Procurement Guidelines for Statutory Planning AI Technologies

October 2025

MUNICIPAL ASSOCIATION OF VICTORIA

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GREATER DANDENONG
City of Opportunity

Contents

1. Introduction

AI-powered solutions in statutory planning have the potential to significantly streamline council processes, enhance service delivery for residents, developers, consultants, and other users, and contribute to addressing broader challenges such as the housing crisis in Victoria. These technologies can assist with application processing, permit decision support, customer service, data management, and compliance monitoring.

However, procuring and deploying AI for statutory planning requires specific considerations beyond traditional IT procurement. AI tools interact directly with complex datasets, support critical regulatory functions, and impact a diverse range of stakeholders. As such, councils must ensure that AI systems are procured, managed, and governed in ways that uphold planning integrity, protect rights, foster community trust, and deliver public value.

These guidelines provide councils with a structured, practical approach to procuring AI-enabled technologies for statutory planning. They align with the **Victorian Local Government Best Practice Procurement Guidelines 2024**, the **Australian AI Voluntary Standard**, and broader expectations of ethical, safe, and responsible AI use in the public sector.

1.1 How to use these guidelines

These guidelines have been developed based on extensive consultation with Victorian councils operating at different levels of digital maturity and AI readiness. They are designed to be flexible and adaptable to local contexts, while embedding strong foundations for ethics, legal compliance, risk management, and strategic benefit.

1.2 Purpose and scope

These guidelines are intended to complement, not replace, councils' existing procurement policies and procedures. They offer specialised guidance for the unique challenges of AI technologies in planning contexts, while recognising that each council:

- Has established procurement practices and governance structures
- Operates at different levels of digital and AI maturity
- Has varying resources, capabilities, and risk appetites
- Faces distinct local planning challenges and priorities

The recommendations presented should be adapted to your council's specific context. While the document uses directive language in some areas, particularly for critical aspects like ethics and compliance, councils should exercise their judgment in determining which elements to prioritise and how to implement them within their existing frameworks.

These guidelines are not prescriptive mandates but rather a flexible framework designed to support informed decision-making for procurement specialists. MAV strongly recommends that councils consider all elements in these guidelines, while acknowledging that implementation approaches will necessarily vary.

Within this document, councils will find:

- **Core principles for AI procurement**: Setting the ethical, legal and operational foundations for responsible AI adoption.
- **Detailed guidance across the procurement lifecycle**: Including pre-procurement scoping, vendor selection, contracting, integration, and post-deployment review.
- **Governance and risk management measures**: Outlining how councils can build oversight structures, manage legal obligations, and continuously improve AI use.

- **Data governance and interoperability expectations**: Ensuring councils manage data securely, prevent silos, and respect cultural data sovereignty.

- **Implementation support tips**: Including advice on managing change, communicating with the public, and building organisational capability.

- **AI in Planning Use case library**: In the Appendix of the Guidelines, this library provides practical examples of appropriate AI applications across the statutory planning process as well as highlighting areas where AI should not be used.

- **The guidelines are designed to be flexible while maintaining robust governance**. Councils should adapt the recommendations to their specific context while ensuring core principles around ethics, legal compliance, and risk management are preserved.

2. Principles for AI procurement in statutory planning

Procuring AI technologies for statutory planning introduces specific ethical, legal, and operational challenges. This section outlines the core principles that councils should mbed across all procurement activities to ensure AI systems are safe, transparent, legally compliant, and aligned with public sector values.

2.1Key considerations

When procuring AI systems for statutory planning, councils should apply the following additional considerations alongside best practice procurement fundamentals. These considerations are expanded on in the following sections of the Guidelines.

AI safety and ethics

AI systems should align with community values, protect individual rights, and mitigate harm. Procurement processes should include an ethical impact assessment to identify and mitigate unintended negative outcomes, particularly concerning vulnerable communities.

Human oversight and accountability

AI must augment, not replace human decision-making in critical statutory planning functions. Councils must require human review mechanisms to ensure AI-driven recommendations and outputs are appropriate and accountable. Councils remain the responsible authority for all planning processes and outputs, being accountable for the administration and enforcement of the planning scheme under legislation. Council will owe a duty of care in the exercise of these statutory functions even with AI support tools.

Transparency & explainability

AI systems must provide clear, auditable, and understandable outputs, particularly in permit assessments, objections and land use decisions. Vendors should disclose where AI is applied within their software and provide explanation mechanisms for AI-generated recommendations.

Conflict of interest

Councils must proactively manage and disclose any actual or perceived conflicts of interest associated with AI systems in statutory planning. This obligation applies to all participants — including council planners and officers, vendors, consultants, applicants, and users interacting with the AI-supported processes. Procurement and deployment processes must require vendors to declare any conflicts during tendering, and councils must establish protocols for identifying, managing, and recording conflicts throughout the AI system lifecycle.

Risk management & compliance

AI must comply with privacy laws, human rights legislation, planning regulations, and record-keeping requirements. Vendors should provide pre-deployment risk assessments covering Australia's Eight AI Ethics Principles, risk mitigations for unintended consequences, and compliance with all applicable laws and regulations. (See Section 3.1.)

Security and resilience

AI systems must integrate robust cybersecurity measures and be resilient against adversarial attacks, with a recommendation to align with both ISO/IEC 42001, NIST AI RMF framework or similar. Procurement must include evaluation criteria to assess the AI system's security posture and its ability to withstand malicious activities.

Continuous improvement

Councils must ensure AI procurement and deployment include mechanisms for ongoing review, monitoring, and enhancement. This aligns with ISO/IEC 42001, which advocates for the continual improvement of AI systems and associated processes. Vendors must provide periodic system performance reviews, stakeholder feedback mechanisms, and compliance updates that the council determines are necessary.

3. AI safety and ethics in statutory planning

AI systems deployed in statutory planning must be designed and operated according to ethical principles that protect community interests, ensure fair outcomes, and maintain public trust. Councils should embed these ethical considerations throughout the procurement lifecycle, not merely as a compliance checkbox. Australia's AI Ethics Principles provide a foundation for responsible AI use in government. Councils should develop their own questions to assess vendor alignment with these principles, tailored to their specific planning use cases to understand, assess and manage the ethical impact of the use of AI in planning.

3.1Practical ethics impact assessment

Councils should:

- **Conduct a planning-specific ethical impact assessment**:
  Document intended benefits and potential risks
  Identify stakeholders who may be affected (residents, developers, planners, community groups)
  Assess alignment with council values and planning objectives
  Evaluate potential impacts on vulnerable or underrepresented groups, including using the Australia's AI Ethics Principles to prompt or discover potential impacts for all stakeholders.
- **Establish minimum ethical requirements**:
  Define "no-go" areas where AI should not make recommendations without human review
  Identify high-risk planning decision types requiring enhanced scrutiny and monitoring

3.2 Assessing impact with Australia's AI Ethics Principles

For each of Australia's eight AI Ethics Principles, councils should develop specific questions tailored to statutory planning contexts to understand, discover and manage the ethical impacts of using AI in planning. For example:

Human, social, and environmental wellbeing:
"How might the AI systems account for community amenity and neighbourhood character in planning recommendations?"
"How might AI systems incorporate environmental considerations in planning assessments?"

Human-centred values:
"How might AI systems balance efficiency with procedural fairness for planning applicants and objectors?"
"How are community values and local context incorporated into AI-generated analysis or recommendations?"

Fairness:
"How might AI systems favour certain types of developments or communities?"
"What testing should be done to prevent bias against applications from disadvantaged areas?"

Privacy protection and security:
"How is sensitive planning application data protected throughout the assessment process?"
"What controls exist to prevent unauthorised access to planning information and citizen data?"

Reliability and safety:
"How might the AI system handle incomplete or ambiguous planning information?"
"What safeguards would prevent incorrect recommendations that could lead to inappropriate developments?"

Transparency and explainability:
"How might the AI systems explain planning recommendations to council staff?"
"Can the AI systems provide different levels of explanation for different stakeholders (planners, applicants, objectors)?"

Contestability:
"What mechanisms might allow planners to challenge or override system recommendations?"
"How can applicants or objectors contest AI-supported decisions?"

Accountability:
"Who bears responsibility when an AI system recommendation leads to planning errors?"
"How might AI systems' performance be monitored against planning scheme objectives or other council policies for community wellbeing?"

3.3 Starting with manageable ethics practices

For councils with lower AI maturity, consider start with these foundational practices for AI safety and ethics:

1. **Simplified ethics checklist**:
   Develop a basic ethics checklist aligned with Australia's AI Ethics Principles
   Focus initial efforts on transparency, fairness, and human oversight
   Gradually expand ethics practices as capability develops
2. **Collaborative ethics assessment**:
   Partner with neighbouring councils to share ethics assessment resources
   Develop common ethics questions for vendor evaluation
   Establish regional knowledge-sharing on ethical AI implementation
3. **Third-party expertise**:
   Consider engaging ethics expertise for high-impact AI procurement
   Leverage industry and academic partnerships to enhance ethics capability

4. Legal & regulatory compliance

AI technologies used in statutory planning must comply with a complex landscape of laws, regulations, and policies. This section details the key compliance obligations councils need to address when procuring and implementing AI systems, including privacy, planning law, anti-discrimination protections, and administrative law principles.

4.1 Compliance obligations

Councils must ensure that the procurement and deployment of AI technologies in statutory planning align with all applicable legal, regulatory and policy requirements. Specifically, AI systems should comply with:

Council procurement policy: These guidelines are intended to supplement, not replace, each council's Procurement Policy, offering additional considerations specific to AI technologies in statutory planning.

Victorian planning laws and regulations: AI systems must operate in full alignment with the Planning and Environment Act 1987 (Vic), Victorian Planning Provisions (VPPs), zoning regulations, and any relevant council-specific planning policies and overlays.

Privacy laws: Vendors must demonstrate compliance with the Privacy and Data Protection Act 2014 (Vic), the Privacy Act 1988 (Cth), the Notifiable Data Breaches Scheme and council-specific data governance policies, ensuring that personal and sensitive data is protected throughout the AI system lifecycle.

Anti-discrimination and human rights laws: AI systems must not create or exacerbate inequities. Councils must ensure that AI procurement actively addresses risks of disproportionate impacts on vulnerable or under-represented groups, consistent with anti-discrimination obligations under the Equal Opportunity Act 2010 (Vic) and the Charter of Human Rights and Responsibilities Act 2006 (Vic). As the ways AI systems may have negative impacts on certain groups of people, AI ethics assessments play a key role in determining how anti-discrimination and human rights laws apply to AI use cases.

Administrative law principles: All AI-supported planning processes must maintain explainability, transparency, and avenues for human review, ensuring that councils retain their statutory responsibility for decision-making.

Local Government Act and regulations: AI procurement and use must be consistent with the Local Government Act 2020 (Vic) and associated regulations, particularly in areas relating to transparency, probity, and the exercise of council powers and functions.

Competition and Consumer Act 2010 (Cth): AI systems must not engage in misleading, deceptive, or anti-competitive practices. Procurement processes must ensure fair competition and prevent vendor lock-in where possible.

Supply chain transparency: Vendors must disclose the full AI supply chain, including training data sources, third-party models or components used, and known risks or limitations associated with the system.

Procurement processes should require collaboration with legal teams to develop use case-specific disclaimers where appropriate.
Each council will need to assess and define the level of acceptable risk based on their context, and ensure that AI deployments do not create unmanageable exposures for council operations, reputation, or statutory obligations.

5. Governance & risk management

Effective governance frameworks are critical to ensuring AI systems are used responsibly and strategically within councils. This section sets out how councils should structure governance to manage risks, align AI with organisational objectives, measure benefits, and enable continuous improvement across the AI lifecycle.

5.1AI governance framework

Councils should establish an AI governance framework that includes:

Strategic oversight: Creation of an AI governance committee or equivalent oversight body to monitor procurement, implementation, performance, and compliance activities.

System accountability: Clear ownership and responsibility assigned for each AI system used within statutory planning operations, ensuring traceability and accountability.

Continuous monitoring: Implementation of regular auditing, performance reviews, and stakeholder feedback mechanisms to monitor AI system behaviour against intended objectives and community expectations.

5.2 Optimising governance for AI use and benefits

Effective AI governance frameworks should also include:

Strategic alignment: Processes to ensure that any AI deployments directly support the council's strategic priorities, planning objectives, and community outcomes, rather than introducing new silos or technology-driven agendas.

Benefit measurement and optimisation: Mechanisms to define success metrics for AI projects before implementation, track benefits over time (such as efficiency improvements, service quality enhancements, or cost savings), and optimise AI use based on real-world performance.

Knowledge sharing and collaboration: Protocols for sharing insights, lessons learned, and effective practices across council departments to prevent duplication, build organisational capability, and promote continuous learning.

Continuous improvement structures: Structures that require periodic reviews of AI systems and their integration into planning processes, with clear triggers for system refinement, retraining, decommissioning, or expansion based on evolving needs, technologies, and regulations.

5.3 AI governance frameworks and tools

Councils can consult the following frameworks and tools to support the development of AI governance systems and statutory planning AI procurement approaches.

Framework	Description	Why it's useful	Access
ISO/IEC 42001:2023 – AI Management System Standard	A global standard for managing AI risks, establishing governance controls, and ensuring continuous improvement of AI systems.	Provides councils with a blueprint for setting up robust, internationally aligned AI governance structures.	Available for purchase: https://www.iso.org/standard/81230.html
Australian AI Ethics Framework (DISR, 2019)	Australia's national framework setting out eight ethical principles for the development and use of AI.	Offers a clear ethical foundation for AI procurement decisions, aligned with Australian values.	Free to download: https://www.industry.gov.au/publications/australias-artificial-intelligence-ethics-framework
Australian Government's AI Voluntary Safety Standard (DISR, 2024)	Defines minimum safety expectations for AI systems, including robustness, transparency, and human oversight.	Helps councils set minimum safety criteria for vendors when procuring AI tools.	Free to download: https://www.industry.gov.au/publications/voluntary-ai-safety-standard/10-guardrails
DISR AI Impact Navigator (2024)	A self-assessment tool for identifying and evaluating the risks, impacts, and benefits of AI systems.	Supports councils to undertake structured risk and impact assessments before AI procurement or deployment.	Free to use: https://www.industry.gov.au/publications/ai-impact-navigator
NIST AI Risk Management Framework (NIST, 2023)	An internationally recognised framework for identifying, assessing, managing, and monitoring AI risks.	Provides practical risk management strategies that councils can adapt across the AI system lifecycle.	Free to download: https://www.nist.gov/itl/ai-risk-management-framework

5.4 Risk management measures

To manage the risks associated with AI systems in statutory planning, councils should ensure their procurement and implementation processes include the following minimum risk management measures:

Bias and fairness audits: Councils should require vendors to conduct pre-deployment testing to identify and mitigate biases that could result in unfair or discriminatory planning outcomes. Regular monitoring should be established post-implementation to assess fairness over time and across different community groups, with remediation protocols if biases emerge.

Impact assessments: Prior to deployment, councils should undertake structured impact assessments that evaluate risks to all stakeholders — including applicants, developers, residents, planners, and administrative staff. These assessments should consider potential harms, benefits, rights impacts, and operational dependencies associated with the AI system.

Incident response plans: Councils should establish clear, documented protocols for identifying, escalating, and responding to incidents involving AI systems. This includes data breaches, planning errors, service disruptions, and any outputs that contravene planning policies or community expectations. Vendors must also be contractually obligated to support incident investigations and mitigation efforts.

Legal and ethical safeguards: Councils should maintain up-to-date compliance documentation for all AI systems, covering privacy, human rights, administrative law, planning regulations, and anti-discrimination obligations. Councils should also require vendors to supply evidence of ongoing compliance and adherence to ethical AI standards, with contractual remedies available for non-compliance.

Model management, updates and decommissioning: Councils should require vendors to establish robust mechanisms for updating AI models over time, to reflect changes in planning schemes, council policies, legislation, and community needs. Procurement contracts should ~~specif~~specify:
The schedule and triggers for model updates and retraining;

- Requirements for maintaining audit trails of previous model versions and outputs;
- Obligations to communicate material changes in model behaviour to council staff;
- Requirements for system interoperability to prevent technology lock-in or creation of data silos;
- Clear processes for system decommissioning, including secure deactivation, data retrieval, and archiving of historical outputs;
- Contingency plans in the event of vendor exit, insolvency, or acquisition, ensuring councils retain continuity of service and control over data and decision-support tools.

6. AI-specific probity requirements

Maintaining fairness, transparency and accountability is essential during AI procurement processes. This section outlines the probity standards councils should apply when engaging vendors and selecting AI-enabled solutions for statutory planning functions.

6.1Pre-market engagement

When conducting pre-market engagement for AI technologies, councils should:

- Document all discussions with potential AI vendors in a centralised register
- Establish clear boundaries between market education sessions and formal procurement activities
- Create standardised information packages summarising opportunities for all potential vendors
- Use industry forums where multiple vendors present simultaneously to avoid giving any single vendor privileged access
- Consider using independent AI expertise (academia, industry bodies, consultants) rather than relying solely on vendor education

6.2 Creating specifications for AI solutions

When creating specifications for AI procurement, councils should have a clear idea of the AI use cases, scope, and desired outcomes. Rather than specifying the AI technologies, councils should:

- Focus on functional outcomes and performance metrics
- Include essential governance requirements (explainability, human oversight, bias testing) without prescribing implementation methods
- Reference only widely recognised AI standards or frameworks
- Have specifications reviewed by both planning domain experts and AI technology specialists to ensure:
    - Planning experts verify the specifications reflect actual planning workflows, statutory requirements, and planning scheme interpretation needs
    - AI technology specialists verify the specifications include appropriate governance requirements (explainability, human oversight, bias testing) and are technically feasible
- Include requirements for transparency in how AI arrives at outputs
- Require AI suppliers to demonstrate their risk mitigation, governance frameworks, and compliance with planning policies.

6.3 Data sharing for AI procurement

AI vendors may ask for sample datasets to help them create a demo or test the feasibility of an AI use case with their solutions. When sharing council data with AI vendors during procurement:

- Create sanitised test datasets that protect privacy while enabling meaningful evaluation
- Establish clear limitations on how vendors can use council data provided during procurement
- Require declarations from vendors about how test data will be handled, stored, and deleted in line with council's regular data governance policies
- Document data access protocols for each procurement phase
- Include explicit terms about intellectual property and prohibitions on using council data to train vendors' general AI systems

6.4 Vendor demonstration opportunities

Vendor demonstrations of their products can helps councils understand what's available in the market, validate vendor claims, uncover risks, and better assess fit for local needs. Consider asking vendors to demonstrate how their solutions support the library of standardised planning AI use cases (Appendix A: Use Case Library).

Councils should:

- Develop standardised test cases that align with the council's use case requirements (refer to Appendix A: Use Case Library)
- Ensure test cases include a diverse range of planning scenarios and demographic characteristics that represent the full spectrum of applications the system will process
- Where possible, use good quality sample data (e.g., anonymised versions of actual historical planning applications that represent both routine and edge cases.)
- Designate a council officer independent of the evaluation panel to select and provide the test data that vendors must use during demonstrations
- Require all vendors to demonstrate their systems against identical planning scenarios to ensure fair comparison
- Document all demonstration results using standardised evaluation templates that align with the specified evaluation criteria
- Require vendors to demonstrate, not merely describe, key AI system capabilities including:
- Transparency mechanisms that explain planning recommendations
- Human oversight and intervention capabilities
- Compliance with relevant planning schemes and regulations
- Handling of incomplete or ambiguous information
- System performance with local planning scheme parameters
- Data security and privacy protections in action

6.5 Pilots or trials with AI vendors

When considering pilots or trials of AI technologies as a part of procurement councils should:

- Structure multi-stage procurement processes with clear and objective evaluation criteria for each stage
- Ensure all shortlisted vendors have equal pilot opportunities with identical parameters
- Document clear success criteria for pilots before they begin, and pilot performance metrics in formal evaluation criteria
- Consider fair compensation models for significant pilot implementation costs to enable participation by smaller providers
- Maintain strict data governance during pilots, particularly regarding training data and model outputs in line with council data governance policies

6.6 Conflicts of Interest

AI specific conflicts councils should review are:

- **Data and algorithm ownership conflicts**: Councils should require vendors disclose any financial interests, intellectual property rights, or commercial relationships vendors have in the training data, algorithms, or derived models that could influence AI system outputs or decisions in statutory planning. Vendors must declare if their AI systems were trained on, or incorporate, data from property developers, planning consultants, or other entities with business before the council that could create bias in planning recommendations or assessments.

- **Dual-role conflicts**: Identify situations where the same vendor might serve both as an AI provider to council and as a consultant or representative for planning applicants, creating potential conflicts in how the AI evaluates or processes applications.

- **Outcome-based incentives**: Councils should require vendors to disclose if vendor compensation or system performance metrics are tied to specific planning outcomes that might influence AI recommendations toward particular types of development approvals or conditions.

- **Third-party integration conflicts**: Councils should require declaration of commercial relationships with third-party data providers, software vendors, or consultancies whose services integrate with the AI system and could benefit from council adoption of specific AI workflows.

- **Algorithmic transparency limitations**: Vendors must disclose where commercial considerations (such as protecting proprietary algorithms) limit their ability to provide full transparency about AI decision-making processes, and how this might affect council oversight obligations.

7. AI in the procurement lifecycle

Procuring requires planning, clear contracting, ongoing supplier management, and regular performance review. This section provides practical guidance for councils across each stage of the AI procurement lifecycle, from early scoping through to post-deployment monitoring.

7.1Pre-procurement considerations

- Define AI use cases in statutory planning, such as application lodgement support, permit approvals workflow automation, and customer service improvements.
- Identify potential risks, including data biases, staff training, algorithmic transparency, and public acceptability.
- Evaluate vendor capabilities, ensuring suppliers adhere to AI safety and ethics principles.

7.2 Contract & vendor management

Contracts should:

- Specify that testing and validation prior to deployment to ensure systems perform safely, equitably, and as intended.
- Outline AI system performance benchmarks, compliance obligations, and audit requirements. These can be proposed by the vendor, with approval from council.
- Include provisions for scheduled model updates, retraining processes, and end-of-life planning. Vendors should also commit to ensuring system interoperability with existing and future council technologies to minimise operational disruption and siloing risks. Refer to Section 4.3 for lifecycle management and decommissioning obligations.
- Include transparency mechanisms for AI-generated planning application analysis, and AI-generated recommendations and output, including for all customer service interactions.
- Define roles and responsibilities between vendor and councils for ongoing AI monitoring and governance.

7.3 Performance & continuous review

Councils should:

- Conduct regular AI system audits to assess fairness, transparency, and accuracy in planning outcomes, either by engaging third parties or working with vendors to produce these.
- Establish mechanisms for stakeholders to challenge or question AI-generated planning process outputs and request human review.
- Require vendors to provide periodic compliance reports and updates on AI system modifications.

8. Data governance and supply chain considerations

The integrity, security and responsible management of data underpin the safe use of AI systems. This section explains councils' obligations for managing data supply chains, ensuring data sovereignty, complying with privacy standards, and protecting culturally sensitive information when adopting AI technologies.

8.1Understanding the AI data supply chain

- Councils should ensure transparency in the origin, collection, and processing of data used in AI models for Planning.
- Vendors must demonstrate data protection governance, ensuring compliance with privacy and data protection laws and eliminating risks of data misuse.
- AI procurement contracts must include obligations for vendors to adhere to responsible data management practices.
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8.2 Data sovereignty and security

- All council and citizen data used in AI systems should be stored securely within Australia and should not be owned or retained by the vendor unless negotiated with the council.
- AI systems should comply with strict data residency requirements to prevent unauthorised access or offshore storage.
- Vendors should provide clear data management policies, including encryption, retention, and access controls.

8.3 Industry data standards and compliance

- Vendors should align with relevant data standards applicable to statutory planning, including zoning and land development regulations.
- Vendors should also outline interoperability standards to avoid creating new data or system silos within council operations.
- AI systems must comply with the Privacy and Data Protection Act 2014 (Vic) and where applicable, the Privacy Act 1988 (Cth) and any other applicable State and Federal laws or regulations governing data use and privacy.
- Councils should ~~equire~~reenquire vendors to demonstrate ongoing compliance with privacy and security standards, including mechanisms for reporting and rectifying breaches.

8.4 Reporting and accountability for data breaches

- Vendors must immediately report any data breaches or security incidents affecting council or citizen data.
- Councils should stablish a mandatory breach notification process, ensuring timely responses to mitigate risks.
- Procurement contracts must include provisions for penalties and remedial actions in cases of vendor non-compliance with data governance requirements, including reference to the Notifiable Data Breaches Scheme.

8.5 Cultural data sovereignty and respect for culturally sensitive data

Councils should recognise and respect cultural data sovereignty, ensuring that data related to First Nations communities is governed and controlled by those communities. AI procurement contracts should include specific commitments from vendors to:

- Engage with First Nations communities to understand data governance expectations.
- Ensure culturally sensitive data is managed in alignment with Indigenous Data Sovereignty principles.
- Prevent the misuse or inappropriate sharing of First Nations data.
- Provide transparency around how First Nations data is collected, stored, and used in AI systems.

9. Value for enterprise & IT integration considerations

AI technologies should be assessed not only for their planning functions but also for how they fit within the council's broader enterprise architecture and IT environment. This section provides guidance on evaluating system value, ensuring integration, and maintaining adaptability to future technological and regulatory changes.

9.1Evaluating vendor value for enterprise

Councils should:

- Assess cost-benefit trade-offs, including long-term efficiency gains versus upfront costs.
- Require vendors to provide clear ROI (Return on Investment) metrics based on planning efficiencies, service improvements, and broader organisational benefits, either to a single or multiple councils.
- Consider whether the AI tool reduces manual workloads, accelerates decision-making, enhances customer service, improves consistency, and supports institutional skill and knowledge retention.

9.2 AI system integration & IT compatibility

Councils should:

- Determine whether the AI system operates independently or needs to integrate with existing council IT infrastructure.
- Assess the need for API access, cloud compatibility, and interoperability with current planning systems, particularly common platforms such as TechnologyOne, Pathway, TRIM, and Greenlight.
- Ensure vendors provide a roadmap for future system upgrades and compatibility adjustments to align with council IT strategies.

9.3 System maintainability and regulatory responsiveness

Councils should:

- Require vendors to demonstrate how their systems will adapt to changing planning regulations and user needs and feedback.
- Establish service level agreements for timely updates when planning regulations change.
- Ensure mechanisms exist for error reporting, feedback, and continuous improvement.
- Require contingency planning for vendor changes (acquisitions, mergers) that might affect service continuity

10. Collaborative procurement models

Collaboration between councils can unlock economies of scale and shared expertise when procuring AI technologies.
Recognising that not all councils will have the capacity or resources to independently develop comprehensive AI governance frameworks, councils are encouraged to seek opportunities for collaboration and knowledge sharing where feasible.
Where appropriate, councils may consider coordinating efforts through regional partnerships, shared services arrangements, or engaging peak bodies such as MAV to explore options for developing common procurement initiatives, AI governance templates, toolkits, or capability-building initiatives.
While shared approaches can reduce cost and duplication, each council remains responsible for establishing minimum internal governance processes that are proportionate to their AI adoption level, statutory responsibilities, and community expectations.
This section outlines options for joint procurement models, shared governance structures, and approaches to managing collective risks and benefits.

10.1 Multi-council procurement approaches

Councils should:

- Consider partnering with councils of similar size, complexity, or using the same enterprise systems.
- Explore joint procurement arrangements to leverage collective buying power.
- Share implementation resources, testing environments, use case specifications, vendor feature requests, and lessons learned.
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10.2 Governance for shared AI resources

Councils should:

- Establish clear governance frameworks for jointly procured AI resources.
- Define decision-making and accountability protocols, cost-sharing models, and dispute resolution processes.
- Ensure appropriate data separation and privacy between participating councils.

11. Implementation support

Successful AI adoption requires thoughtful change management, clear communication with staff and communities, and structures for continuous evaluation and learning. This section offers practical steps councils can take to embed AI safely and sustainably into their operations and culture.

11.1 Change management and training

Councils should:

- Ensure vendors provide comprehensive training tailored to different user roles.
- Develop internal change management plans for AI adoption.
- Create clear communication strategies for staff, stakeholders, and the community. Councils should consider publishing plain-language explanations on their websites and inviting community feedback on major AI deployments.
- To enhance community trust, councils should require transparent communication with the public regarding the role of AI in planning services.

11.2 Measuring success and continuous Improvement

Councils should:

- Establish appropriate baseline metrics for desired or expected outcomes from AI systems before implementation to measure impact.
- Create feedback mechanisms for ongoing improvement.
- Schedule regular reviews of AI performance against objectives.

Implementation Tip: Strengthening public trust in AI for statutory planning

When deploying AI systems that interact with residents, developers, or the wider community, public trust is critical to long-term success. Councils should proactively communicate how AI is used in the planning process, what decisions remain human-led, and how AI supports — but does not replace — professional judgement.

Consider publishing accessible information on council websites, hosting community Q&A sessions during major AI rollouts, and inviting public feedback where appropriate.

Clear, plain-language transparency about the role, capabilities, and limitations of AI helps demystify the technology, sets realistic expectations, and strengthens community confidence in council planning services.

12. Council responsibilities vs. vendor responsibilities

When implementing AI in statutory planning, it's crucial to distinguish between responsibilities that remain with councils and those that can be delegated to vendors. This clarification helps establish appropriate accountability, governance, and risk management.

12.1 Non-delegable council responsibilities

The following responsibilities **must** remain with councils and cannot be delegated to vendors:

Responsibility	Rationale
AI Governance Structure	Councils must establish and maintain their own governance structures to oversee AI implementation. This ensures proper integration with existing council processes and maintains appropriate oversight aligned with council-specific needs.
Local Planning Policy Alignment	Each council has unique local planning policies and schemes. Councils must ensure AI systems are configured to align with these specific local requirements, as vendors cannot be expected to understand all local nuances.
Change Management	Organisational change management is specific to each council's culture, structure, and readiness. Councils must develop and execute their own change management plans to support staff through the transition of implementing AI tools and workflows.
Value Assessment	Councils must conduct their own value assessments that consider organisational impacts beyond vendor-provided metrics, including alignment with strategic goals and community outcomes.
Stakeholder Communication	Communication with staff, residents, and other stakeholders about AI implementation must remain a council responsibility, as it requires understanding of local community needs and concerns.
Records Management	While vendors can provide tools, councils retain legal responsibility for records under various laws, including the Public Records Act 1976. This cannot be delegated as councils remain accountable for compliance.
Inter-Council Collaboration	When multiple councils collaborate on procurement, they must establish agreed governance mechanisms. This includes decision-making processes, cost-sharing approaches, and dispute resolution frameworks.
Performance Measurement	Councils must establish their own success metrics and baseline measurements before implementation, as these will be specific to local objectives and current performance levels. AI-specific performance metrics may be suggested by the vendor as industry-wide benchmarks are not well established but must be understood and agreed to by Councils.
Final Decision Authority	Councils must maintain final authority over all statutory planning decisions, regardless of AI recommendations, or automation. This preserves statutory responsibilities and ensures human oversight of decisions affecting the community.

12.2 Responsibilities that can be shared with vendors

These responsibilities can be shared between councils and vendors, with clear delineation of roles:

Responsibility	Council Role	Vendor Role
System Integration	Provide access to existing systems, define integration requirements, and test implementations	Develop integration solutions, provide technical expertise, and resolve integration issues
Training	Ensure staff participation, provide Planning expertise, and identify specific training needs	Develop training materials, deliver sessions, and provide ongoing support resources
Data Governance	Define data governance requirements, maintain data ownership, and establish usage policies	Implement technical controls, demonstrate compliance, and provide transparency in data handling
Continuous Improvement	Provide feedback, identify improvement opportunities, and set priorities	Implement updates, enhance capabilities, and respond to feedback
Risk Management	Define risk tolerance, establish mitigation requirements, and maintain oversight	Identify technical risks, implement controls, and report on system performance

12.3 Documentation of responsibilities

Councils should clearly document the division of responsibilities in procurement contracts and service level agreements. This documentation should include:

- Specific council responsibilities with named accountable roles
- Vendor responsibilities with performance metrics
- Escalation processes for issues
- Review mechanisms for ongoing alignment

Further Reading and Resources:

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