

More concerned, less prepared

How Australian CEOs think about geopolitical risk.

Geopolitical Strategy

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EXECUTIVE SUMMARY

**How Australian CEOs are pricing
the new geopolitical environment**

EXECUTIVE SUMMARY



This special edition of The Pulse Report reflects a major shift in what we are hearing from CEOs across our network. Geopolitics is no longer sitting in the background as a distant policy issue or an occasional shock. It is now being felt as a direct business issue, shaping energy costs, supply chains, customer confidence, investment decisions, travel, and the willingness of leaders to commit to long-term plans.

This report brings together three connected sources of insight. First, the quantitative survey work we conducted with Australian members in late 2025. Second, the scenario planning workshops led with Geopolitical Strategy, which helped us understand how CEOs are interpreting the longer-term shape of the world. Third, the live polling gathered during our April 2026 CEO briefing on the Iran war and its business consequences. Taken together, they give us both a structural view and a current one: what CEOs were already worried about, and what has intensified sharply in recent months.

What is striking is not that the data changed. It is how quickly it changed. In late 2025, CEOs were already telling us that geopolitical risk had become a more material part of the operating environment, with US trade policy, cyber risk, alliance uncertainty and China exposure all weighing on decision-making. By April 2026, the outbreak of war involving Iran had sharply accelerated that concern. Energy and fuel volatility moved to the top of the list. Every CEO polled during the April briefing said they were more concerned than six months earlier. Nearly four in five said they were much more concerned.

That does not mean Australian CEOs are predicting collapse. Far from it. What this report shows is that they are pricing a world of sustained friction: a world where shocks move faster, decision-making becomes harder, and the cost of uncertainty starts to show up in the P&L long before a crisis becomes existential. That is why this report matters. It is not really about one conflict in one part of the world.

It is about the broader operating environment that Australian business leaders are now having to navigate.

There is also a clear tension in the findings. CEOs can see the risks with increasing clarity, but most organisations have not yet made the structural changes that this environment demands. Only a small minority have meaningfully redesigned their settings, and only a limited number treat geopolitical risk as a core strategic input rather than something to monitor on the side. In other words, awareness has moved faster than adaptation.

At the same time, this is not a story of retreat. CEOs still see real opportunity. Critical minerals, energy transition supply chains, AI aligned with trusted partners, and deeper commercial engagement with India and Southeast Asia all stand out as meaningful areas of upside. The mood is not defeatist. It is serious, sober and recalibrating.

From The CEO Institute's perspective, that is the central message of this report. Australian CEOs are not looking for commentary for commentary's sake. They are looking for clarity, relevance and practical perspective in a world that has become more volatile and less forgiving. This report is intended to help provide exactly that. The challenge now is not simply to recognise the change. It is to respond to it with greater discipline, stronger structures, and better preparedness than before.



Richard Wynn
Chief Executive Officer
The CEO Institute

EXECUTIVE SUMMARY

Geopolitics matters more to CEOs than ever before.

For much of the past three decades, geopolitics was treated as a tail risk for Australian business. It surfaced during crises - financial shocks, wars, sanctions episodes - and then receded as markets stabilised. The underlying assumption was that the global order, while imperfect, was structurally durable.

The data in this report suggests that assumption has shifted.

We are living through one of the most significant transitions in the international system since the end of the Second World War. The post-Cold War unipolar moment - in which American leadership provided a predictable framework for global commerce - is drawing to a close. New powers are rising. Multilateral institutions are creaking. And economic security and national security are converging in ways that are rewiring global supply chains, technology ecosystems, and capital flows.

The latest crisis, the Iran war, is the clearest recent example of the deeper changes underway in the international system and the operating environment Australian CEOs now face.

When asked to allocate probabilities to four distinct global futures over the next five to ten years, CEOs in our scenario workshops did not price collapse as the base case. The April polling suggests that view still holds, even amid the Iran war. Nor did they price a seamless return to cooperative globalisation. The highest-weighted scenario was fragmented multipolar competition - a world of weaker institutions, more transactional diplomacy, and elevated transaction costs.

In short, they were pricing friction. The Iran war has made that friction real. And it seems to indicate that the more pessimistic scenarios discussed - and set out in this report - may be coming to pass sooner than expected.

Geopolitical Strategy

That framing matters. Friction is harder to hedge than crisis. It does not arrive as a single event. It manifests incrementally - through tariff volatility, export controls, diverging technology standards, cyber escalation, commodity price swings, and regulatory unpredictability. It raises the cost of capital. It shortens planning horizons. It complicates long-term investment decisions.

The survey also shows how CEOs translate this into business language. In the original survey, US trade policy shifts were seen as the single most consequential geopolitical variable affecting commercial performance. In the April polling, unsurprisingly, global oil and energy price volatility had overtaken trade policy as the most immediate concern. Alliance stability is a source of widespread if moderate concern. On the question of whether the US alliance serves Australia's long-term economic interests, CEOs are divided: roughly half believe it does, while one in five believe it sometimes undermines them. And on Australia's ability to balance US-China competition altogether, confidence is limited - more than half are not confident it can be done.

At the same time, CEOs are not retreating from global exposure. They are rebalancing it. Critical minerals, AI alignment, Southeast Asia, and India are viewed as strategic lanes in a more fragmented world.

Yet recognition has not yet produced redesign. Only 7% of firms report structural changes in response to geopolitical uncertainty. Only 12% treat geopolitical risk as a core part of strategic planning. The most recent April polling reinforces the point: concern has accelerated sharply, but most organisations remain in monitoring mode.

This is the problem-solution gap at the heart of the report. Geopolitics is no longer abstract. And the Iran war has brought that reality forward. The challenge now is translation - turning awareness into structure, and monitoring into capability.



Damien Bruckard
Founder
Geopolitical Strategy

THE IRAN SHOCK: FROM HORMUZ TO THE P&L

The Iran war has affected Australian business more directly than any geopolitical event in recent memory.

The issue for Australian CEOs is not simply the war itself. It is the way the war is transmitting into the economy through energy prices, diesel supply, freight, fertiliser, industrial inputs, consumer confidence, and the willingness of firms to make decisions in an uncertain environment.

That is why the April 2026 CEO polling we have just completed is so striking. Every CEO surveyed said they were more concerned about geopolitics and trade disruption than six months ago. Global oil and energy price volatility is now, by some distance, the leading geopolitical risk to business. Middle East instability and conflict has entered the top tier of concerns. And political instability and populism in major democracies – which can be read as concern about the United States' political direction – has also risen sharply.

While the Iran war and its impacts on the Australian business environment have risen to the top of the list of concerns, most CEOs do not expect the conflict to force drastic action if it continues for only three to six months. The survey data suggests that most Australian firms will find the impacts challenging but manageable. Across sectors, businesses are still operating, projects are still proceeding, customers are still buying, and supply chains are still functioning.

But that is not the same as saying the impact is modest.

The more important effect is that uncertainty itself is becoming a cost. In subsequent qualitative interviews with The CEO Institute members, many reported finding it harder to price contracts, commit to new projects, manage fuel and input exposure, forecast demand, and decide which risks are temporary and which may persist. While CEOs face challenges specific to their industries, for many the questions are the same: what can be sourced, at what price, and for how long?

That is the practical business impact of the war. It is not one uniform shock but a series of pressures moving through different sectors at different speeds.

The decision-making data confirms this. Only 10% of CEOs say the conflict has had no impact on decision-making. Nearly half say they are monitoring closely, while a further 41% say they have already paused or delayed decisions to some extent. This is exactly how geopolitical uncertainty usually enters the economy: not through an immediate stop, but through hesitation, repricing and shortened planning horizons.

There is also a clear institutional issue. A majority of CEOs are not confident that the Australian government is doing enough to protect business interests from the current geopolitical environment. That does not necessarily mean CEOs expect Canberra to solve a war in the Middle East. They know Australia has limited influence over the conflict itself. The concern is more practical: whether Australia has the reserves, policy tools, coordination mechanisms and commercial understanding needed to manage the domestic consequences.

During the live briefing, CEO Institute members raised concerns that the longer the war continues, the more likely the response will become a question of allocation. Who gets fuel? Which sectors will be prioritised? And what will happen to transport, agriculture, aviation and essential services if supply tightens further? These are not abstract foreign policy questions for corporate leaders but foundational business continuity questions.

While the war may ease, escalate or settle into something messy and prolonged, Australian CEOs are clear-eyed that the business risks emanating from the conflict are no longer simply faraway events demanding ad hoc monitoring but an important part of the external environment that has had – and will continue to have – direct impacts on the bottom line.

Table 1: Top Iran War-Related Risks to Australian Business
(April 2026 Webinar Survey, n=59, Respondents could select more than one risk)

Geopolitical Risk	%
Global oil and energy price volatility	68%
Political instability or populism in major democracies	41%
Middle East instability and conflict	27%

Table 2: Expected Business Impact if Conflict Persists (3–6 Months)

Impact	%
Significant or drastic action required	7%
Challenging but manageable	69%
Minor disruption	12%
Little to no impact	3%
Insufficient visibility	8%

Table 3: Impact on Business Decision-Making

Response	%
Yes, significantly	10%
Yes, somewhat	31%
No, but monitoring closely	49%
No impact	10%

Table 4: Confidence in Australian Government Response

Response	%
Somewhat confident	41%
Not very confident	39%
Not at all confident	20%
Very confident	0%

“
In a world where friction is persistent rather than episodic, resilience cannot rely on improvisation. It requires design.
”

Five structural insights

Across the data, five structural themes emerge:

What this report shows

- Global oil and energy price volatility is now the leading immediate concern for Australian CEOs, cited by 68% in the April polling. US trade policy remains a major structural risk, but the Iran war has shifted the near-term focus to energy, inflation and supply disruption.
- China remains central - and complex. It is viewed as both the most significant risk-opportunity region and a strategic dependency that few firms can simply exit.
- Concern is rising. Nearly 57% of CEOs were more concerned about geopolitics than they were twelve months earlier. And by April, 100% were more concerned than six months earlier and 78% were much more concerned.
- Opportunity exists - but in narrow lanes. Critical minerals, AI alignment with Western priorities, and Indo-Pacific diversification dominate the opportunity narrative.
- Structural adaptation lags far behind sentiment. Only 7% of firms have made significant structural changes. Only 12% treat geopolitical risk as a core strategic input.

The most plausible future that CEOs are pricing is not collapse, but sustained fragmentation, now made more immediate by the Iran war. The question is whether corporate structures are configured for that environment before the next shock arrives.

Global oil and energy price volatility is now the immediate shock variable.

China remains central - and complex.

Opportunity exists - but in narrow lanes.

100% of CEOs are more concerned about geopolitics than they were six months ago.

7% of firms have made significant structural changes in response to the geopolitical landscape.

12% of firms treat geopolitical risk as a core strategic input.

2

TOP GEOPOLITICAL RISKS TO AUSTRALIAN BUSINESSES

**It is not just the economy.
It is energy, rules and resilience.**

TOP GEOPOLITICAL RISKS TO AUSTRALIAN BUSINESSES

CEOs are not worried about a single event. They are worried about how quickly geopolitical shocks now move through energy, prices, contracts and supply chains.

This survey opens with a clear signal. Australian CEOs are no longer treating geopolitics as a distant policy conversation or an occasional crisis variable. They are ranking it in concrete terms, and the highest-ranked risks are specific mechanisms that can move prices, contracts, market access, and operational continuity in the space of a quarter.

What stands out most is how quickly the centre of gravity has shifted. In the original survey, CEOs placed US trade policy and its spillovers ahead of Australia–China tensions as the most acute geopolitical risk to business performance. In the April polling, the Iran war moved global oil and energy price volatility to the top of the list, with Middle East instability and political instability in major democracies also rising sharply.

That shift matters because it shows how CEOs interpret the current era. They are not simply worried about conflict. They are worried about the transmission mechanisms: energy prices, diesel availability, tariffs, export controls, industrial policy, sanctions risk, and the wider policy volatility that flows from major-power politics.



Table 5: Top Geopolitical Risks to Australian Business as polled in September and October (Q1, n = 351, 830 selections) and as polled in April (Q2, n=59, 158 selections)

Geopolitical Risk	April 2026 Survey	Sept/Oct 2025 Survey
Global oil and energy price volatility	68%	12%
Political instability or populism in major democracies	41%	13%
Middle East instability and conflict	27%	not polled
Fracturing of Western alliances (US-EU, NATO, AUKUS)	24%	7%
Cyberattacks linked to state actors	22%	13%
US trade policy shifts	19%	18%
Strategic competition over critical minerals / supply chains	19%	6%
Rising tensions or military incidents in the Taiwan Strait	17%	5%
Tensions in Australia-China relations	10%	11%
Technological decoupling / US-China AI race	10%	10%
Instability in Southeast Asia (Myanmar, South China Sea)	7%	4%
Other	5%	3%

Note: Respondents chose up to 3 risks. Percentages reflect share of all selections.

The April results show a stark and unsurprising spike in concern about global oil and energy price volatility, alongside high levels of concern about instability and conflict in the Middle East.

The broader list also shows important continuity. US trade policy shifts, the leading concern six months earlier, still register at almost the same level even though the immediate focus has shifted to the Iran war's impacts. Cyberattacks remain a top-tier concern, alliance fracturing has risen, and concern over strategic competition in critical minerals and supply chains has also grown. This is not a single-issue story but a portfolio of risks – some immediate and some structural – converging on the same business outcomes: cost pressure, uncertainty, compliance burdens, and disrupted access to markets and inputs.

Why shocks now transmit so quickly

There is a deeper logic to this ranking. Geopolitical risk, in its most familiar form, implies a disruptive event: a war, a sanctions shock, a political crisis. But what CEOs are describing here is something more commercially immediate: the speed with which geopolitical shocks now move through energy prices, contracts, supply chains, capital allocation and confidence.

Energy shocks, tariffs and export controls do not always trigger a single dramatic disruption. They alter the underlying cost structure of doing business. They change the competitive landscape. They introduce uncertainty that discourages long-term investment. And they make planning horizons shorter and capital allocation decisions harder.

This distinction matters for how boards and executive teams should configure their response. Persistent geopolitical friction cannot be managed with a one-off crisis plan. Rather, what is required is structural adaptation, recurring monitoring and the ability to make decisions under conditions of sustained uncertainty.

Concern has risen — sharply



100% of CEOs are more concerned about geopolitics than six months ago

None report being less concerned.

This comparison shows both the trajectory and the acceleration of CEO concern. The September and October 2025 survey tells us how leaders were feeling compared with twelve months earlier, while the April 2026 pulse captures how sharply that concern has intensified over the past six months.

Table 6: Change in concern about geopolitics and trade disruption, six months versus twelve months.

Compared with 12 months ago...	Compared to 6 months ago	Compared to 12 months ago
Much more concerned	78%	25%
Slightly more concerned	22%	31%
About the same	0%	37%
Slightly less concerned	0%	3%
Much less concerned	0%	4%

Note: Six-month results are from the April 2026 Pulse Survey (Q1, n=72). Twelve-month results are from the September/October 2025 Pulse Survey (Q4, n=346). Percentages may not sum to 100 due to rounding.

This is a sharp shift. Geopolitics is not fading as a concern. It is rising in salience, now accelerated by a live crisis with direct commercial consequences. The dominant tone is sustained vigilance rather than acute panic. CEOs are not forecasting catastrophe. They are describing an environment of persistent friction, and the April polling suggests that friction is intensifying rather than stabilising.

What CEOs are actually saying

Five themes emerge from the responses explaining why concern has shifted:

What CEOs are telling us

- **Persistent uncertainty, no improvement.** The dominant tone is sustained vigilance: conditions remain difficult, with no sense that stability is returning.
- **US and global trade volatility.** Frequent, specific mention of US policy shifts, tariffs, and global market instability. This is not abstract - it is appearing in contracts, costs, and customer conversations.
- **Supply chain fragility.** Lingered post-pandemic vulnerabilities are amplified by geopolitical pressure. The system feels less resilient than it should.
- **Consumer and market confidence.** Geopolitical tension is filtering through to demand - reduced consumer confidence and softer purchasing decisions.
- **Heightened awareness, limited action.** A striking number of respondents acknowledge that their concern has stabilised at a higher level but that their strategic response has not materially changed.

Regional variation

The September/October polling conceals meaningful state-level differences. NSW respondents were more likely than the national average to nominate US trade policy shifts and Australia–China tensions as top-three risks, reflecting that state's heavier exposure to trade-dependent sectors and financial services. Victorian respondents showed a notably stronger commodity price volatility signature, consistent with the state's energy and manufacturing exposure. Queensland skewed slightly toward cyber risk and technological decoupling.

Table 7: Top risk differences by state from the September/October polling (share of state selections)

Risk	AUS	NSW	VIC	QLD
US trade policy shifts	18%	24%	15%	16%
Cyberattacks (state-linked)	13%	11%	16%	14%
Political instability in major democracies	13%	13%	13%	13%
Commodity price volatility	12%	8%	23%	9%
Australia–China tensions	11%	14%	7%	10%
Tech decoupling / AI race	10%	10%	7%	13%

The overall national story from September/October still holds, but the feel differs. NSW leans toward trade and China-linked exposure. Victoria is noticeably more commodity-heavy. Queensland shows a sharper technology and cyber signature. These differences reflect sectoral composition, and they matter for how firms configure geopolitical risk processes at a business-unit level.

3

**THE UNITED
STATES:
ALLY, ANCHOR -
AND SOURCE
OF VOLATILITY**

**Why Washington now
anchors CEO risk perceptions**

THE UNITED STATES: ALLY, ANCHOR - AND SOURCE OF VOLATILITY

Tariffs, export controls, and industrial policy remain a global forcing function — even as energy shocks dominate the immediate environment.

If one country anchors how Australian CEOs interpret structural geopolitical risk, it is the United States. That statement would have read differently a decade ago. Then, the United States was widely perceived as the stabilising force in the global economic order - the architect and enforcer of the rules-based system that underpinned global commerce. While the United States remains Australia's principal strategic ally, in the eyes of business leaders, it has also become a primary source of trade-policy volatility, rule change in the global system, and a major source of risk through the energy and supply disruptions arising from the Iran war.

The survey results do not reflect anti-American sentiment. They reflect a repricing of the rules, alongside a growing recognition of how quickly shocks transmit through those rules.

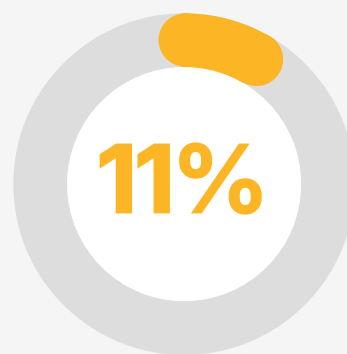
The numbers behind the shift

US trade policy shifts attracted 18% of selections in the September/October survey, compared with 19% in the April polling. Australia–China tensions attracted around 10–11% in both periods.

Table 8: US trade policy vs Australia–China tensions (head-to-head comparison)



US trade policy shifts



Australia–China tensions

That does not mean China is irrelevant. Far from it. This means that CEOs today perceive policy volatility in Washington's trade posture as more structurally significant to the Australian business environment than Canberra–Beijing relations.

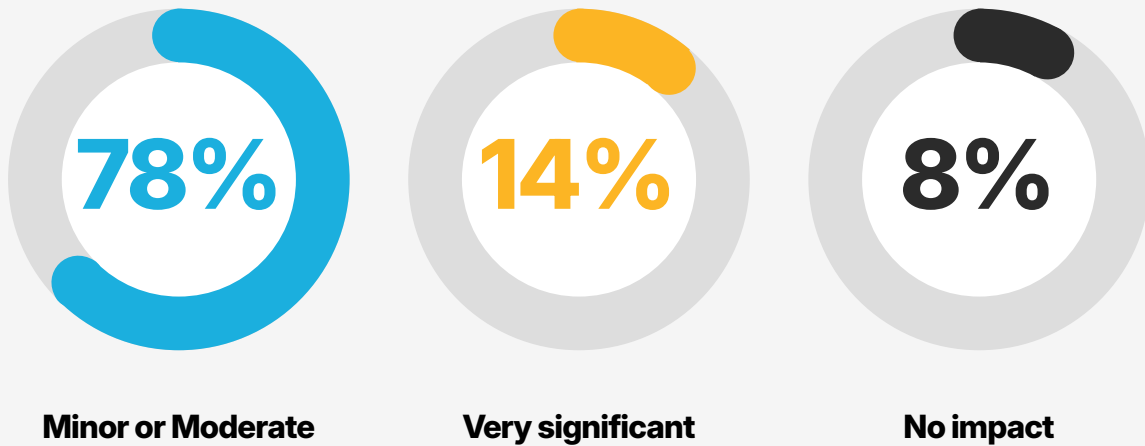
The uncertainty tax

Although the Iran war has overtaken trade policy as the most immediate geopolitical concern, foreign and US trade policy risks have not faded. If anything, CEOs now see them as more commercially material than they did six months earlier.

Table 9: Significance of foreign and US trade policy risks to business, September/October 2025 and April 2026

Impact Level	April 2026 Survey	Sept/Oct 2025 Survey
Moderate	66%	37%
Very significant	14%	10%
Minor	12%	37%
No impact	8%	17%

The comparison shows a clear shift in perceived impact. In September/October, CEOs were evenly split between minor and moderate effects. By April, moderate had become the dominant category, rising to 66%, while the share expecting only minor impact fell sharply to 12%. CEOs are still not predicting existential shock from foreign and US trade policy shifts. But they are clearly pricing a more material level of disruption: higher costs, altered competitiveness, changed procurement flows, and delayed investment decisions.



This is precisely what we mean by the uncertainty tax. It does not arrive as a single event. It accumulates in the margins: raising hedging costs, complicating supplier negotiations, shortening planning horizons, and discouraging the kind of long-cycle capital investment that drives productivity. Individually, each effect is manageable. Cumulatively, they erode competitive position.

The United States is not being interpreted as an adversary. It is being interpreted as a system-level rule setter - one whose domestic political volatility now cascades directly into global trading conditions. A shift in US tariff posture changes price competitiveness. A new export control regime alters access to critical technologies. Industrial policy changes supply-chain geography. For globally integrated firms, these changes ripple well beyond bilateral trade.



Alliance stability: valued but increasingly contested

The survey then probes a more structural question: concern about the durability of the Western alliance system over the next two to three years. The results show neither complacency nor alarm. The majority of CEOs sit in the 'slightly or moderately concerned' band, with a further meaningful minority expressing very or extreme concern.

Table 10: Concern about Western alliance stability (Q3, n=350)

Concern Level	Count	% of Respondents
Moderately concerned	131	37%
Slightly concerned	114	33%
Very concerned	72	21%
Not at all concerned	21	6%
Extremely concerned	12	3%

The dominant themes are uncertainty and disruption, not military confrontation. CEOs are concerned about the durability of frameworks that underpin predictable trade, investment, and regulatory alignment. The April 2026 polling suggests that this concern has intensified, with alliance fracturing rising as a nominated risk. Alliance weakening is not framed as an Australian diplomatic problem. It is framed as deterioration in the operating system of global commerce.

What alliance weakening would actually do to business

The follow-up question on consequences reveals how CEOs think about the transmission mechanisms - not in geopolitical abstractions, but in commercial language.

Table 11: Perceived business consequences of alliance weakening (Q3a, n=334 selections, multi-select)

Perceived Impact	Count	% of Selections
Increased geopolitical uncertainty in key markets	84	25%
Disruption to trade and investment frameworks	75	23%
Erosion of investor or partner confidence in the region	48	14%
Reduced access to technology or defence supply chains	46	14%
Other	45	14%
Rising compliance burdens of divergent regulations	29	9%
Loss of diplomatic leverage for Australia	7	2%

Note: Percentages may not sum to 100 due to rounding

Does the alliance serve Australia's economic interests?

One of the most revealing findings in the dataset concerns the economic value of the US alliance itself. This is not a binary question for Australian CEOs - it is a nuanced calculation.

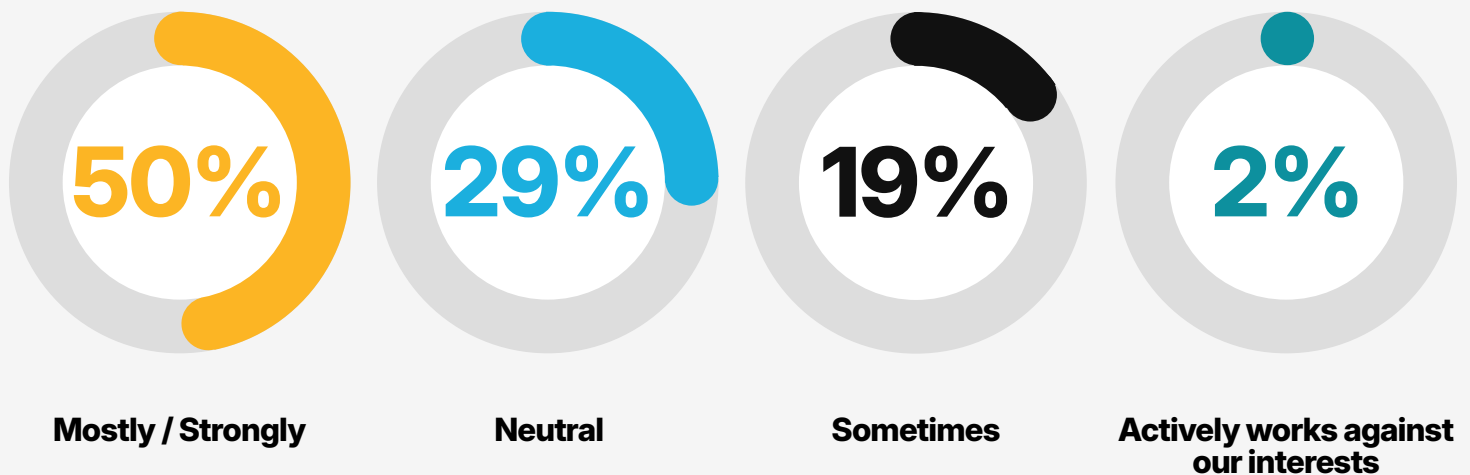
Table 12: Does the US alliance serve Australia's long-term economic interests? (Q10, n=299)

Response	Count	% of Respondents
Mostly serves our interests	91	30%
Strongly serves our interests	57	19%
Neutral	87	29%
Sometimes undermines our interests	58	19%
Actively works against our interests	6	2%

Note: Percentages may not sum to 100 due to rounding

Roughly half of CEOs believe the alliance mostly or strongly serves Australia's economic interests. But a meaningful minority - roughly one in five - believe it sometimes undermines them. And nearly a third sit in neutral territory, neither endorsing nor rejecting the alliance's economic credentials.

This is not a rejection of AUKUS or the security relationship. It is a nuanced economic verdict - one that distinguishes between the strategic value of the alliance and its economic implications. CEOs value access to technology, stability, and diplomatic leverage. They also see costs: trade friction, policy spillover, regulatory compliance burdens, and the constraint of being closely aligned with a major power whose domestic politics are increasingly volatile.



The qualitative responses reflect this ambivalence directly. NSW respondents lean toward political and defence-related concerns, with a tone of cautious scepticism about overreliance. Victorian responses are more economically pragmatic, focusing on trade, technology, and balanced engagement. Queensland respondents are more confident and alliance-positive, emphasising competitiveness and collaboration. National themes - dependence simultaneously valued and questioned, concerns over US political consistency, calls for more independent Australian policy - run across all states.

“The United States is no longer the stabiliser of the global order. It is the principal disruptor and primary variable in how the system reconfigures.”

4

BEYOND THE US: A MORE COMPLEX WORLD THAN THE HEADLINES SUGGEST

**China. India. Southeast Asia. The Pacific.
Opportunity amid the friction.**

BEYOND THE US: A MORE COMPLEX WORLD THAN THE HEADLINES SUGGEST

Confidence in Australia's ability to navigate great power competition is limited. But ambition is not.

While US trade policy anchors the near-term risk narrative, Australian CEOs are not looking at the world through a single lens. Their responses show a far more textured picture - one in which China remains complex, Southeast Asia and India loom as growth corridors, Europe sits in the background as a secondary but relevant actor, and Australia's own strategic positioning is viewed with cautious scepticism.

The result is not a binary worldview. It is a portfolio view of geopolitical exposure and opportunity.

China: still central, still complex

When asked which region presents the most complex mix of risk and opportunity for their business, CEOs did not default reflexively to the United States. They placed China first.

Table 13: Region presenting most complex mix of risk and opportunity (Q9, n=290)

Region	Count	% of Respondents
China	92	32%
United States	62	21%
Southeast Asia	45	16%
Europe	27	9%
Pacific	21	7%
India	7	2%
Middle East	6	2%
Other	30	10%

China's position at the top of this list reflects its dual character in the Australian business imagination. For many firms, China remains a major market, a critical buyer of commodities, and an integral part of global supply chains. At the same time, it is a strategic dependency, a regulatory uncertainty, and a flashpoint in wider US–China competition.

What stands out in the data is not hostility. It is complexity. CEOs are describing China as neither purely risk nor purely opportunity, but as a terrain that requires strategic finesse - and one that cannot simply be exited without significant commercial cost.

This is worth dwelling on. The geopolitical noise around China–Australia relations has been considerable over the past five years. Yet when CEOs assess where their most complex exposure lies, China still dominates. The implication is not that firms should retreat from China. It is that they need a more sophisticated strategic framework for managing that exposure - one that goes beyond binary choices.



Southeast Asia and India: the alternative growth lanes

Beyond the two great powers, the survey reveals a consistent secondary theme: CEOs are actively scanning for diversification within the Indo-Pacific.

Southeast Asia ranks third as a region of complex risk and opportunity - reflecting both its growth potential and its political and regulatory diversity. It is not seen as frictionless. But it is seen as strategically important, particularly as firms seek to diversify exposure away from concentrated dependence on the US–China axis.

India also appears prominently but in a different register. It does not rank at the top of the complexity list, which reflects the relatively lower current exposure of most Australian firms to Indian markets. But it emerges clearly in the opportunity data. This is consistent with a broader structural trend: India's national power is rising faster than any other major economy over the next five years. For Australian firms that can establish early commercial footholds, the long-term returns on relationship investment may be considerable.

The Indo-Pacific, in other words, is not just a diplomatic frame. It is increasingly a commercial one - and the data suggests Australian CEOs are beginning to treat it as such.

Strategic opportunities: where CEOs see the upside

Australian CEOs are not retreating from global exposure. They are rebalancing it and they are clear-eyed about where the opportunities lie. When asked to nominate the top two strategic opportunities for Australian businesses arising from the current geopolitical realignment, their answers are notably concrete.

Table 14: Top two strategic opportunities for Australian businesses (Q6, n=334 selections, up to 2 per respondent)

Strategic Opportunity	Count	% of Selections
Critical minerals demand / energy transition	103	20%
AI and emerging tech tied to Western partnerships	79	15%
ASEAN as growth market amid US-China tension	76	15%
Deepening commercial ties with India	67	13%
Expansion into Pacific markets	52	10%
Increased global demand for Australian agricultural exports	50	10%
Friendshoring / nearshoring supply chain opportunities	21	4%
Defence and dual-use innovation under AUKUS Pillar II	18	4%
Attracting investment from firms leaving China	13	3%
ESG and climate-tech positioning in new trade alliances	15	3%
Other	18	4%

Two structural themes dominate. First, critical minerals. CEOs clearly see Australia's resource base - lithium, rare earths, and other transition inputs - as a strategic asset in an era of supply chain competition and energy transition. This is not a speculative bet. The geopolitical logic is real: Western governments are actively seeking to reduce dependence on Chinese processing of critical inputs. Australia is structurally well-placed to benefit.

Second, technology alignment. AI and emerging technologies tied to Western alliance priorities appear as a clear strategic lane. This reflects a view that geopolitical realignment may channel investment and collaboration toward trusted partners - and that Australia's stable regulatory environment and deep integration with the Five Eyes technology ecosystem positions it well.

Notably, friendshoring and nearshoring are present but not dominant. CEOs do not appear to expect mass manufacturing reshoring to Australia. The opportunity narrative is more selective and capability-driven - resource endowment, technological alignment, and Indo-Pacific proximity. These are genuine structural advantages. The question is whether Australian businesses and Australian policy can move quickly enough to convert them into commercial reality.

Confidence in navigation: the most sobering finding

The most significant finding in this chapter - perhaps in the entire report - concerns confidence in Australia's ability to navigate the return to great power competition while protecting national economic interests.



of CEOs are NOT confident Australia will successfully navigate great power politics

Only 28% are moderately confident. Fewer than 1% are very confident.

Table 15: Confidence in Australia's ability to navigate great power competition (Q5, n=316)

Response	Count	% of Respondents
Not confident	162	51%
Moderately confident	89	28%
Unsure	62	20%
Very confident	3	<1%

More than half of CEOs report that they are not confident Australia will succeed in balancing US–China competition while protecting national economic interests. Fewer than 1% are very confident.

This is one of the most strategically significant results in the survey. It suggests that business leaders are not assuming a steady geopolitical hand at the national level. They appear to be pricing the possibility of policy volatility, strategic constraint, or reactive decision-making in Canberra - and they are calibrating their own strategies accordingly.

At the same time, the opportunity responses show that CEOs are not waiting passively for clarity. They are identifying lanes where Australia can position itself advantageously. The tension is clear: opportunity is visible, but confidence in navigation is limited. That gap is a strategic problem - and it is a problem that both the public and private sectors share responsibility for closing.

“

**Australian CEOs
are not retreating
from global exposure.
They are rebalancing it.**

”



5

THE PROBLEM- SOLUTION GAP

Concern is rising faster
than institutional redesign

THE PROBLEM-SOLUTION GAP

Australian CEOs understand that geopolitics has become structural. Most organisations are still treating it as episodic.

The first half of this report makes one thing clear: Australian CEOs are alert to geopolitical risk. They rank it, quantify it, and assign probabilities to alternative global futures. The April polling shows that concern has accelerated sharply since the Iran war began. The more difficult question is what they have actually done in response.

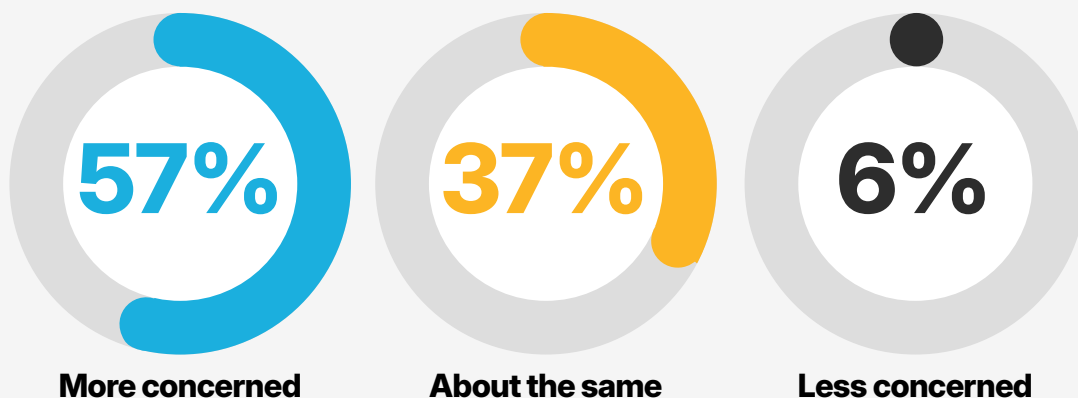
The answer is neither complacency nor structural overhaul. The dominant pattern in the data is postponement. Concern has shifted. Organisations are not keeping pace.

Table 16: Change in concern about geopolitics compared to twelve months ago and six months ago

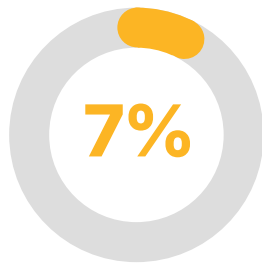
Response	Compared to 6 months ago	Compared to 12 months ago
Much more concerned	78%	25%
Slightly more concerned	22%	31%
About the same	0%	37%
Slightly less concerned	0%	3%
Much less concerned	0%	4%

Note: Six-month results are from the April 2026 Pulse Survey (n=72). Twelve-month results are from the September/October 2025 Pulse Survey (n=346). Percentages may not sum to 100 due to rounding.

A clear majority — 57% — reported being more concerned than they were a year earlier. In the April polling, 100% reported being more concerned than six months earlier, and 78% were much more concerned. This is both a meaningful shift and a sharp acceleration. Geopolitics is not fading into the background. It is rising in salience. The question is whether that rising concern has translated into structural adaptation.



Structural change remains the exception



of firms have made structural changes in response to geopolitical risk

93% have not. Among those who have: cyber resilience leads the change, followed by supply chain restructuring.

Table 17: Has your company made structural changes due to geopolitical risk? (Q7, n=300)

Response	Count	% of Respondents
No	279	93%
Yes	21	7%

Only 7% of firms report having made structural changes. The overwhelming majority have not. The April 2026 polling suggests that this gap has widened: concern has accelerated sharply, but most organisations remain in monitoring mode rather than structural redesign. That does not necessarily imply inaction - many firms have strengthened tactical resilience.

What has actually changed

Among respondents who identified a most significant change made in response to geopolitical uncertainty, the responses cluster heavily around cyber resilience - the one area where geopolitical risk intersects cleanly with an existing governance obligation.

Table 18: Most significant change made in response to geopolitical risk (Q7a, n=276)

Change Area	Count	% of Total Respondents
No changes made	192	70%
Strengthened cyber resilience / crisis response	30	11%
Restructured supply chains (sourcing diversification)	12	4%
Rebalanced market exposure (reduced reliance on China)	9	3%
Shifted capex or M&A strategy due to risk	6	2%
Enhanced government engagement / policy advocacy	3	1%
Created or expanded internal geopolitical capability	3	1%
Other	21	8%

Note: Percentages reflect share of total respondents selecting each as their most significant change.

Cyber uplift is the dominant response. That is not surprising - cyber risk is tangible, board-visible, and justifiable as good governance irrespective of geopolitical outlook. Supply chain restructuring and market rebalancing are present but limited. The least common responses are the ones that would signal genuine institutionalisation of geopolitical capability: internal geopolitical risk capability and deepened government engagement.

This pattern reinforces the emerging theme. CEOs are strengthening defensive resilience at the operational layer. They are less frequently redesigning strategic architecture at the governance layer.



Integration into strategy: the governance heart of the problem

Perhaps the most consequential finding in the survey concerns how integrated geopolitical risk is into strategic decision-making at the board and executive level.

Table 19: Integration of geopolitical risk into strategic planning and board decision-making (Q8, n=297)

Level of Integration	Count	% of Respondents
Not a regular input	162	55%
Ad hoc consideration	77	26%
Core part of strategic planning	36	12%
Don't know	22	7%

Only 12% of firms describe geopolitical risk as a core part of strategic planning. More than half say it is not a regular input at all. The April polling reinforces this disconnect: even as concern has surged, integration into strategy remains limited.

This is the governance heart of the problem-solution gap. CEOs are pricing geopolitical volatility - but most organisations are not treating it as a recurring, structured input into capital allocation, portfolio decisions, or market entry strategy. In practical terms, this means geopolitical risk is often episodic - rising during crises and receding once headlines fade - rather than embedded.

What CEOs say they should do

The scenario planning workshops provided a useful counterpoint. When CEOs were placed in structured environments and asked to select strategies most effective against sustained geopolitical uncertainty, they articulated a coherent resilience posture.

Table 20: All-weather strategic options selected in CEO Scenario Workshops (multi-select, n=11)

Strategy	Frequency (n=11 workshop participants)
Diversify supply chains geographically	55%
Enhance cybersecurity infrastructure	45%
Focus on core competencies	36%
Pursue strategic partnerships / alliances	36%
Build financial reserves	27%
Flexible operational models	27%
Strengthen government / stakeholder relations	27%
Regularly update crisis management plans	27%

Note: Workshop sample is small; interpret as structured executive judgement, not statistical sample.

When asked explicitly what works in uncertain environments, CEOs converged around three themes: supply chain diversification, cyber resilience, and strategic focus and partnerships. The tension is that these responses reflect structured thinking in a workshop context - while the broader survey shows limited structural redesign in practice.

What CEOs say they should monitor

The workshops also asked CEOs to identify early warning signals companies should monitor closely over the next five to ten years.

Table 21: Early warning signals to monitor (CEO Scenario Workshops)

Early Warning Signal	Frequency (n=11)
Rival technology standards (AI, data, payments)	63%
Major sanctions or export controls	63%
Escalating military or cyber conflicts	55%
Global FX or sovereign debt shock	45%
Rise of regional trade blocs	36%

The monitoring agenda is clear and sophisticated. CEOs are not only watching trade policy - but they are also watching standards divergence, sanctions architecture, escalation risk, and financial instability. Yet in the broader survey, geopolitical monitoring is not widely institutionalised as a regular strategic input. This is the gap that most urgently needs to close.

The three-layer gap

The structure of the problem-solution gap

Concern gap:

100% of CEOs are more concerned than six months ago, with 78% much more concerned.

Action gap:

Only 7% have made structural changes in response.

Integration gap:

Only 12% treat geopolitical risk as a core strategic input.

This is not evidence of denial. It is evidence of inertia - and of the structural challenge of responding to persistent friction rather than acute crisis.

Structural redesign is expensive. Supply chain relocation disrupts margins. Market rebalancing alters revenue models. Building internal geopolitical capability requires budget and cultural change. In a world where catastrophe is not priced as the base case, many boards appear to be waiting. The scenario data, however, suggests that waiting may be the riskiest strategy of all.

The environment CEOs are pricing - persistent fragmentation rather than singular shock - is precisely the type of environment that rewards structural preparation. It does not demand dramatic one-off decisions. It demands ongoing capability, regular monitoring, and the organisational agility to respond to incremental shifts before they become costly discontinuities.



6

**FOUR
SCENARIOS FOR
THE FUTURE OF
WORLD ORDER**

**How Australian CEOs
are pricing the next decade.**


FOUR SCENARIOS FOR THE FUTURE OF WORLD ORDER

CEOs are not pricing collapse as the base case. They are pricing friction - and the question is whether their organisations are configured for it.

The scenario planning workshops began with a simple premise: before allocating probability to the future, participants needed to agree on what the future's major uncertainties are.

Two structural questions emerged as the defining axes of uncertainty in the current geopolitical moment. The first concerns the distribution of power: is the world moving toward a multipolar order — with multiple major powers operating in parallel — or toward a bipolar one, in which US–China rivalry gradually pulls other states into one of two competing blocs? The second concerns the character of that order: will major powers seek to manage their competition through rules, institutions, and negotiated frameworks, or will the logic of "might makes right" increasingly prevail, with cooperation giving way to transactional bargaining and zero-sum competition?

These two axes — multipolar versus bipolar; cooperative versus contested — formed the architecture of the exercise. By combining them, participants constructed four plausible alternative futures: distinct worlds with their own internal logic, their own transmission mechanisms, and their own implications for business. To make the scenarios vivid and memorable, each was given a name drawn from popular culture — not as decoration, but as shorthand for a recognisable worldview.

 STAR TREK	Evokes a future of managed cooperation among multiple powers, where institutions adapt and complexity is navigated rather than weaponised.
The Godfather	Describes a multipolar world gone transactional — power is real, rules are negotiable, and relationships are defined by leverage.
Dr. Strangelove	Captures the logic of structured bipolar rivalry: two blocs, clear rules of engagement within each, and a dangerous but predictable standoff between them.
BLADE RUNNER	Is the darkest scenario — a bipolar world in which restraint breaks down and escalation becomes the norm.

Participants were then asked to allocate probability across the four scenarios, as they expected the world to look over the next five to ten years. The results are striking — not because they point decisively in one direction, but precisely because they do not.

Probability was spread relatively evenly across all four worlds, with no single scenario commanding a clear majority. CEOs are genuinely uncertain about both macro questions: they do not know whether the world is heading toward multipolarity or bipolarity, and they do not know whether competition will be managed through rules or through raw power. That uncertainty is itself a finding. It suggests that the range of plausible futures remains genuinely wide — and that firms need strategic postures robust enough to function across multiple scenarios, not just the one they consider most likely.

What follows is a description of each scenario as participants came to understand it, along with its business implications and the probability CEOs ultimately assigned to it.

Table 22: CEO scenario probability allocations (n=20 complete allocations)

Scenario	World Type	Average Probability	Percentage of Respondents Saying Most Likely
The Godfather	Multipolar, hostile/transactional	34%	40%
Star Trek	Multipolar, cooperative	26%	40%
Dr Strangelove	Bipolar, structured rivalry	23%	15%
Blade Runner	Bipolar, hostile escalation	16%	5%

Note: Averages normalised to 100%. 'Most likely' reflects the scenario each participant assigned the highest probability.

Two features of this distribution are most telling.

First, CEOs are not dismissing cooperative multipolarity - Star Trek commands around 26% of probability and is tied as the most frequently nominated 'most likely' outcome. This is not a room that believes the world is inevitably heading toward collapse.

Second, the highest-weighted scenario is fragmented multipolar hostility. CEOs appear to believe that global politics may become less rule-bound and more transactional, with frequent renegotiation and intermittent disruption becoming normal. In short, they are pricing friction.

Scenario 1: The Godfather



Average probability: 34% - the modal scenario

In this scenario, participants were describing a world in which power has fragmented across multiple major states — but without the institutions or shared norms needed to manage that fragmentation constructively. Rather than a new multilateral order, what emerges is a world of deals: transactional diplomacy, renegotiated agreements, and enforcement that depends on leverage rather than rules. No single power dominates. But the absence of dominance produces not cooperation, but chronic instability.

Key business implications:

- Highly unpredictable regulatory environment with frequent contract renegotiation
- Volatile growth, disrupted international trade, and elevated economic nationalism
- High market volatility, increased cost of capital, and reduced investor confidence
- Dominant strategy: operational flexibility, extensive supply chain diversification, crisis management capability

Scenario 2: Star Trek



Average probability: 26%

In this scenario, participants were describing a world that has successfully navigated the transition away from US unipolarity. Power is distributed more broadly — among the US, China, Europe, India, and others — but the major powers retain enough shared interest in stability to maintain functioning institutions and predictable rules. Competition exists, but it is bounded. The world is more complex than the post-Cold War era, but no less navigable.

Key business implications:

- Lower geopolitical risk premiums and more predictable regulatory frameworks
- Stable supply chain diversification opportunities without duplication costs
- Moderate inflation, steady growth, and enhanced investor confidence
- Regional partnerships and selective emerging market expansion as core strategy

Scenario 3: Dr Strangelove



Average probability: 23%

In this scenario, participants were describing a world that has hardened into two distinct blocs — one organised around US leadership, the other around China. Cross-bloc economic activity contracts. Technology standards diverge. Firms face forced alignment decisions. The world is more constrained than today — but within each bloc, the rules are clearer. Rivalry is structural, but managed. The logic is Cold War, not hot war.

Key business implications:

- Forced bloc alignment decisions on technology platforms and supply chains
- Significant trade barriers, tariffs, and higher production costs through duplication
- Fragmentation of global financial systems and reduced cross-border capital flows
- Dominant strategy: build parallel structures, increase compliance capacity, prioritise bloc-aligned markets

Scenario 4: Blade Runner



Average probability: 16% - lowest, but not negligible

In this scenario, participants were describing a world in which bipolar rivalry has escaped institutional constraint. US–China competition intensifies beyond what either side can manage through diplomacy. Sanctions, export controls, and capital restrictions multiply. Crises escalate rather than resolve. The financial system fragments. For business, the consequences are not merely disruptive — they are structurally destabilising.

Key business implications:

- Severe operational disruptions, loss of market access, and supply chain bifurcation
- Collapse of trade mechanisms, widespread resource nationalism, extreme state interventionism
- Extreme market volatility, widespread currency instability, and liquidity crises
- Dominant strategy: consolidate into stable domestic markets, maintain high liquidity buffers, divest from high-risk regions

What the distribution tells us

Three structural insights emerge from how CEOs distribute probability across the four scenarios. Hostility is weighted higher than cooperation. The two hostile scenarios - Godfather and Blade Runner - account for roughly half of total probability mass. CEOs appear to believe geopolitical friction will remain elevated even if catastrophic collapse is avoided.

Fragmentation is seen as more likely than structured bipolarity. Godfather carries more weight than Dr Strangelove. CEOs expect a more complex multipolar environment - with weaker institutions and more transactional bargaining - rather than a stable two-bloc Cold War order. This is an important nuance: it implies that firms should prepare for ongoing negotiation and adaptation rather than the comparative predictability that would come with clearly defined bloc membership.

Catastrophe is possible, but not dominant. Blade Runner sits lowest. Even in a room primed for geopolitical risk, CEOs are not placing the majority of probability on systemic breakdown. Their baseline is persistent disruption rather than acute collapse.

“

Australian CEOs are not preparing for collapse. They are preparing for a world in which friction is the norm rather than the exception.

”

7

**CONCLUSION:
FROM
RECOGNITION
TO READINESS**

**In a world of sustained friction,
preparedness is strategic advantage**

CONCLUSION: FROM RECOGNITION TO READINESS

The gap between awareness and institutional adaptation is the defining challenge for Australian business leadership in 2026.

This report captures a moment in time, but it also captures something deeper: a structural shift in how Australian CEOs understand the operating environment.

Geopolitics is no longer treated as background noise. It is not an occasional crisis variable, nor a matter confined to foreign policy specialists. It appears directly in boardroom risk rankings, in assessments of trade policy exposure, in concern over alliance stability, and in the probability weightings CEOs assign to alternative global futures.

The survey data shows a leadership cohort that is alert, pragmatic, and sober. Global oil and energy price volatility now ranks as the leading immediate geopolitical risk to business. US trade policy volatility still ranks as a major concern, while political instability in major democracies, alliance fracturing, and Middle East instability complete a diversified exposure set. China remains central - complex, indispensable, and strategically sensitive. Southeast Asia and India emerge as diversification lanes. Critical minerals and technology alignment offer real opportunity.

At the same time, confidence in Australia's ability to navigate great power competition is limited. Only a small minority of CEOs express strong confidence in the national balance between strategic alignment and economic protection. The alliance with the United States is valued by many, but not without economic reservations. The mood is not anti-alliance. It is conditional.

The scenario workshops reinforce this picture. CEOs are not pricing collapse as the most likely future. Nor are they pricing a seamless return to cooperative globalisation. The highest-weighted world is one of fragmented multipolar competition — a system defined by sustained friction, more frequent renegotiation, and elevated transaction costs. The Iran war has made that friction real and immediate. That is the world Australian businesses increasingly believe they must operate within.

Yet the report also surfaces a gap. Concern has risen materially over the past year and accelerated sharply over the past six months. More than half of CEOs report being more concerned about geopolitics and trade disruption than twelve months ago — and by April 2026, 100% were more concerned than six months earlier, with 78% much more concerned. But structural adaptation remains limited. Only 7% of firms report having made significant structural changes in response. Geopolitical risk is widely monitored but rarely embedded as a core strategic input.

The central tension

This gap is understandable. Structural change is expensive. Markets remain functional. Catastrophe is not the base case. But the environment CEOs are pricing - persistent fragmentation rather than singular shock - is precisely the type of environment that requires institutional adaptation rather than episodic reaction.

Gradual erosion does not trigger emergency responses. It erodes predictability incrementally - raising the cost of capital, shortening planning horizons, complicating supply chain decisions, and increasing compliance burdens year by year. If a firm's governance framework is configured to respond only to discrete crises, it will be perpetually behind the curve in a world defined by chronic friction.

There is an asymmetry worth naming. The cost of building geopolitical capability, such as scenario planning, supply chain diversification and board-level monitoring, is real but bounded. The cost of being structurally unprepared in a world of persistent friction is harder to cap. It accumulates quietly: in mispriced risk, in delayed investment decisions, in competitive positions eroded before the cause is identified. The leaders who move earliest from recognition to readiness will not eliminate geopolitical risk. But they will reduce surprise.

Questions for CEOs, boards and executive teams

Five questions worth asking this quarter

- Is geopolitical risk a recurring input into capital allocation - or an occasional agenda item?
- Are supply chains diversified by design, or simply by habit and historical accident?
- Is cyber resilience treated as a compliance issue - or as part of geopolitical exposure management?
- Are opportunity bets in critical minerals, AI, and the Indo-Pacific aligned with a coherent view of how global power dynamics are evolving?
- Does the organisation have the monitoring capability to identify early warning signals - rival tech standards, sanctions shifts, financial instability - before disruption becomes loss?

These are not rhetorical questions. They are governance questions — and they deserve serious answers.

From questions to action: a framework for geopolitical readiness

Asking the right questions is the starting point. But the gap this report documents — between rising concern and limited structural adaptation — will not close through better awareness alone. It will close through deliberate process: embedding geopolitical risk into the same governance disciplines that organisations already apply to financial, regulatory, and operational risk.

The following framework offers a practical starting point. It does not require a geopolitical research team or a dedicated intelligence function. It requires structured thinking, the right conversations, and a commitment to treat geopolitical risk as a recurring input rather than an episodic response.

1. Mapping geopolitical exposures

Know your exposure before you manage it.

Most firms do not have a clear map of their geopolitical exposure. They have a general sense of which markets matter and which relationships are sensitive — but they have rarely translated that into a structured picture of where, specifically, geopolitical shifts could affect revenue, costs, supply chains, regulatory standing, or access to capital.

Mapping means making that exposure explicit and concrete:

- **Identify threats:** Identify the specific geopolitical threats that matter to your business — not a generic list of global tensions, but the precise mechanisms (tariff changes, export controls, sanctions, regulatory divergence, market access disruption) that could affect your firm's performance in your specific markets and with your specific counterparties.
- **Transform threats to risks:** Assign probabilities to those risks, drawing on structured methods — scenario planning, expert elicitation, red-teaming — rather than gut feel or headline-following. The scenario workshops that inform this report offer one model for doing this at the executive level.
- **Quantify expected value at risk:** For each identified threat, what is the realistic financial impact under different probability-weighted outcomes? This is not about false precision — it is about ensuring that geopolitical risk is expressed in the same commercial language as other strategic risks, so that boards can make genuinely informed resource allocation decisions.

The output of mapping is not a report. It is a shared, board-level understanding of where the firm is exposed, how exposed it is, and what the commercial stakes are.

2. Monitoring geopolitical developments

Build the signals into the system, not just the schedule

Geopolitical risk is dynamic. A risk that is low-probability today may become high-probability within a quarter. A situation that appears stable may be moving toward inflection. The difference between firms that navigate geopolitical disruption well and those that are caught off-guard is often not intelligence — it is process: whether early warning signals are being tracked systematically, and whether they are reaching decision-makers in time to act.

Monitoring means building that process deliberately:

- **Define watchpoints:** For each identified threat, define the specific watchpoints — observable signals that would indicate the threat is increasing in probability or changing in character. These might include legislative developments, bilateral diplomatic signals, trade flow data, technology standards decisions, or financial market indicators. The workshops in this report identified rival technology standards, major sanctions or export controls, escalating military or cyber activity, sovereign debt stress, and the rise of regional trade blocs as the leading signals worth watching.
- **Establish monitoring systems that span functions:** Geopolitical risk does not arrive through a single channel — it surfaces in procurement conversations, in customer behaviour, in regulatory correspondence, in treasury exposures, and in supply chain performance data. Effective monitoring connects these signals across the organisation rather than leaving them siloed.
- **Ensure monitoring reaches boards and executive teams as a structured input** — not as occasional briefings during crises, but as a recurring, institutionalised element of strategic oversight. This is the governance change that most distinguishes organisations that are structurally prepared from those that are perpetually reactive.

3. Managing geopolitical risk

Match the response to the actual cost of the risk

Awareness and monitoring create the conditions for good decisions. Managing means making them — and making them in proportion to the actual expected cost of the risk, rather than in response to the loudest headline.

Managing geopolitical risk well requires three things:

- **Identify actions that will materially improve the firm's risk position.** Not every geopolitical risk warrants a structural response. Some risks are best managed through insurance, hedging, or contractual protections. Others require supply chain restructuring, market rebalancing, or technology stack decisions. The key is to match the scale and cost of the response to the probability-weighted commercial impact — which is only possible if mapping and monitoring have already done their work.
- **Sequence responses by expected value, not by salience.** The risks that attract the most attention are not always the ones with the greatest expected impact on your business. A structured expected-value framework — even a simple one — ensures that resources go where they will do most good, rather than where the anxiety is highest.
- **Build adaptive capacity alongside specific responses.** In a world of persistent fragmentation, no set of responses will remain sufficient indefinitely. The firms that manage best over time are those that have built the organisational agility to reassess, reprioritise, and redeploy as the geopolitical environment evolves — and that have the governance infrastructure to do so quickly when the situation demands it.

The bottom line

The data in this report shows that Australian CEOs understand the environment they are operating in. They can rank the risks, describe the transmission mechanisms, and distribute probability across alternative futures with sophistication and nuance. What most organisations have not yet done is translate that understanding into systematic process.

Map. Monitor. Manage. These are not novel concepts. They are the disciplines that separate organisations that are genuinely prepared from those that are merely informed. In a world where friction is persistent rather than episodic — where disruption does not announce itself as a crisis but accumulates in the margins — the difference between those two positions is increasingly the difference between strategic advantage and strategic surprise.

Australia's business community has navigated external shocks before. The challenge now is to build the structures that make navigation possible before the next shock arrives — not in response to it.



Australian business had been protected by the waters around us and the distance from Beijing, Washington, London and Moscow. Covid was the first wake-up call. Now geopolitical shocks are hitting our supply lines, input costs, customer confidence and financial markets directly.

Bernie Brooks AM,
Syndicate Chair, The CEO Institute



The hard truth is that the world has changed faster than most organisations have, and leadership has to change with it. Awareness isn't the issue – decision-making and execution haven't kept pace. Embedding geopolitical thinking into strategy is no longer optional. The organisations that do it well will have a genuine competitive advantage over those that don't.

Christine Corbett,
Syndicate Chair, The CEO Institute

8

METHODOLOGY

How this pulse was taken

METHODOLOGY

This report draws on three complementary research streams: a structured member survey, a series of in-person scenario planning workshops, and a live poll of CEOs conducted during an April 2026 briefing on the Iran crisis and its business impacts.

1. The CEO Institute member survey

The primary dataset comes from a structured survey of Australian members of **The CEO Institute**, conducted between September and October 2025. Approximately 351 Australian CEOs and business leaders participated. Respondents span a wide cross-section of industries including financial services, energy and resources, technology, healthcare, professional services, manufacturing, retail, construction, and consumer sectors. Both listed enterprise leaders and privately owned SME and mid-market CEOs are represented.

The survey focused on four core dimensions: risk perception (ranking of the top geopolitical risks to Australian businesses); impact assessment (degree to which specific risks are expected to affect firms); response and governance (whether structural changes have been made and how integrated geopolitical risk is into strategic planning); and opportunity identification (strategic opportunities arising from geopolitical realignment).

Responses were collected digitally and analysed on an unweighted basis. Each respondent counts as one voice. Percentages reflect the share of selections within each question and are rounded for clarity. As with any survey of executive sentiment, results represent perception at a point in time rather than objective exposure metrics.

2. Geopolitical scenario planning workshops

The second research stream was qualitative-quantitative in design, conducted through a series of CEO scenario planning workshops facilitated by **Geopolitical Strategy**. In these sessions, participating CEOs allocated probabilities across four alternative global futures over a five-to-ten year horizon, assessed business and financial market impacts under each scenario, identified early warning signals, and selected all-weather strategic options most effective under sustained geopolitical uncertainty.

Scenario probability allocations were aggregated across respondents, excluding incomplete or materially inconsistent entries. Twenty clean probability allocations were used in the final analysis. Multi-select responses were tallied by frequency of selection. The aim was not statistical modelling, but structured executive judgement.

The four scenarios were deliberately designed to capture structural variation in global order rather than short-term events: Star Trek (multipolar, peaceful, adaptive cooperation); Dr Strangelove (bipolar, structured rivalry); Godfather (multipolar, hostile fragmentation); and Blade Runner (bipolar, hostile escalation). The workshops were not prediction exercises. They were strategic exercises intended to surface how CEOs reason about uncertainty and translate geopolitical shifts into business language.

3. April 2026 live CEO briefing poll

The third research stream consists of polling conducted during a live briefing held with CEO Institute syndicates in April 2026, led by Geopolitical Strategy's Damien Bruckard, on the Iran conflict and its business impacts. Approximately 72 senior business leaders participated. Multi-select responses were tallied by frequency of selection.

4. Interpretation approach

This report combines the breadth of The CEO Institute survey with the depth of the scenario workshops. The survey reveals what leaders rank as their most pressing geopolitical risks and how far organisations have structurally responded. The scenario work reveals how leaders think about the future architecture of the international system and the strategic postures they consider appropriate.

The analysis moves across three levels: perception (what CEOs believe is changing); probability (how they distribute likelihood across alternative futures); and posture (what actions they say are most effective - and whether those actions are already embedded in their organisations).

No statistical weighting has been applied by sector, size, or geography. The findings should be read as directional insight into the thinking of Australian CEOs engaged in peer networks and strategic discussion, rather than as a nationally representative business census.

A note on timing

All data reflects sentiment and judgement collected across two periods: the original CEO Institute member survey, conducted in September and October 2025, and the April 2026 pulse polling conducted during the live briefing. Geopolitical developments are dynamic.

The purpose of this report is not to provide definitive forecasts, but to capture how Australia's business leaders are framing risk and opportunity at this juncture - and to translate that into a set of strategic questions worth answering.



9

ABOUT THE PARTNERS

Two organisations helping CEOs
navigate complexity with clarity

ABOUT THE PARTNERS

Co-published by The CEO Institute and Geopolitical Strategy

The CEO Institute

The CEO Institute is a leading membership organisation dedicated to empowering chief executives and business owners through structured peer learning and strategic support. Founded on the belief that no leader should navigate complexity alone, The Institute brings together CEOs from across Australia, New Zealand, and Asia in facilitated peer groups known as Syndicates.

Members meet monthly in confidential forums to test ideas, challenge assumptions, and gain perspective from fellow leaders facing similar pressures. This peer model is complemented by curated research, executive education, national events, and access to a trusted network of senior decision-makers. Each is facilitated by a world-class Chair.

The Institute's membership spans enterprise and corporate leaders, privately owned SMEs, and high-growth mid-market businesses across sectors including financial services, resources, technology, healthcare, professional services, manufacturing, construction, and consumer industries.

At its core, The CEO Institute exists to help leaders make better decisions in complex environments. In periods of economic uncertainty, competitive intensity, or geopolitical disruption, the value of disciplined peer insight and shared experience becomes even more pronounced. This report reflects that ethos: practical, grounded, and focused on supporting CEOs as they navigate real-world conditions.

www.ceoinstitute.com

Geopolitical Strategy

Geopolitical Strategy is an independent advisory firm that helps business leaders, boards, and institutions understand and manage geopolitical risk. Founded by former diplomats and strategic advisers, the firm translates global political developments into clear commercial implications for companies operating across borders.

The firm's work sits at the intersection of international relations, economics, and business strategy. It provides structured geopolitical risk assessments, scenario planning, executive briefings, and strategic advisory services tailored to specific industries and exposures. Its daily publication, Geopolitical Dispatch is read by over 20,000 business leaders across 194 countries. It delivers concise analysis of global developments through both a geopolitical and business lens - modelled on the US President's Daily Brief, written by former diplomats and ambassadors for decision-makers who need clarity rather than noise.

Geopolitical Strategy's approach is grounded in diplomatic tradecraft, structured forecasting, and a deliberate focus on what actually moves markets and affects commercial performance. Rather than focusing on headlines, it emphasises underlying power dynamics, institutional stability, economic transmission channels, and long-term structural trends. The objective is not to predict events, but to reduce surprise and support informed decision-making in an increasingly fragmented global environment.

Through scenario workshops, board-level briefings, and ongoing advisory relationships, the firm works with organisations to move from reactive commentary to proactive strategy - embedding geopolitical awareness into governance, capital allocation, and market positioning.

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