

Mind the Wisdom Gap: Why AI-Enabled Government Needs Values-Thinking

Executive Summary

Part one of the Mind the Wisdom Gap series examines the human competencies needed to govern consequential decisions in an AI-enabled public sector.

Imagine a government investment committee comparing three options for a new public service. An AI-supported assessment ranks one option highest because it is faster, cheaper and easier to scale. The analysis is persuasive. Yet the preferred option could reduce access for people who need assisted channels, shift pressure onto frontline staff, increase environmental impacts and make adverse decisions harder to challenge.

The technology has not necessarily failed. It has answered the question it was given. The deeper problem is whether decision-makers asked the right question and made the relevant values visible.

This is the emerging wisdom gap in AI-enabled government. Public institutions are rapidly building capability to generate, analyse and summarise information. They also need the capability to judge what ought to be done when legitimate values and interests conflict.

AI can optimise a decision without deciding what matters

AI can identify patterns, forecast demand, compare options and reveal relationships that may be difficult for people to see. Used well, it can expand the evidence available to public servants and improve the speed and consistency of analysis.

It cannot or perhaps I should say 'should not' independently decide how much weight should be placed on efficiency compared with equity, or convenience compared with privacy. It cannot determine whether a short-term saving justifies a long-term social or environmental cost. Nor can it accept moral, legal or democratic accountability for the consequences.

These are normative questions, they assess what is desirable, fair, legitimate and worth protecting. Data can inform answers to these questions, but data does not or should not settle them.

The Australian Government's [Policy for the responsible use of AI in government](#) recognises this governance challenge. Version 2.0 requires designated accountable officials, AI use-case accountability, internal registers, staff training and impact assessments. These measures are important, but their effectiveness still depends on the quality of human judgement exercised within them.

What is values-thinking competency?

Values-thinking is an established competency within sustainability research. It is the demonstrated ability to identify, map, specify, apply, reconcile and negotiate values, principles and goals when evaluating current conditions, future possibilities and proposed interventions.

The influential sustainability competency framework developed by [Wiek, Withycombe and Redman](#) originally described this as normative competence. My research found subsequent work has used the more contemporary term values-thinking competence and positioned it alongside systems-thinking, futures-thinking, strategic, implementation, interpersonal and integration competencies. A

major [systematic review by Redman and Wiek](#) found substantial convergence around this broader competency framework.

Values-thinking is not personal morality dressed up as professional judgement. It does not or again should not mean that the most senior person imposes their values or that a workshop produces a list of agreeable words.

In public-sector governance, it means creating a defensible process through which competing public values become visible, affected interests are considered, assumptions can be challenged and authorised decision-makers remain accountable for the choice made.

ESG provides evidence, not the answer

Environmental, social and governance considerations provide a useful structure for identifying consequences that conventional cost, schedule and scope analysis may overlook. Environmental evidence might include energy, emissions, water, waste or biodiversity impacts. Social evidence may address accessibility, inclusion, workforce effects, community wellbeing or distributional fairness. Governance evidence may concern transparency, privacy, accountability, contestability and institutional trust.

For government, however, ESG should be treated as an evidence lens rather than a complete decision rule. Public decisions also involve statutory obligations, public value, service equity, procedural fairness, democratic legitimacy and responsibilities to future generations.

An ESG dashboard can reveal that one option produces lower emissions while another provides better access to vulnerable communities. It cannot decide which trade-off is legitimate. That requires values-thinking supported by systems and futures thinking, stakeholder engagement and clear governance authority.

AI changes where judgement is exercised

The risk is not only that an AI output may be inaccurate or biased. AI can influence the framing of a problem before a recommendation is produced. It can shape which data is considered, which stakeholders are visible, which options appear feasible and which consequences are treated as material.

This creates a danger of false objectivity. A precisely scored recommendation may appear neutral even when its criteria, weightings and boundaries embody contestable choices. Automation bias can then encourage decision-makers to accept the result because it is coherent, quantified and efficiently produced.

Used differently, AI can strengthen values-thinking. It can help teams identify overlooked stakeholders, generate alternative scenarios, expose assumptions, compare distributional impacts and test how a recommendation changes when different values receive greater weight. The critical distinction is whether AI narrows judgement or helps people exercise it more deliberately.

This is consistent with the [OECD AI Principles](#), which connect trustworthy AI with human rights, democratic values, transparency, explainability, human oversight and accountability. Responsible AI is therefore not only a technical control problem. It is also a professional and institutional competency problem.

A five-question values checkpoint

Public-sector organisations can begin by introducing a short values checkpoint at consequential business-case, prioritisation, procurement, assurance, gate and benefits-realisation decisions.

1. Whose interests and values are represented, and whose are missing?

Identify affected citizens, communities, employees, delivery partners and future users. Consider who supplied the evidence, who was consulted and who may experience consequences without having a voice in the decision.

2. Which public-value and sustainability outcomes are in tension?

Make the trade-offs explicit. Efficiency, equity, resilience, privacy, transparency, environmental responsibility and service quality may all be desirable, but they will not always point to the same option.

3. What assumptions shaped the evidence or AI recommendation?

Examine data sources, exclusions, time horizons, model boundaries, evaluation criteria and weightings. Ask how the recommendation changes when assumptions are varied.

4. Who benefits, who carries the risk and over what timeframe?

A portfolio-level benefit may conceal concentrated costs for a particular community or workforce group. A short-term productivity gain may create long-term dependency, environmental impact or loss of institutional capability.

5. Who is authorised and accountable for the final judgement?

Record who made the decision, the values and evidence considered, the uncertainties accepted, any dissenting advice and the conditions that would trigger review. AI may contribute to the recommendation, but accountability must remain clear and human.

Values-thinking is a governance capability

Values-thinking should not be treated as a heroic attribute of an unusually thoughtful project manager. Consequential decisions are shaped by governance arrangements: who has authority, whose advice is required, what evidence counts, how disagreement is escalated and whether benefits and impacts are revisited after implementation.

This makes values-thinking a collective capability. Sponsors, portfolio committees, policy owners, project teams, assurance functions, procurement specialists, data professionals and affected stakeholders each contribute different knowledge and legitimate perspectives. The governance system must enable those perspectives to be heard and reconciled without obscuring who ultimately decides.

The practical opportunity is to embed values-thinking into existing decision processes rather than create another layer of compliance. Business cases can state material value tensions. Investment committees can test assumptions and distributional impacts. Procurement evaluations can consider environmental and social consequences alongside cost and capability. Assurance reviews can examine whether dissent and uncertainty have been represented honestly. Benefits reviews can ask whether the intended public value was actually realised.

Mind the wisdom gap

The public sector should embrace AI's capacity to improve analysis and service delivery. But faster analysis will not compensate for poorly framed questions, hidden trade-offs or ambiguous accountability.

The defining capability will not be the ability to obtain an impressive answer from an AI system. It will be the ability to interrogate that answer, understand the values embedded within it and make a legitimate decision when reasonable people could choose differently.

AI can help us see more possibilities. Values-thinking helps us decide which future is worth pursuing.

References

- **Australian Government Digital Transformation Agency.** [Policy for the responsible use of AI in government](#)
- **Wiek, Withycombe and Redman.** [Key competencies in sustainability: a reference framework for academic program development](#)
- **Redman and Wiek.** [Competencies for advancing transformations towards sustainability](#)
- **OECD.** [OECD AI Principles](#)
- **Public Sector Network.** [Publishing to Public Sector Network Insights](#)