

EXECUTIVE BRIEFING

What Government Really Wants From AI Vendors

A practical briefing on AI adoption, procurement, trust, data foundations and industry engagement across ANZ government.

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Executive summary

Artificial intelligence is now part of almost every public sector technology conversation. But across recent government briefings in New South Wales, Queensland and Western Australia, one message was consistent: government is not looking for AI theatre. It is looking for practical help.

AI can improve service delivery, reduce manual work, support compliance, improve reporting and help public servants make better use of information. But successful adoption depends on more than the technology itself. Government leaders are focused on data quality, infrastructure, cyber resilience, privacy, assurance, procurement, staff capability and whole-of-government architecture. They want vendors who can work within these settings, not around them.

“Engaging on AI is not different to engaging on any other digital solution. Just continue to do it as you have been and through those channels.”

DANIEL ROELINK — NSW OFFICE FOR AI

The strongest AI partners will be those who understand government procurement channels, align with state and agency strategies, focus on practical use cases, strengthen data and digital foundations, support staff capability, fit into existing platforms and identity systems, bring evidence from other jurisdictions, and work constructively before, during and after procurement.

Open to AI

High appetite — but buyers expect discipline.

Readiness uneven

Pilots need help becoming safe production.

Evidence wins

Reusable proof beats vendor claims.

Fit matters

Work within existing systems.

01 AI has moved from interest to implementation

AI is no longer a side conversation. It now sits inside service delivery, workforce productivity, reporting, compliance, policy and digital transformation. But government is not rushing blindly — buyers are asking harder questions about the problem, the data, the risk, the architecture, staff use and citizen outcomes.

What the ANZ event data says

EVENT / MARKET	SIGNAL	WHAT IT MEANS
GIW Aotearoa 2026	39% saw the greatest AI value in productivity and cost reduction.	Government is looking for practical operational gains.
GIW Aotearoa 2026	53% were early stage, with pilots and limited controls.	The market needs help moving from pilots to safe production.
GIW Aotearoa 2026	31% wanted peer use cases and implementation patterns.	Government wants reusable proof, not vendor claims.
GIW Queensland 2025	94.6% said AI could improve workforce or service delivery.	Even council markets now see AI as practical.
GIW NSW 2025	DLD audience: 57% decision makers and 36% influencers.	Senior buyers are in the AI conversation.

Government should not measure AI adoption by how many tools it deploys. It should measure whether services improve, staff are supported, risks are managed and public trust is protected.

02 Government wants outcomes, not AI theatre

The strongest AI conversations start with the problem, not the product. Government wants to know what service problem is being solved, what data is used, how outputs are checked, how privacy is protected, how the solution fits existing platforms and how success will be measured.

“Without that infrastructure in place, without sound governance of data, you’ll get nothing.”

MARCO FAHMI — QUEENSLAND GOVERNMENT AI UNIT

Practical use cases government is likely to value

Service delivery

Customer service support, call centre uplift, case management and easier citizen access.

Internal operations

Document summarisation, knowledge search, reporting, compliance and workflow automation.

Risk & assurance

Fraud detection, better data sharing, safer decisions and clearer governance evidence.

03 The foundation layer is where AI value starts

The most important AI work may not start with the model. It may start with the basics: trusted data, secure infrastructure, clear governance, cyber resilience, privacy controls, procurement clarity, identity standards, staff training, assurance processes and reusable digital platforms.

49%

of Aotearoa respondents described AI capability as emerging.

23%

said they had **not started** — many still need the basics.

1%

reported mature, **embedded** capability.

“AI won’t replace an educator, but an educator using AI will then augment the profession.”

DAN HUGHES — DEPARTMENT FOR EDUCATION, SOUTH AUSTRALIA

This is not a reason to slow down. It is a reason to build properly.

04 AI does not create a procurement shortcut

In New South Wales, the Office for AI was clear. It is not a buying office. Vendors should use normal procurement channels, including Buy NSW, and work through agency relationships. That protects fairness, transparency and public value.

“Office for AI that I run — we don’t advocate, sell, pitch, buy products and services.”

DANIEL ROELINK — NSW OFFICE FOR AI

A good solution pitched at the wrong time, to the wrong person, through the wrong channel, will usually go nowhere.

05 Reuse matters more than duplication

Government does not need more disconnected platforms. Western Australia gave a practical example: where a solution needs a citizen interface, vendors should default to existing digital identity and authentication services rather than creating new login systems.

“Solutions requiring a citizen interface should default to the existing digital identity exchange and digital identity.”

JONAS PETERSEN — OFFICE OF DIGITAL GOVERNMENT, WA

What vendors should ask before proposing

- What platforms already exist?
- What standards need to be followed?
- What identity, data and security models are already in place?
- Can this be reused by other agencies?
- How does this reduce complexity for government?

06 Staff capability will decide how much value AI creates

Technology alone will not carry AI adoption. Many AI users in government are not data scientists or software engineers. They are policy officers, case workers, customer service staff, finance teams, compliance officers, analysts and managers.

31%

named **shared peer use cases and implementation patterns** as their top support need.

25%

named **training and capability uplift** — the second priority.

GIW Aotearoa 2026 Leadership Showcase — top support needs for responsible AI innovation.

07 Industry engagement needs to mature

The relationship between government and vendors should not be reduced to a sales pitch. Western Australia pointed to a better model: earlier market feedback, better design processes, pilots and staged funding before full investment.

“Government-to-industry collaboration needs to mature. I would like more collaborative forms of interaction.”

JONAS PETERSEN — OFFICE OF DIGITAL GOVERNMENT, WA

08 What government should ask vendors

Useful questions separate serious partners from generic AI sellers.

- What specific problem does this solve?
- Where has this worked before?
- What data does it need?
- How is privacy protected?
- How are outputs checked?
- What risks does it introduce?
- How does it fit with existing architecture?
- Does it reuse shared platforms?
- What staff capability is required?
- How will success be measured?

09 What vendors should take from this

For vendors, the message is simple: do not sell AI — solve a government problem. Use the right procurement channels, understand the strategy before pitching, explain data and governance clearly, fit into existing architecture, support staff adoption and bring evidence, not hype.

“A good AI proposal should answer five questions: What problem does it solve? What data does it need? How is risk managed? How does it fit existing systems? How will success be measured?”

THE PSN VENDOR TEST

Conclusion: the real opportunity

AI will change government, but not because of hype. It will change government when it improves services, reduces manual work, supports public servants and helps agencies make better decisions.

The real opportunity is not to make government look innovative. It is to make government work better. That is the standard government should demand. It is also the standard vendors should meet.

Source notes

- NSW vendor webinar — Making AI Work in Government
- QLD vendor webinar — Digital and AI in the Sunshine State
- WA vendor webinar — Digital and AI in WA
- GIW Aotearoa 2026 audience intelligence
- GIW Queensland 2025 post-event record
- GIW NSW 2025 audience intelligence
- GIW South Australia 2026 post-event record

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