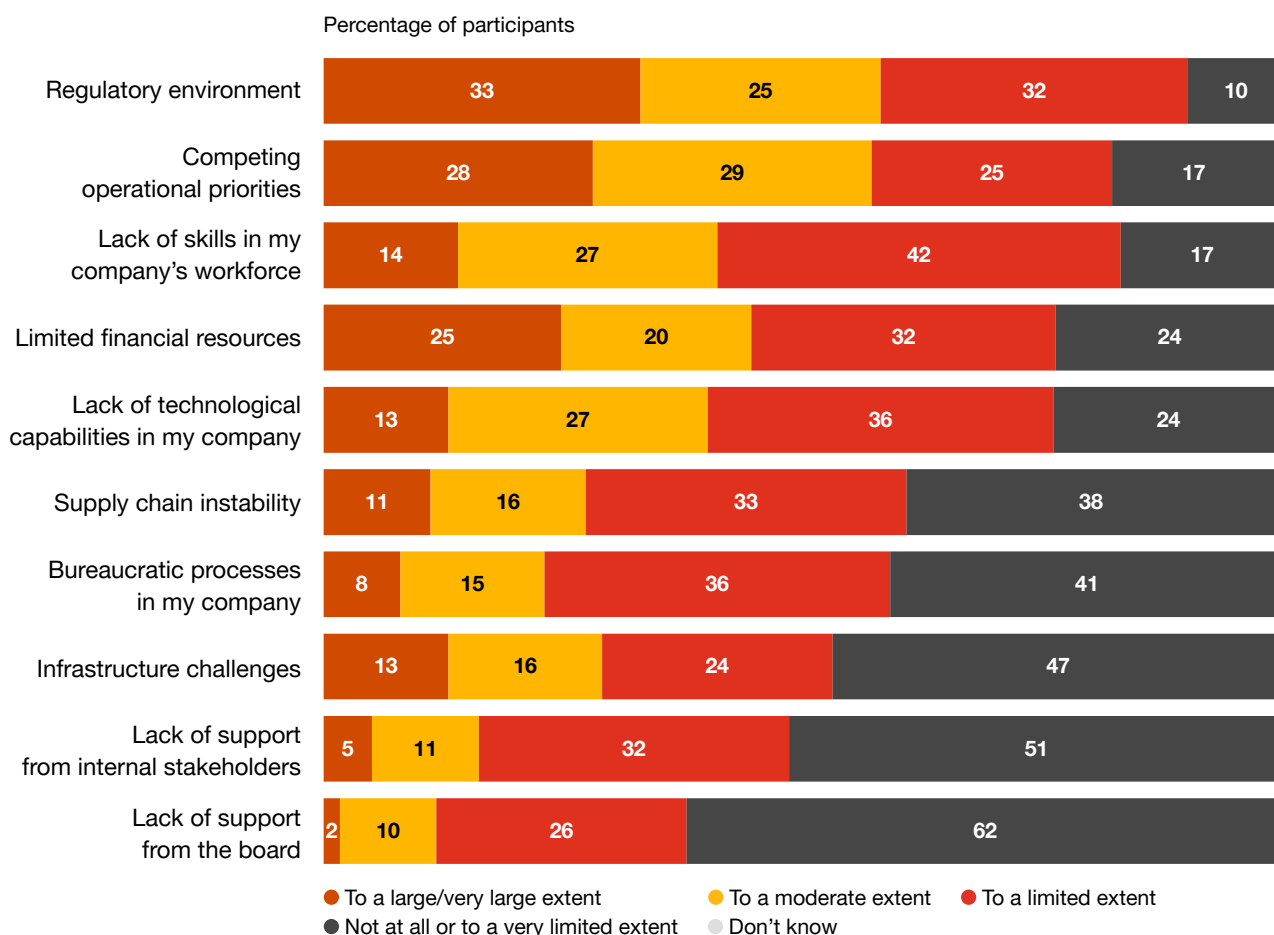


Indicate the extent to which the following factors **will drive changes** to the way your company creates, delivers and captures value in the **next three years**?



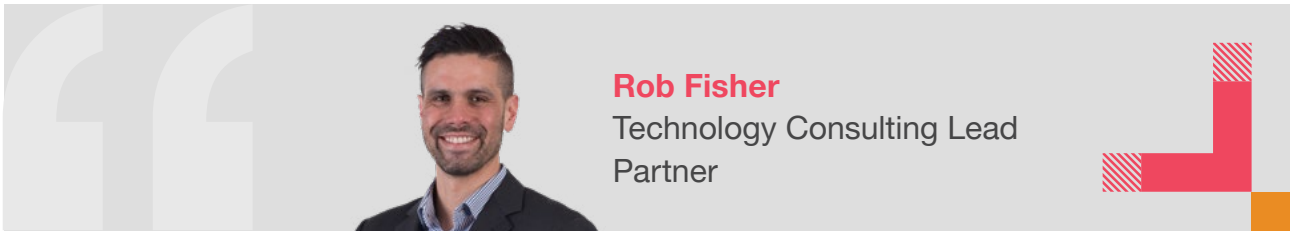
Fifty-eight per cent of local CEOs report the regulatory environment as inhibiting their ability to reinvent their business model to at least a moderate extent. Fifty-seven per cent point to competing operational concerns, and 41% highlight a lack of skills in their company’s workforce as the key issues.

To what extent, if at all, are the following factors **inhibiting** your company from **changing** the way it creates, delivers and captures value?



“ Continuous reinvention is an imperative rather than a choice for long-term business sustainability.

These findings indicate that continuous reinvention is an imperative rather than a choice for long-term business sustainability. The pace of change is increasing, which means effective leadership is crucial to maintain energy, challenge the status quo, and keep things moving forward.



Rob Fisher

Technology Consulting Lead
Partner

Embrace continuous reinvention

“Digital transformation is not a fixed destination, but rather a continuous effort to adapt and innovate using technology. Its purpose is to meet the rapidly changing expectations of clients, employees and external business partners.

Disruptive technologies will continue to challenge business models. Board members and senior executives need to understand how capabilities like Generative AI or Augmented Reality can enhance their value proposition to customers and employees.

Although New Zealand businesses are feeling more optimistic about their economic viability, the next decade will be defined by business model reinvention. Those who invest in digital transformation will have the agility and flexibility to meet changing consumer expectations.”

Maintaining customer focus

“Successful transformations prioritise the needs of clients and employees, understanding the challenges they face and the aspects they appreciate most about products and services. This is achieved by establishing a strong connection with the people that matter, enabling organisations to gain valuable insights.

Organisations that excel in this area invest in the necessary capabilities, governance and infrastructure to implement business changes and technology. They establish a trusted feedback loop with their clients, ensuring continuous improvement and alignment with expectations.

By adopting this approach, technology becomes a tool that enables meaningful business changes, rather than driving the transformation solely based on technological advancements.”

“ Those who invest in digital transformation will have the agility and flexibility to meet changing consumer expectations.

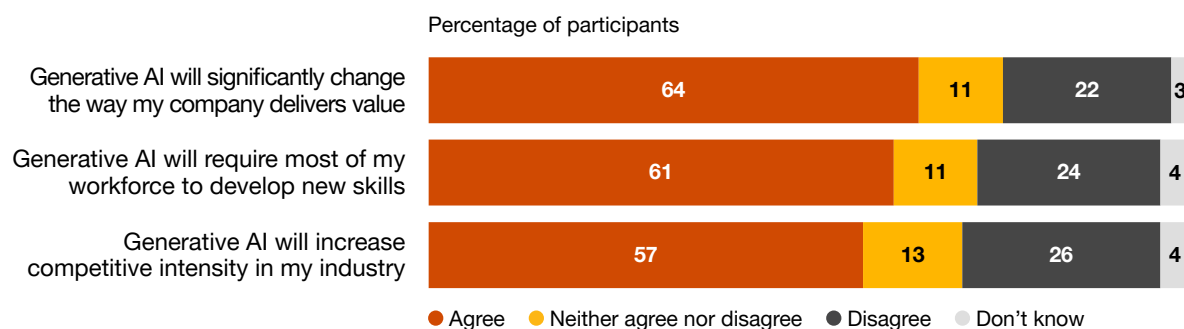
The Generative AI opportunity and challenge

A year ago, New Zealand CEOs had limited knowledge about Generative AI (GenAI). However, our survey reveals that now, most local business leaders recognise the potential it brings to drive positive changes to their operating models.

We find that 64% of local business leaders believe that GenAI will improve their own efficiency at work and 68% expect it to bring greater efficiency for their employees. Fifty-eight per cent also think that GenAI will enhance the quality of their company's products and services. These findings align with the results of [PwC's Global Risk Survey 2023](#), which showed that 60% of those surveyed globally view GenAI as a business opportunity rather than a risk.

Local CEOs also anticipate significant impacts on their workforce, with 61% predicting that their employees will need to learn new skills due to advancements in GenAI. However, despite this understanding, 61% of CEOs have still to adopt GenAI across their business. Skill gaps, availability of these technologies, concerns around cyber security and the spread of misinformation, are all factors impacting adoption. As with any emerging technology, it will take time for GenAI to gain the necessary trust.

To what extent do you agree or disagree with the following statements about **Generative AI** in the **next three years**?



The societal impact of GenAI is still uncertain, but it is clear that the improving capabilities of these models have the potential to greatly reduce the need for people in a range of roles in the future, as well as redefine their purpose and scope. Although we are still in the early stages of this transformation, 28% of New Zealand CEOs already anticipate a decrease in the number of employees in the next 12 months due to GenAI. This is just marginally higher than the global average of 25%.

GenAI may displace some roles but it will also fuel job creation around a range of new areas previously not needed or possible within a business. It will also drive substantial improvements in productivity and efficiency through focusing resources on where they add most value to the business. Sixty-eight per cent of New Zealand CEOs believe GenAI will make their employees more efficient in 2024, in contrast to only 22% of employees surveyed in PwC's [Global Workforce Hopes and Fears Survey 2023](#) who think that AI will help them increase their productivity and efficiency at work.

These findings highlight the need to upskill employees so they have the necessary tools and capability to be competitive in a rapidly changing AI-enabled world. While it is challenging to predict the future in the medium to long-term, during this initial phase of adoption and transformation, the biggest threat to an organisation is not GenAI itself, but rather a competitor who utilises it more effectively.

39%

of CEOs have already changed their technology strategy to embrace GenAI across their business.





Scott McLiver
Asia Pacific Leader
in Generative AI and Partner

Move fast, but responsibly

“The rapid advances in GenAI technology are considered to be one of the most influential developments in human history. Some people believe its impact on society will be as significant as the innovation of electricity.

With a transformative force this large, business leaders must get to grips with what GenAI means for their industry, customers, and organisation. This includes establishing rules and guidelines to make sure the use of GenAI is responsible and aligns with their company’s values.

One of the biggest risks facing organisations is apathy in regards to the impact of GenAI.

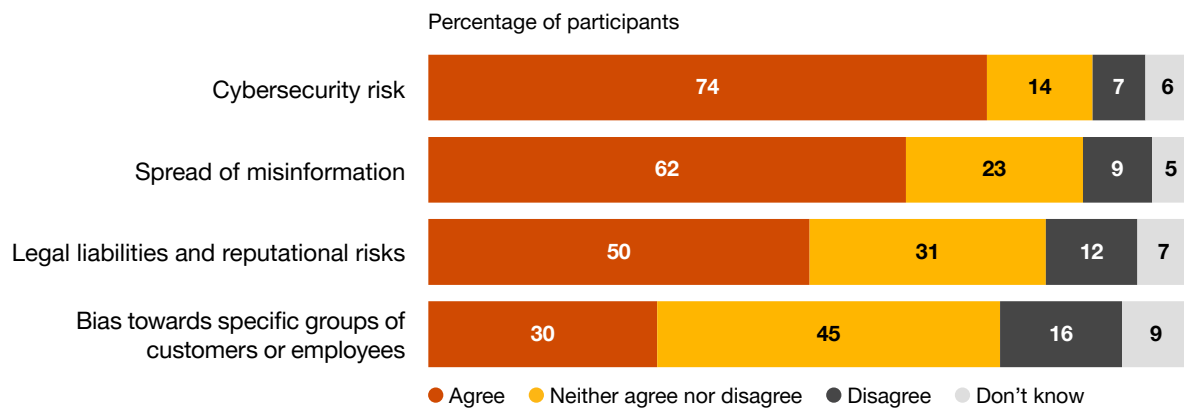
To responsibly adopt GenAI, CEOs need to create a clear strategy that includes formal processes and internal controls to ensure its ethical use as they explore the benefits of this rapidly growing technology.

According to the survey, 74% of New Zealand CEOs believe that GenAI is likely to increase cyber security risks in the next year. This is an astute assessment because GenAI’s capabilities will certainly be used to make cyber crimes more sophisticated. Cyber security is now more important than ever in a world of advancing GenAI cyber threats.”

For more information about cyber risk management, read PwC’s findings from the [2024 Global Digital Trust Insights](#) and [For Gen-AI-enabled threats, fight fire with fire](#).

“ One of the biggest risks facing organisations is apathy in regards to the impact of GenAI.”

To what extent do you agree or disagree that **Generative AI** is likely to **increase** the following in your company in the **next 12 months**?



Create long-term value from GenAI

“While GenAI technology is advancing at an astonishing pace, capturing long-term value requires CEOs to lead their organisations through an extraordinary level of people change. Getting safe and responsible GenAI in the hands of your people is just the first step. Upskilling and business model transformation is where the real value will be unlocked by successful leaders.

This journey includes balancing responsible use with exploring opportunities for efficiency and value creation, aligning digital and GenAI strategies, experimenting with scalable use cases, utilising productivity gains strategically, considering the impact on employees and, most of all, preparing them to be able to use these new tools effectively.

This big change involves more than just a technological shift – it requires reinvention of all aspects of your operation – structure, processes, roles and responsibilities – to remain competitive and thrive.”

For more information on how to get started and develop a GenAI strategy, read [Do you have an “early days” Generative AI strategy.](#)



Empower your employees

“According to PwC’s Global Workforce Hopes and Fears Survey 2023, many employees in New Zealand do not yet appreciate the opportunities and benefits that AI will bring to their careers:

- 35% of employees don’t think AI will affect their job.
- 12% believe AI will create new job opportunities.

To benefit from GenAI, it’s crucial for CEOs to engage employees in the transformation journey, invest in education and training, and foster and support innovation.

Consider applying these strategies in your organisation:

- engage employees by communicating the capability and potential of GenAI.
- provide customised training and mentorship opportunities.
- promote a growth mindset and encourage safe experimentation.
- advocate ethical GenAI use and establish clear guidelines.
- measure impact using key performance indicators and share results.

By adopting these approaches, organisations can empower their employees to succeed.”



32%

forecast GenAI will increase revenue.

Investing in a skilled workforce

The research reveals that New Zealand CEOs are concerned about the skills gap across their employees, especially when it comes to technical expertise. The majority of CEOs (83%) report they have a skills shortage within their organisation and 76% specify a lack of technical capabilities as a key barrier to business transformation.

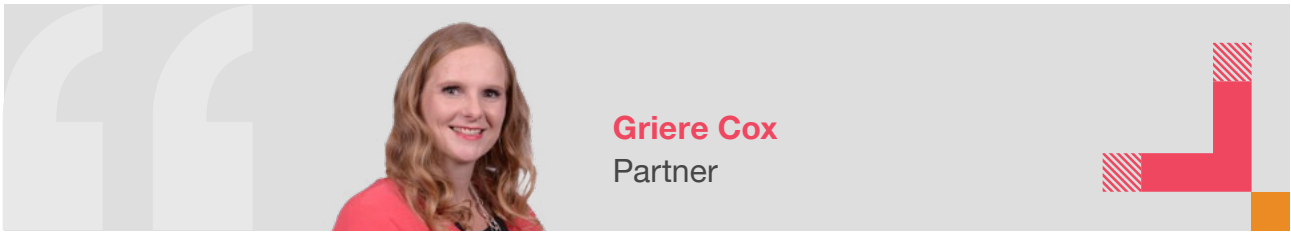
In New Zealand, 14% of CEOs believe that a lack of skills is impeding their business from making significant changes. This percentage is lower than the global average of 20% and the Asia Pacific average of 23%.

We asked business leaders in New Zealand about the actions they are planning to take in the next 12 months to drive increased productivity in their workforce. The top answer, at 72%, was developing leadership and talent. Upskilling and reskilling people came in second at 64%. While this is a focus for CEOs, only 25% of New Zealand employees surveyed in PwC's Global Workforce Hopes and Fears Survey 2023 believe the skills required for their role will change significantly in the next five years.

83%

of CEOs report they have a skills shortage within their organisation.





Addressing the skills gap

“New Zealand CEOs want to focus on improving talent and capabilities within their organisations by investing in upskilling and retaining their current employees. However, many are unsure where to start.

One approach to consider is redesigning career paths based on skills, rather than specific jobs. This gives employees more control and opportunities as jobs evolve or change. Start by identifying the known and less obvious skills of your workforce, beyond what’s listed in their job descriptions. Most organisations never ask about or assess the skills their employees have. They also don’t consider the skills employees have developed over time. Also define the skills your organisation will need in the future. Once you know what skills already exist, and what is needed, you can identify the gaps and take action to fill them.

When hiring new employees, CEOs globally are embracing the concept of ‘skills first’. This approach prioritises a person’s skills and competencies, rather than their work experience, or job titles. The idea is to attract, recruit, and develop talent based on their specific skills, rather than relying on traditional criteria. By shifting the focus to skills, regardless of how they were acquired, the ‘skills first’ approach has the potential to open up economic opportunities and create career pathways to quality jobs for a larger number of people compared to traditional methods.”

“ CEOs who are serious about reinvention need to address concerns, encourage curiosity and learning, and empower managers to help their people to adapt.



76%

of CEOs specify a lack of technical capabilities as a barrier to transformation

Change management and leadership support

“CEOs in New Zealand are prioritising change, but what if their leadership teams are more ready for change than their workforce? For example, consider GenAI and its potential impact within an organisation.

When it comes to upskilling, it’s important to have a strong change management process in place. People need to understand the long-term vision for the organisation. Business leaders should be open and have honest conversations about career development and how they’ll support employees through upskilling or reskilling. It’s essential that the entire leadership team is on board with the change and drive it through in their actions. CEOs who are serious about reinvention need to address concerns, encourage curiosity and learning, and empower managers to help their people to adapt.”

Building partnerships for upskilling

“The majority (64%) of New Zealand CEOs say they plan to upskill or reskill their employees in the next 12 months to drive increased productivity. This reflects a growing expectation from business leaders that the education system will play a bigger role in building the skills needed for the future.

There’s an opportunity for the public and private sectors to work together to upskill the workforce and better understand each other’s roles. The question that remains is how to ensure vocational education meets the needs of employers and employees, supporting lifelong employability.”

“ A stronger approach to education and research policy that forecasts, adapts to, and utilises the changing demographics of our society and workforce. New Zealand CEO

Climate change – work in progress

The latest CEO Survey results reveal that while New Zealand CEOs have made some progress introducing initiatives related to climate change, there is still more work to be done.

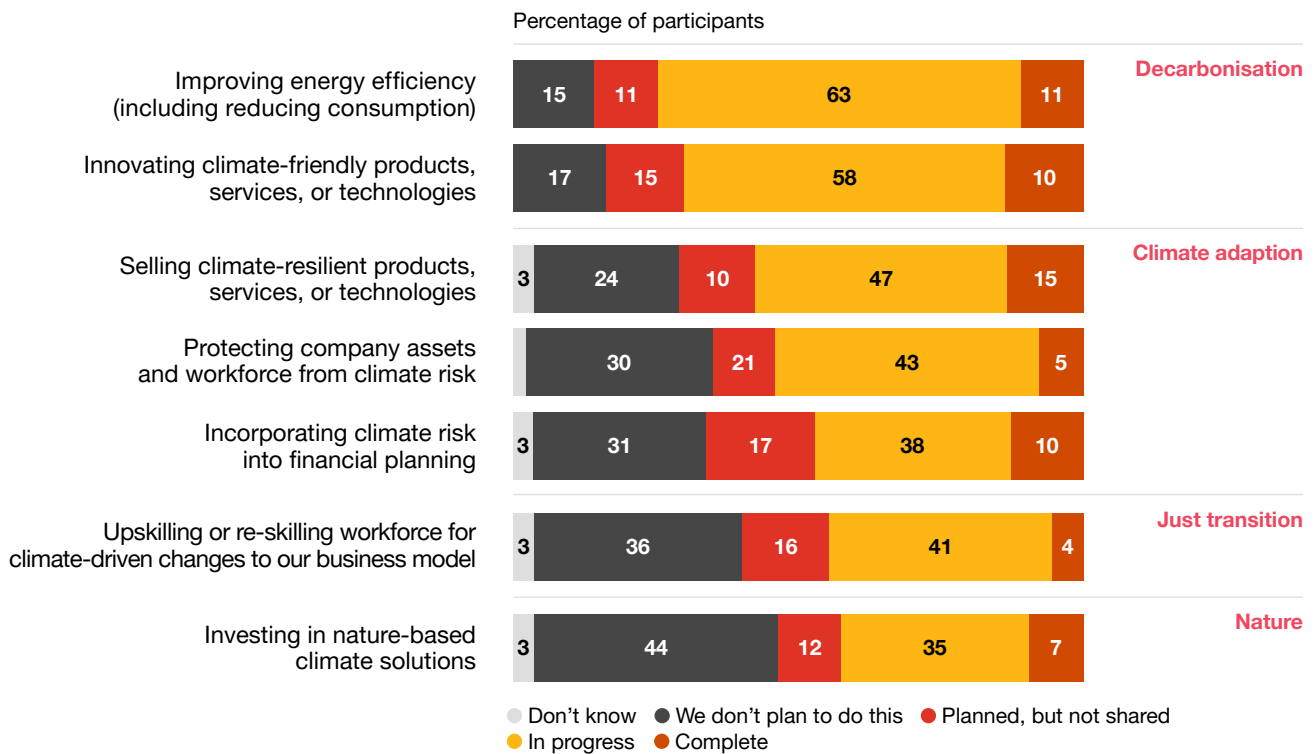
Most progress on climate action has been made in decarbonisation. Seventy-four per cent of CEOs are either in the process, or have completed improvements in energy efficiency. Additionally, 68% are working on, or have completed the development of new climate-friendly products, services, or technologies. Local CEOs identified the biggest barriers to decarbonisation as the absence of climate-friendly technologies for their industry and a lack of demand from external stakeholders.

68%

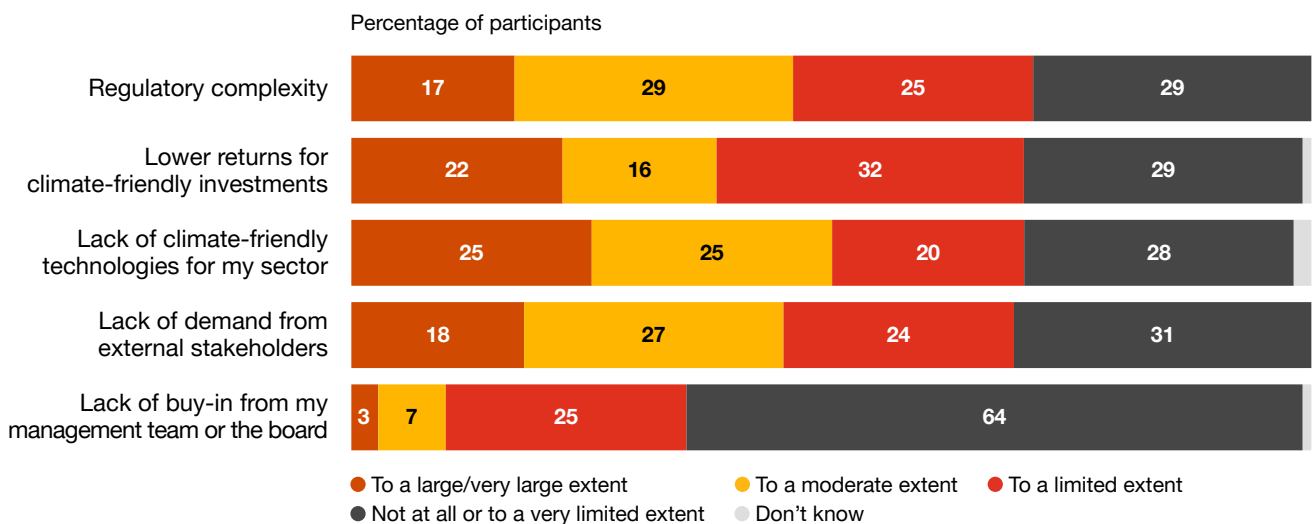
are working on, or have completed the development of new climate-friendly products, services, or technologies.



Which of the following best describes your company's **level of progress** on each of these actions?



To what extent are the following factors **inhibiting** your company's ability to **decarbonise** its business model?



When evaluating investments that are environmentally friendly, 41% of CEOs in New Zealand have accepted lower rates of return in the last 12 months compared to other investments. Seventy-five per cent would be willing to accept a rate of return that is up to 6% lower for climate-friendly investments compared to other investments. This is significant and could promote an increased willingness to explore more climate-driven aspects of business model reinvention, and attract increased levels of investment to do so.

These findings emphasise the need for businesses to consider the risks they face, including the potential cost of falling behind, as we work towards decarbonising the economy. Relying solely on mitigation measures will not adequately prepare them for the future. Instead, business leaders must take advantage of the increasing capital flows towards green and sustainable investment, and the opportunities that are generated through the economy's zero carbon transition.

74%

of CEOs are either in the process, or have completed improvements in energy efficiency.





Uncertain on climate action

“The survey findings indicate that business leaders in New Zealand are unsure and lack confidence when it comes to adjusting their strategies to prioritise climate action. Those who participated in the survey emphasised the importance of using our country’s natural resources more efficiently and providing better incentives and support for businesses to adopt sustainable practices.

There could be various reasons contributing to this sentiment, such as uncertainty regarding government policies, commitments and actions towards addressing climate change.”

Look to nature-based climate solutions

“Our survey results reveal 42% of New Zealand CEOs have either initiated or finalised investments in nature-based climate solutions. These represent strategies that use and protect natural ecosystems to fight climate change. Examples include forest conservation, wetland restoration, and urban green spaces. These solutions reduce greenhouse gas emissions and make communities more resilient to climate change, while also protecting and restoring nature.

55% of global GDP – equivalent to NZ\$94 trillion – is dependent on nature, to at least a moderate extent, [according to PwC estimates](#).

There is increasing expectation that CEOs, in responding to climate risk and opportunity, should explore new ways to create business models that also have a positive impact on nature. These should not only mitigate risks and improve financial returns but also benefit society. Leading businesses are seeking opportunities to address both climate and nature priorities simultaneously. For example, reforestation projects can help reduce emissions, support local communities, and direct investment to developing economies. Frameworks like the Taskforce on Nature-related Financial Disclosures (TNFD) can assist businesses in navigating this complex topic and its intersection with climate issues.”

“ Leading businesses are seeking opportunities to address climate and nature priorities simultaneously.”

Partner with your CFO on a climate strategy

“CEOs looking to speed up transformation and take action on climate change can benefit from partnering with their CFO. With their focus on long-term value creation and performance, CFOs can help accurately evaluate the projected commercial value of opportunities and effectively communicate that to investors.

It is equally important to involve and work with CFOs in relation to a climate and nature strategy and its deployment. The finance function has tools like forecasting, budgeting, resource allocation, and risk management that can be used to incorporate sustainability into the company’s overarching strategy. CFOs can help identify the most cost effective actions for reducing carbon emissions and conserving nature.

This is especially important here in New Zealand as many organisations are now required to implement mandatory climate-related disclosures. This means that businesses will have to consider the impacts of climate change in their investment, lending, and insurance decisions. The requirement applies to large publicly listed companies, as well as insurers, banks, non-bank deposit takers, and investment managers.”

“ Provide incentives and support for businesses that adopt sustainable practices, products, and services. New Zealand CEO





Investing in infrastructure

This year's results reveal infrastructure challenges are front of mind for New Zealand business leaders. More than half (53%) of the CEOs surveyed believe these challenges are hindering their company's ability to change how they create, deliver and capture value.

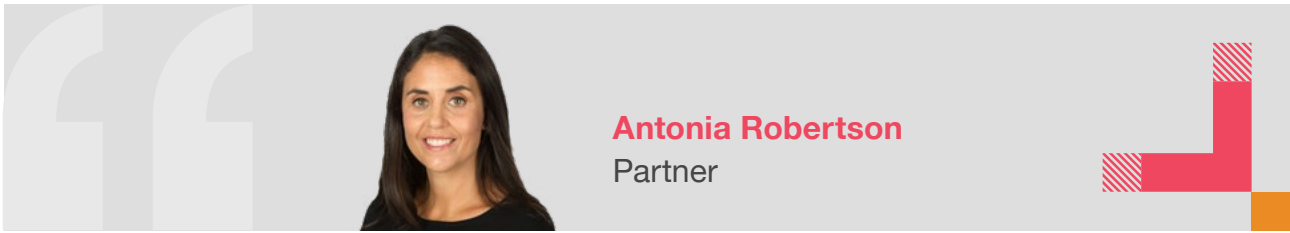
Our country is facing a well-publicised infrastructure deficit. According to [Infrastructure New Zealand](#), this deficit exceeds NZ\$200 billion and is projected to widen as the country shifts towards a low carbon economy.

Infrastructure is fundamental to prosperity and wellbeing. It ensures factories have the necessary resources, goods can be transported, houses can be built, clean water is available, and waste is properly managed. It connects people to places and businesses.

What is causing the challenge?

There are several interconnected issues, including financial constraints in financing infrastructure projects, policy and institutional settings, and uncertainty regarding the pipeline of projects. These factors collectively impact the ability to improve efficiency, develop skills, attract investment, innovate and deliver much needed infrastructure.

“ We should encourage meaningful public and private sector partnerships for infrastructure. New Zealand CEO



Antonia Robertson
Partner

Partnership – turning barriers into opportunities

“There is an exciting opportunity for collaboration between the public sector, private sector and iwi to innovate and suggest alternative solutions to maintain sustainable, resilient and inclusive infrastructure.

Private and project finance can help kickstart investment, and encourage innovation and efficiency through contractual requirements. However, for these partnerships to succeed, we need the right policies, project certainty and sustainable funding mechanisms in place.

The business opportunity from partnership is broader than simply investment and finance. Collaboration can bring long-term perspectives, innovation (technological and other) and efficiencies that will increase productivity, improve environmental outcomes, and enhance overall wellbeing.”

A rising focus on decarbonisation

“Infrastructure, especially in transportation and construction, contributes significantly to emissions. However, there is an opportunity to reduce emissions by implementing a green supply chain that drives sustainability while also ensuring value for money. Current policies have not fully addressed the uncertainties and economic costs associated with decarbonisation.

A comprehensive framework for the use of green materials throughout the supply chain requires action from both government and the private sector. It could include the following:

- **Incorporating low-carbon materials** in the overall decarbonisation strategy, considering their impact on emissions across manufacturing and supply chains.
- **Identifying and certifying green materials**, and evaluating their feasibility for projects based on factors such as cost, quality, and availability.
- **Cultivating strong relationships with suppliers**, exploring opportunities for joint innovation and cost efficiency in sourcing green materials.
- **Training employees** in the use of green materials.
- **Investing in research and development** to enhance low-carbon technologies and materials.
- **Developing clear government policy** that supports private sector investment and enables a significant shift towards onshore manufacturing of green materials, making it both feasible and competitive.”

“ There is a huge opportunity to leverage existing technologies and develop new ones to help infrastructure support New Zealand’s long-term economic growth.”

Investment in technology and automation

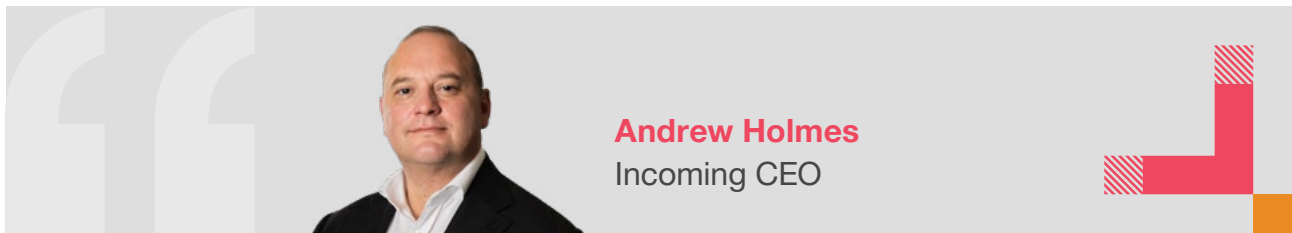
“The adoption of technology such as artificial intelligence and robotics is growing. This is driven by increased complexity, rising costs, and a growing need for resilience.

There is a huge opportunity to leverage existing technologies and develop new ones to help infrastructure (and large capital projects more broadly) support New Zealand’s long-term economic growth, while also becoming more adaptive to changing local and global priorities.

Examples of technologies that can address New Zealand’s infrastructure challenges include:

- **Predictive analytics, digitisation, and AI** to identify and manage risk at a project and portfolio level, as well as optimise decision making and prioritisation of large capital programmes.
- **Intelligent drones** that can take over tasks that otherwise require onsite workers, which not only saves costs but also increases safety. They can also improve preventative maintenance by inspecting and scoping work faster than traditional methods, and provide more detailed information about necessary repairs.
- **Improved data sharing and traceability systems** can help tackle Scope 2 and 3 decarbonisation targets through increased collaboration across the value chain.”

Six actions CEOs can take to accelerate reinvention



Andrew Holmes
Incoming CEO

As we enter an age of continuous reinvention, New Zealand CEOs have opportunities to reshape their organisations to thrive on disruption and turn their aspirations into reality.

Having experienced years of ongoing disruptions, New Zealand business leaders have developed a strong resilience that will be crucial as they face significant and comprehensive changes.

To keep progressing, effective leadership and the ability to adapt to new possibilities will be essential. With a better understanding of the challenges of meaningful business transformation, CEOs can begin turning these barriers into opportunities.

- **Pinpoint your most important moves**

Real progress occurs when leaders prioritise meaningful initiatives.

- **Clarify connections to value**

It is crucial for CEOs and their leadership teams to understand the significance of looking beyond their company's boundaries and embracing business ecosystems.

They must have a clear understanding of how deals, projects, or investments contribute to creating value. This may involve making difficult decisions, such as reallocating resources from legacy businesses, redefining industry boundaries and collaborating with ecosystem partners.

“ The entire executive team needs to take ownership of the change. ”

■ **Challenge conventional wisdom**

In order to stay ahead in a changing business landscape, it is essential for every leader to challenge the status quo.

■ **Sustain the change**

CEOs should expand their executive teams with experts in emerging areas, such as climate regulation or AI.

The entire executive team needs to take ownership of the change, including governance and control systems, rather than putting functional or business unit leaders in charge of discrete initiatives.

In addition, organisations must recognise that many questions do not have ready-made answers, and new mechanisms will be required to solve problems collaboratively.

■ **Streamline operations to support growth strategies**

New Zealand CEOs have focused on cost reduction and regulatory compliance. Meanwhile, inefficient ways of working are slowing down decision-making processes.

Leading companies use cloud technologies and Application Programming Interface (API) to improve agility and respond quickly to market opportunities.

Top performers align risk management with business strategy, achieving robust compliance, enhanced customer trust, and identifying new commercial opportunities.

■ **Assess your ability to adapt**

Evaluate how long your company can sustain its current revenue streams from existing products and services. Change often happens slowly and then all at once. How quickly can you respond to market changes? Consider, for example, how quickly you can reallocate capital and people. Additionally, having a clear vision for reinvention is essential to mobilise managers and employees.

CEOs play a critical role in balancing long-term and short-term considerations, integrating them for sustainable success. Consistency in operating with agility and adaptability is key for navigating the future.

Our PwC Global CEO Survey reveals the importance of business model reinvention for long-term commercial viability and success for every organisation. Simply adapting is not enough. Bold decisions and actions are essential to drive continuous reinvention. As a business leader, you play a pivotal role in steering your organisation along this journey.

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Survey methodology

PwC surveyed 4,702 CEOs in 105 countries and territories in October and November of 2023. In New Zealand, 117 CEOs contributed to this year's findings.

The global and regional figures in this report are weighted proportionally to country or regional nominal GDP to ensure that CEOs' views are representative across all major regions. The industry and country-level figures are based on unweighted data from the full sample of 4,702 CEOs. Further details by region, country and industry are available on request.

Please explore the global survey findings on the [PwC Global website](#).



27th Annual Global CEO Survey
www.pwc.co.nz/ceosurvey2024

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