



# DESIGNED WITH, NOT FOR: CO-CREATION, TRUST, AND HUMAN- CENTRED TRANSFORMATION

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## IN BRIEF

The Research Council convened a roundtable on co-creation as a practical pathway to digital transformation, with a focus on the capabilities required to move from “admiring the problem” to delivering services that are intuitive, resilient and equitable. Participants argued that co-creation is not a design workshop at the start of a project, but an end-to-end discipline that begins before funding is secured and continues through implementation and post-launch adaptation.

A central insight was that many transformation failures are not “technology problems”, but misdiagnosed problems. Teams procure tools in isolation from frontline workflows, policy settings, and citizen realities, then try to fix adoption after the fact. Participants highlighted that rapid, early iteration can reduce downstream rework, citing usability approaches where testing with as few as five participants can surface roughly 80% of issues, with around 15 participants capturing closer to 95%.

Discussion also surfaced a structural tension: iterative delivery and learning cycles rarely align with public finance, procurement and governance models that assume fixed scope, linear phases, and compliance-heavy oversight. To address this gap, participants prioritised internal capability in service design, business analysis, architecture, commercial acumen, and knowledge management, alongside practical partnership models with universities and industry to undertake low-risk pre-work, workforce pipelines, and ongoing “learning programs” rather than one-off projects.

By **Patrick Joy** | Head of Research & Analysis | [Public Sector Network](#)



## KEY THEMES AND INSIGHTS

### CO-CREATION IS A LIFECYCLE, NOT A WORKSHOP

Participants consistently framed co-creation as a joint endeavour that starts “pre-beginning” and continues well after go-live. In practice, this means stakeholders are involved in problem definition, solution shaping, implementation, and the lived reality of operating the change. Several noted that co-design is often treated as a box-ticking precursor to procurement, then abandoned once delivery timelines bite. Building on this, the group emphasised iterative, end-to-end design that anticipates post-launch “mopping up” as normal, not as a failure. This reframes budget, resourcing and governance assumptions: transformation is closer to product stewardship than a one-off build.

### THE PROBLEM IS OFTEN NOT TECHNOLOGY, AND SOMETIMES TECHNOLOGY MAKES IT WORSE

A recurring critique was “solutioneering”, where organisations implement a tool without clearly defining the problem it is meant to solve. Participants gave examples of systems introduced in response to a narrow incident, only to create broader friction across teams and services. Similarly, many noted a default bias toward apps or AI, even when connectivity, user context, or workforce realities make that approach unsuitable. One participant described reviewing proposals where every solution was an app, despite target communities having limited access to devices or telecommunications. Others noted that non-tech solutions, such as community-designed emergency coordination methods, can outperform sophisticated digital approaches when infrastructure is constrained.

### HUMAN-CENTRED MEANS CITIZENS AND WORKERS, AND THE TRADE-OFFS MUST BE EXPLICIT

Participants argued for a more holistic definition of “human-centred”, encompassing citizens as well as staff at all levels, particularly frontline workers who understand needs and failure points.

Several emphasised that transformation ripples across roles that may not see themselves as “technology users”, yet experience major changes in workflows, autonomy and accountability. This matters more as automation increases. The group raised worker autonomy, privacy, and surveillance concerns, particularly where monitoring becomes possible “at the click of a button”. Participants also highlighted an emerging question: how should “experience design” evolve when AI agents undertake work previously performed by humans, and where accountability and trust sit in high-risk domains such as health, safety and regulation.

### DATA AND KNOWLEDGE READINESS ARE THE REAL GATING FACTORS FOR AI AND AGENTS

Rather than starting with an “AI project”, participants advocated starting with the service problem and allowing AI to be one element of the solution where appropriate. Even then, AI success was linked to foundational knowledge management: establishing a reliable, current knowledge base, separating authoritative standards from obsolete versions, and capturing tacit expertise that experienced staff may not articulate. Several suggested that the “AI boom” is forcing organisations back to basics, including data models, governance and information architecture. The implication is that AI capability is inseparable from information management capability.

### REVEALED VERSUS STATED NEEDS: DESIGN MUST MOVE FROM TALK TO OBSERVATION

Participants noted that what people say they want, what designers assume they need, and what users actually do can diverge sharply. Examples included stated intention versus actual adoption patterns, and the way observational methods uncovered accessibility issues that traditional consultation would miss. Participants emphasised ethnographic and “walkthrough” methods that place designers in real contexts, so needs and constraints surface through behaviour, environment, and workarounds. This was positioned as a practical antidote to solution design that is driven by vendor promises or abstract requirements.

## CHALLENGES AND BARRIERS

### WATERFALL FUNDING AND OVERSIGHT VERSUS ITERATIVE REALITY

Participants described a persistent mismatch between how transformation must be delivered and how it is funded and governed. Budget models were characterised as linear, with a build phase and a run phase, and limited allowance for iteration once delivery begins. Oversight structures often hold teams to assumptions made in business cases written years earlier, even when technology, user expectations, and operating contexts have changed. This encourages “fictional certainty”, where teams overstate how predictable delivery will be to secure funding, then struggle when reality forces change.

### PROCUREMENT PROCESSES THAT CONSTRAIN DISCOVERY

Several participants argued that procurement can stifle innovation when it requires fixed scope upfront, treats transformation like infrastructure delivery, and discourages non-conforming bids. A related barrier was the practical sequencing problem: organisations cannot spend time on deep discovery without funding, yet cannot secure funding without defined requirements. Some participants described working around this through smaller discovery “chunks”, headroom built into scopes, or exception pathways, but noted that these approaches depend heavily on internal commercial capability and empowered decision-makers.

### CAPABILITY AND CAPACITY GAPS INSIDE AGENCIES

The group repeatedly returned to capability. Barriers included limited access to service design expertise, business analysis to translate needs into requirements, and technical architecture capability to make sound choices early. Participants also described constraints in legal and commercial support, where even when expertise exists, capacity is insufficient. The net effect is delays, poorly framed tenders, and delivery that over-invests in build while under-investing in design, adoption and change.

## FUTURE FOCUS AREAS

### BUILDING A PRACTICAL CO-CREATION PLAYBOOK FOR GOVERNMENT CONSTRAINTS

A future roundtable could focus on “co-creation under real-world constraints”, translating participatory methods into repeatable practices that work within public finance, procurement and oversight. This includes rapid discovery techniques, lightweight prototyping, and staged decision points that preserve learning while satisfying accountability requirements.

### DATA, KNOWLEDGE AND TRUST READINESS FOR AI AND AGENTS

Participants signalled a need for capability uplift that treats AI readiness as information readiness. Topics could include: knowledge base hygiene, version control for standards and policies, retrieval and grounding practices, and governance models for AI agents in regulated environments. A strong emphasis should be placed on trust, explainability, and human accountability in high-risk settings.

### COMMERCIAL AND ARCHITECTURE CAPABILITY AS CORE PUBLIC SECTOR COMPETENCIES

The discussion suggested that agencies need internal capability to frame outcomes, shape markets, and negotiate delivery models that allow iteration without losing control. Future sessions could explore building commercial acumen, enterprise architecture ownership, and vendor management approaches that avoid locking agencies into tools that reshape workflows for the vendor’s convenience.

### LEADERSHIP LEARNING PROGRAMS FOR TECHNOLOGICAL DECISION-MAKING

Participants highlighted leadership discomfort and misalignment as a blocker to change. A future focus area could explore diagnostic approaches that help leaders “unlearn and relearn”, building shared understanding of risk, opportunity, and accountability for automation. This could include cultural diagnostics, decision simulations, and leadership capability pathways that normalise uncertainty and learning.

# INNOVATIVE IDEAS AND CASE STUDIES

## 1. INSTRUMENTED PUBLIC SPACES THAT LEARN BEFORE THEY SCALE

Participants described a local government approach to upgrading public parks by installing a small number of assets first and using observed usage data to guide future investment. The insight was not the sensors or booking tools themselves, but the shift in mindset: start with a hypothesis, observe real behaviour, then scale what works. This model helps avoid overbuilding based on assumptions and provides an evidence base for future funding decisions.

## 2. ACCESSIBILITY-LED DESIGN THROUGH OBSERVATION, NOT CONSULTATION

An ethnographic study involving people with multiple disabilities (including non-visual, non-auditory and non-verbal interaction) provided design insights that engineers could not have anticipated. For example, the physical geometry of street furniture created hazards for cane users because legs positioned centrally could be missed by a sweeping cane motion. The lesson was that true inclusion requires designing with lived experience present and observable, not inferred through generic “user personas”.

## 3. RAPID USABILITY TESTING AS A BUDGET-FRIENDLY RISK CONTROL

Participants referenced practical usability methods where small-scale testing early in design can surface most critical issues. Testing with around five participants was described as sufficient to uncover the majority of usability problems, with approximately 15 participants pushing towards near-comprehensive coverage. Treated as risk control rather than “nice to have”, this approach offers a pragmatic bridge between agile delivery and budget realities.

## 4. AI READINESS THROUGH KNOWLEDGE BASE CONSOLIDATION

A regulator-style use case was described where organisations are exploring AI agents to support technical advice at scale. Rather than starting with the agent, teams are first consolidating their knowledge base, separating authoritative standards from obsolete information, and improving retrieval quality. Participants positioned this as a practical pattern: AI adoption that begins with information governance, not vendor selection.

## 5. NON-TECH EMERGENCY RESILIENCE AS A DESIGN EXEMPLAR

Participants cited community-designed emergency coordination approaches that work even when systems fail, including local networks, meeting points, and roles during disasters. The innovative idea here is not “reject technology”, but design resilience by combining digital and non-digital pathways, so services function under degraded conditions.



# STRATEGIC OUTCOMES AND RECOMMENDATIONS

## IMMEDIATE ACTIONS

- **Establish a “problem definition” gate before procurement:** create a short, mandatory step that clarifies the problem, affected user groups, non-tech options, and likely ripple effects across policy, governance and workflows. This should occur before solution design and before vendor conversations harden assumptions.
- **Adopt small-sample usability and walkthrough testing as standard:** treat early testing with small participant cohorts as a default risk control, not an optional extra. Build this into project plans as a time-boxed activity that informs requirements and reduces late-stage rework.
- **Start AI initiatives with knowledge hygiene:** prioritise consolidating authoritative sources, version control, and clear ownership for standards and guidance. Where tacit expertise is critical, run structured capture activities (for example, scenario walkthroughs and “how I decide” interviews) so nuance is not lost.
- **Map capability gaps explicitly:** produce a simple capability map covering service design, business analysis, architecture, legal/commercial support, change management, and data governance. Distinguish capability from capacity so leaders can act on the right problem.

## MEDIUM-TERM GOALS

- **Create a repeatable co-creation operating model:** establish a lightweight, repeatable practice that includes stakeholder engagement, iteration cycles, and post-launch improvement funding. The aim is to move from project thinking to product stewardship where appropriate.
- **Build internal commercial and architecture capability:** prioritise internal ownership of enterprise architecture and commercial framing, supported by external expertise for delivery peaks. Participants suggested that outsourcing strategic architecture creates long-term dependence and weakens governance.
- **Reframe procurement for innovation contexts:** Develop procurement patterns that support discovery, such as staged scopes, milestone releases, and outcome-based contracting, while maintaining probity. Where panels exist, ensure they accommodate non-platform capability, including research and design support.

## LONG-TERM VISION

- **Shift accountability from fixed scope to measurable outcomes:** evolve governance so programs can adapt to changing contexts while remaining accountable for outcomes. This reduces incentives for “fictional certainty” in business cases and supports responsible iteration.
- **Establish structured university-government pipelines:** implement common arrangements for internships, work-integrated learning, and research partnerships that can undertake low-risk pre-work, strengthen workforce attraction, and support reverse mentoring. This also creates a practical bridge between emerging research and operational delivery.
- **Design for resilience by default:** ensure every critical service has digital and non-digital pathways, with clear degraded-mode operations for disasters and outages. This aligns technology adoption with real community conditions rather than ideal connectivity assumptions.

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We've been able to engineer a new program antithetical to the classical red tape, administration, and risk-aversion that impedes innovation.

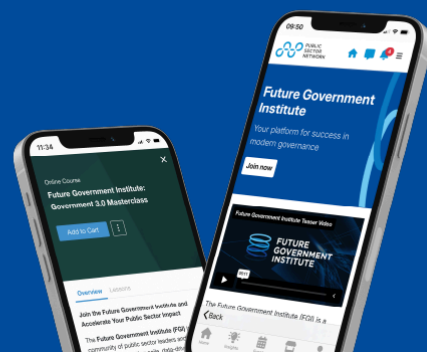
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Our mission is to empower government professionals with the tools, insights, and networks needed to drive meaningful transformation - <https://publicsectornetwork.com/future-government-institute/>

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PSN's growing community spans across federal, state, and local government departments, healthcare, and education, allowing members to share information, access the latest in government innovation, and engage with other like-minded individuals on a secure and closed-door network.

### AUSTRALIA / NEW ZEALAND

P +61 2 9057 9070

E [INFO@PUBLICSECTORNETWORK.COM.AU](mailto:INFO@PUBLICSECTORNETWORK.COM.AU)

### USA

P +1 (647) 969 4509

E [HELLO@PUBLICSECTORNETWORK.COM](mailto:HELLO@PUBLICSECTORNETWORK.COM)

### CANADA

P +1 (647) 459 8904

E [CONTACT@PUBLICSECTORNETWORK.CO](mailto:CONTACT@PUBLICSECTORNETWORK.CO)

### Public Sector Network (Australia) Pty Ltd

ABN - 46 617 870 872 20-40

Meagher Street, Chippendale, Sydney NSW  
2008, Australia