

Responsible AI in local government starts with information governance

By Brandon Voight

AI can help local government analyse infrastructure, respond to residents, manage planning information, and reduce repetitive administration. But as councils operate closest to communities, failures involving privacy, bias, opacity, or inaccurate information can quickly undermine trust.

The new “Responsible Artificial Intelligence in Local Government” study makes the point clearly: successful adoption depends not only on technology, but on governance, organisational readiness, and public trust. Its framework brings together technology, policy and community across the AI lifecycle, from design and procurement to monitoring and retirement. The study also reports that 63.6% of surveyed local governments lacked their own AI policy, while 27.3% reported receiving no AI training. These findings should be interpreted carefully because the cross-local-government survey covered 11 organisations across five countries, but the direction is important.

For Australian councils, responsible AI cannot be treated as a standalone technology policy. Existing obligations still apply. Depending on jurisdiction and the use case, these may include privacy, records, access-to-information, anti-discrimination, procurement and cybersecurity requirements. In NSW, councils are public offices under the State Records Act 1998. State Records NSW says records created through government business remain State records whether produced by a person, computer or AI, and must be accurate, complete, secure and lawfully disposed of.

The Privacy Act 1988 will apply where a council or activity falls within its coverage. State and territory privacy regimes may also apply. The OAIC advises that privacy obligations attach to personal information entered into AI systems and to AI outputs containing personal information. This means privacy, records and data governance must be designed into the use case, not added after deployment.

Australia's AI Ethics Principles provide a useful national compass: wellbeing, human-centred values, fairness, privacy and security, reliability, transparency, contestability and accountability. Commonwealth and state policies are also valuable reference models, even where they do not formally bind councils. The Australian Government's AI policy requires accountable officials, transparency statements, use-case registers, training and impact assessment. The NSW AI Operational Policy expressly excludes

local government from its mandatory scope, but its risk-based approach offers a practical benchmark.

Councils should begin with five disciplines: maintain an AI use-case register; assign a named accountable owner; assess privacy, records, security, bias and community impacts; require human review for consequential decisions; and preserve evidence of inputs, outputs, approvals, model changes and outcomes. Procurement must also secure audit rights, data ownership, explainability, breach notification, and an exit path.

The central lesson is simple: good AI depends on good information. If a council cannot establish the authority, quality, lineage, sensitivity and retention requirements of the information feeding a system, it cannot confidently explain or defend the outcome. Responsible AI is therefore not a brake on innovation. It is the operating model that allows councils to innovate with legitimacy, accountability, and lasting public value.

Reference notes

- Responsible Artificial Intelligence in Local Government, Queensland University of Technology, 2026.
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<https://www.oaic.gov.au/privacy/privacy-guidance-for-organisations-and-government-agencies/guidance-on-privacy-and-the-use-of-commercially-available-ai-products>
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