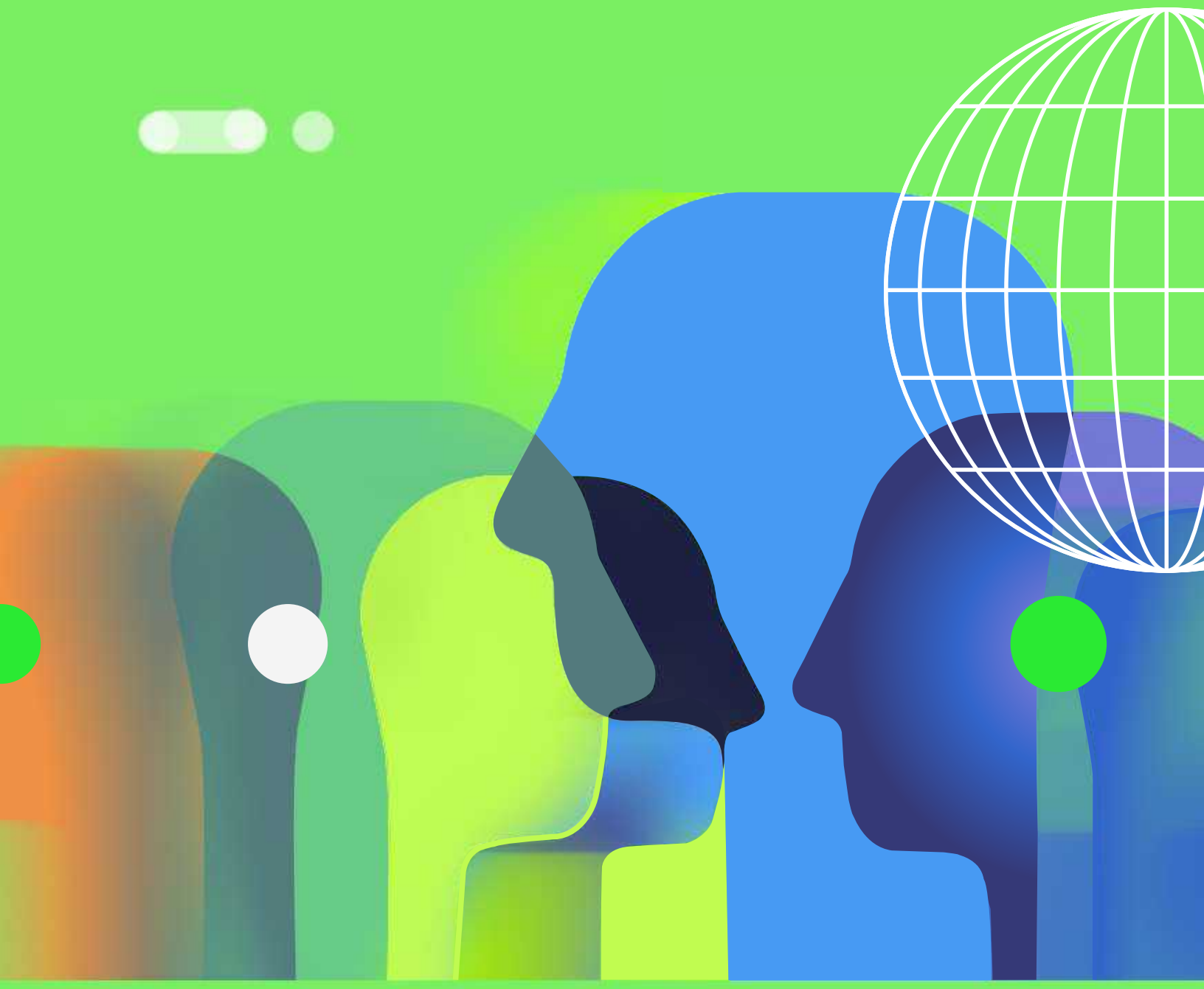
Government Trends 2026

A report by the Deloitte Center for Government Insights



Deloitte.

Deloitte's Government Trends report, published annually by the Deloitte Center for Government Insights, explores the most transformative trends shaping the US and global public sectors, and their implications for government operations in the years ahead. Drawing on insights from Deloitte's Government and Public Services practitioners, interviews with public sector leaders, proprietary surveys, and secondary research, the report helps government executives understand, adopt, and operationalize these trends to strengthen execution and improve citizen outcomes.

Table of contents

Government Trends 2026: The future of government is now

Governments are entering a transformative period of redesign—not another modernization or digitization cycle

Across jurisdictions, the underlying government operating systems—the rules, workflows, decision rights, and learning loops that shape performance—are being rewritten for an accelerating environment.

Historically, governmental improvement has been incremental, marked by reform initiatives, modernization efforts, and successive waves of digitization. Each delivered progress, adding up over time. However, today's operating environment no longer supports gradual change.

Rapid advances in artificial intelligence, tightening fiscal constraints, workforce demographics, and risks that cascade across interconnected systems are accelerating external pressures. The pace of change outside government is accelerating; government's internal architecture often is not.

As a result, traditional cycles of reform—no matter how well-conceived—struggle to match the pace of external developments. Merely integrating new technology into outdated processes seldom yields lasting impact.

Forward-thinking governments are responding differently—adopting new approaches by pairing AI and digital capabilities with simplified rules, redesigned workflows, and adaptive operating models built for continuous learning.

There are clear signals that this future is already arriving:

- Deloitte's Government Trends 2024 identified more than 200 global cases in which agencies delivered quantum-leap improvements—up to tenfold cost reductions or 90% cycle-time cuts—alongside major gains in mission outcomes.[1]
- In Australia, New South Wales has built a spatial digital twin that integrates 3D, 4D, and real-time data across more than 1,000 data sets, giving agencies and councils a shared environment to monitor assets, run scenario simulations, and support infrastructure and emergency-response decisions.[2]
- A UK government-led trial, involving more than 20,000 civil servants using generative AI tools for a three-month period, resulted in self-reported average daily time savings of 26 minutes, equivalent to nearly two working weeks per person per year.[3]

These examples are not simply digitization stories. They reflect a different operating rhythm. Agencies improve in weeks rather than years—without waiting for crisis-driven permission.

The core lesson in the AI era is clear: The biggest gains come not from automating old processes, but from redesigning the work itself. Simplifying rules. Redesigning workflows around outcomes. Configuring teams and governance so that advanced technologies are scaled responsibly.

Government Trends 2026 maps the contours of this shift. Across eight trends, we examine how AI, new delivery models, and new ways of organizing are reshaping the fundamentals of government: service delivery, regulation, procurement, technology leadership, ecosystems, talent, decision-making, and organizational structure.

A new operating reality for government

Many of the governments making the most progress are not just adopting new tools or reorganizing org charts. They are upgrading the underlying operating system that determines how work flows, decisions are made, risks are managed, and improvements endure.

Contributors:
William D. Eggers, Beth McGrath, and Jennifer J. Walcott

In the AI era, this operating system will be more consequential than any single technology. It determines whether new capabilities scale or stall, whether learning compounds or resets, and whether performance gains survive and persist. Agencies that modernize only on the surface may find that old constraints reassert themselves. Those that change the operating system underneath can see durable gains in speed, quality, and outcomes.[4]

Five layers shaping the future of government

Across these trends, five operating system layers recur (figure 1).

Rules and governance: The logic layer

Every agency runs on formal and informal rules that determine

Figure 1

The five operating system layers of government

Source: Deloitte analysis.

what is allowed, who decides, and how risk is managed. Over time, rules accumulate, adding friction even where policies and law allow flexibility. Leading governments are simplifying decision rights, removing unnecessary approvals, rewriting requirements in plain language, and translating policy into structured, machine-readable forms. Safeguards are embedded directly into workflows rather than layered on through manual review.

Teams and talent: The execution layer

Transformation succeeds or fails at the level of effective teams. Technology creates real value when work is redesigned around outcomes.[5] Rigid roles and static structures give way to mission-driven teams that combine human judgment with AI-enabled analysis. Teams now form based on skills instead of job titles, making ongoing learning an essential part of the process.

Platforms and data: The infrastructure layer

Modern government runs on shared digital foundations. Fragmented systems and siloed data keep innovation isolated and costly to scale. Leading organizations invest in interoperable platforms, common services, application programming interfaces, and reusable components that can be recombined across missions. Capabilities are reused rather than rebuilt, allowing innovation to compound.

Partner ecosystems: The interface layer

Governments no longer deliver outcomes alone. Private firms, nonprofits, and civic organizations provide essential capabilities.[6] Simplified rules of engagement and shared digital interfaces can reduce friction and expand participation. The focus shifts from simply managing individual contracts to stewarding ecosystems that evolve with changing needs.

Feedback loops: The learning layer

High-performing organizations embed learning directly into operations. Real-time data makes performance visible as work happens. Policies and services adjust based on evidence rather than anecdote. Continuous feedback shifts reform from episodic to sustained adaptation.

Eight trends shaping the future of government in 2026

Launched in 2019, the Deloitte Center for Government Insights' annual Government Trends report surfaces major trends that over time have demonstrated relevance—often for years to come. The 2026 report identifies eight trends that showcase how governments are navigating the future.

Adaptive by design: The next operating model for government

Traditional operating models—built around fixed structures, functional silos, and multiyear modernization cycles—are proving too rigid for an era defined by AI acceleration, cross-agency missions, and fiscal pressure.

Leading governments are reorganizing work around reusable platforms, mission-driven teams, and modern people practices. Shared platforms provide common digital, data, and AI capabilities without requiring wholesale system replacement. Small, multidisciplinary teams form around missions, work in short cycles, and disband when objectives are met. Governance shifts from process compliance to stewardship of standards and risk, enabling faster action without sacrificing accountability.

Toward 2030: Operating models are designed for continuous adaptation rather than episodic reform. Composable platforms provide reusable capabilities that teams assemble around priorities. Decision authority moves closer to execution, guided by clear standards and real-time data. Government functions as a coordinated learning system, reallocating capacity quickly and scaling what works.

From enabler to architect: How technology leadership now shapes mission delivery

Technology leadership continues to move from a supporting role to a central position in mission delivery as AI, automation, and digital platforms become embedded in core operations.

Technology leaders must still ensure security and reliability, but they increasingly shape how AI is adopted, how work is redesigned, and how digital capabilities deliver outcomes. In many governments, the line between strategy and execution is narrowing. Gen AI is transforming software development, cybersecurity, and operations while positioning technology leaders as architects of shared platforms, data standards, and governance guardrails.

The shift elevates technology leadership from enabling mission to shaping how the mission is delivered.

Toward 2030: Technology leadership is embedded across mission delivery rather than limited to "traditional" IT functions. Strategic and operational responsibilities converge. Leaders orchestrate shared platforms, data, and workflows across the enterprise, making technology the connective tissue of mission delivery. Success depends less on system ownership and more on orchestrating how technology, people, and workflows integrate to drive continuous improvement and measurable outcomes.

Customized for constituents: Agentic AI accelerates personalized public services

Governments have long aspired to deliver personalized, proactive services. While many initiatives have made progress, personalization has been difficult to scale across siloed agency structures.

That constraint is weakening. After years of investment in digital identity, data exchange, and shared platforms, many governments now have the foundations to deliver individualized services more consistently. Layering agentic AI onto these systems enables service journeys that cut across agencies. Instead of navigating multiple departments, individuals increasingly interact through unified entry points, with AI assistants helping determine eligibility, prefill forms, and coordinate services.

Toward 2030: Service delivery becomes proactive, focused on life events and outcomes instead of agency org charts. Information is shared once and reused securely. AI assistants help navigate eligibility, applications, and updates across agencies.

Rewiring regulation: From static rulebooks to adaptive, data-driven oversight

Regulators are rethinking how rules are designed, implemented, and enforced as traditional processes struggle to keep pace with rapid technological and market change.

In many jurisdictions, dense rulebooks are being simplified, rewritten in plain language, and translated into machine-readable formats. One-stop portals, automated pre-checks, and AI-assisted reviews reduce friction while preserving oversight. Regulators are also using sandboxes, simulations, and digital twins to test reforms and gather evidence before scaling.

Regulation is shifting from static rulemaking to adaptive oversight grounded in data and continuous learning.

Toward 2030: Regulation functions as a dynamic system rather than a static rulebook. Structured, machine-readable requirements embed compliance into digital services. Supervision shifts from episodic audits to risk-calibrated, data-informed monitoring. Sandboxes and simulations become standard tools. Rules, guidance, and enforcement evolve together to deliver clarity, predictability, and trust at the speed of innovation.

Cognitive government accelerated: From aspiration to operational reality

Governments are shifting from reactive decision-making toward a cognitive model that can sense emerging signals, predict outcomes before committing resources, and coordinate action across government systems.

Advances in AI, sensing, simulation, and agentic workflows—layered onto mature data and digital foundations—are accelerating this shift. In many cases, what began as situational awareness is evolving into predictive insight and cross-system coordination. Governments are fusing data from sensors, satellites, administrative records, and digital platforms to detect risks earlier, simulate choices before acting, and align responses across previously siloed domains.

Cognitive capabilities are moving from experimental pilots toward operational practice.

Toward 2030: Government operates as a continuous learning system. Integrated data supports simulation, scenario planning, and coordinated decision-making. Digital twins and analytics inform choices before resources are deployed. Automation handles routine coordination, letting leaders focus on strategy and trade-offs. Performance improves through feedback embedded directly into operations.

New models of public-private collaboration: Rethinking how governments create public value

Governments are expanding public-private collaboration models beyond traditional infrastructure partnerships. Increasingly, they include digital infrastructure, social outcomes, innovation ecosystems, and blended finance.

The transition is progressing from isolated initiatives to integrated approaches that harmonize incentives, establish unified data standards, and embed accountability mechanisms. Digital public infrastructure—identity management, payment systems, and data exchange platforms—functions as a foundation for cross-sector service delivery. Contracts are increasingly designed to tie payments to measurable outcomes rather than solely to activities performed.

Toward 2030: Collaboration centers on clearly defined outcomes supported by shared standards and interoperable platforms. Engagement is continuous rather than episodic, with transparent guardrails and outcome-linked payments. Governments steward networks of partners, aligning incentives across public, private, and nonprofit actors while maintaining accountability and performance transparency.

The procurement reset: Adopting a simplicity-first mindset

Procurement modernization often stalls when governments digitize complex, outdated processes rather than fixing them. New platforms too often replicate old approval chains and unclear decision rights, delivering little improvement in speed or outcomes.

Many reformers now simplify first—mapping common buying journeys, eliminating unnecessary reviews, clarifying decision rights, and standardizing reusable pathways—before applying AI and other digital tools. This approach is delivering real gains: faster contract

awards, broader supplier access, and greater focus on outcomes rather than activity.

Toward 2030: Procurement runs through simplified, rules-driven pathways leveraging unified digital standards. Supplier markets remain open through a single front door with reusable credentials. Major buys anchor on measurable outcomes, with oversight proportionate to associated risk. Procurement becomes a strategic enabler of speed, access, and public value.

Scaling the public sector's human edge: Making human-AI collaboration work

As AI shifts from tool to teammate, governments face a deeper challenge: redesigning work itself. The greatest value comes not from substitution but from amplifying human judgment, empathy, and creativity.

In leading organizations, workflows are being redesigned so AI handles analysis and routine coordination while people focus on complex decisions and oversight. Adoption depends on human-centered design, embedded tools, and continuous learning. Workforce strategies increasingly emphasize AI fluency while strengthening uniquely human capabilities.

Toward 2030: Public-sector work revolves around human–agent teams. AI handles analysis and coordination tasks, while humans retain accountability for major decisions. Decision rights are defined by risk, and learning becomes continuous. The human edge—discernment, systems thinking, and legitimacy—plays a crucial role in delivering trusted results for the public.

From trends to trajectory

Taken together, these trends are not isolated innovations or a checklist of reforms. They outline a shift in how government operates.

From reform as an event to adaptation as a system.

From activity to outcomes.

From siloed programs to shared platforms.

From episodic learning to continuous feedback embedded in daily work.

This is not a distant vision. The trajectory toward 2030 is already visible as governments move faster, coordinate better, and deliver stronger outcomes.

Government's challenge today is not whether to change, but whether its operating architecture is designed to keep pace with rapid change.

In an accelerating environment, institutional architecture shapes performance.

Endnotes

1. William D. Eggers, Beth McGrath, and Jason Salzetti, "The eight trends propelling the 10x government of the future," *Deloitte Insights*, March 24, 2024.
2. NSW Government, "NSW Spatial Digital Twin," February 2020.
3. UK Government, "Landmark government trial shows AI could save civil servants nearly 2 weeks a year," press release, June 2, 2025.
4. Lou DiLorenzo Jr., Anjali Shaikh, Michael Caplan, and Erika Maguire, "The great rebuild: Architecting an AI-native tech organization," *Deloitte Insights*, Dec. 10, 2025.
5. C. Vijayakumar, "Invest in the workforce for the AI age: A blueprint for scale, skills, and responsible growth," World Economic Forum, Jan. 22, 2026.
6. William D. Eggers and Donald F. Kettl, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (United States: Harvard Business Review Press, 2023).

About the authors

William D. Eggers
weggers@deloitte.com

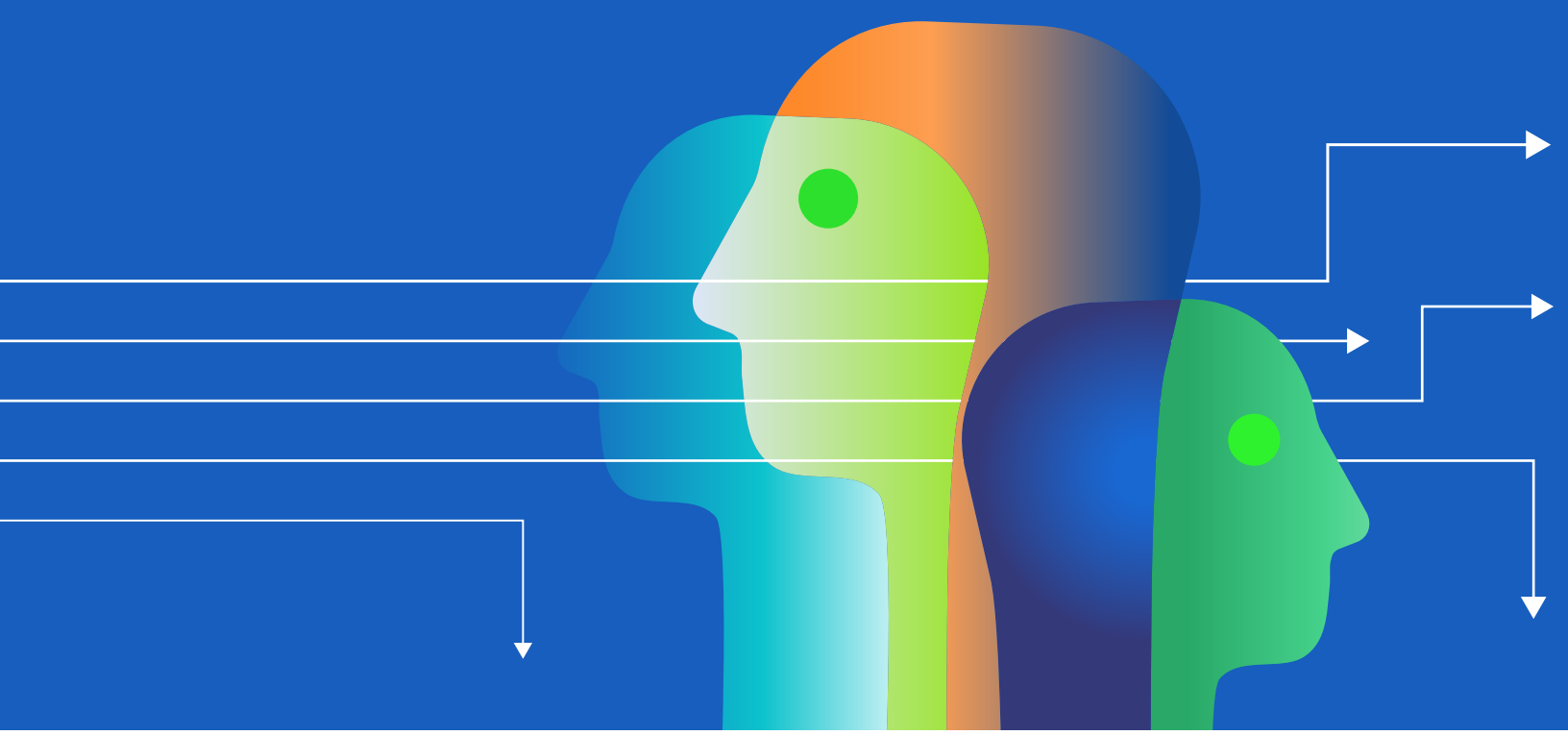
William D. Eggers is the executive director of Deloitte's Center for Government Insights where he is responsible for the firm's public sector thought leadership. Eggers is the author of numerous books. His most recent book, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Harvard Business Review Press, 2023), shows how governments at all levels can more effectively tackle society's toughest challenges by collaborating with bridgebuilders who bring together different parts of government and tap into other sectors of society.

Beth McGrath
bmcgrath@deloitte.com

Beth McGrath is Deloitte's global leader for the government and public services sector. In her role, she is committed to strengthening synergies across global industries and government and public services with a focus on client mission needs and solutions.

Jennifer J. Walcott
jwalcott@deloitte.com

Jennifer J. Walcott leads Deloitte's US national government and public services industry, where she serves clients from federal, state, and local government; higher education institutions; and nonprofit agencies.



1

Adaptive by design: The next operating model for government

Many government agencies have begun to organize work around reusable platforms, mission-driven teams, and people practices that enable real agility

Contributors:
William D. Eggers, Aprajita Rathore, Alex Massey, Adithi Pandit, Amrita Datar, and Ipshita Sinha

Government operating models were built for stability, scale, and clear lines of accountability. Today, they must also deliver adaptability. Artificial intelligence, fiscal pressure, rising citizen expectations, and complex cross-agency missions are exposing the limits of siloed hierarchies and static organizational charts.

Adaptability cannot be achieved through structure alone. It requires an operating model designed for continuous reconfiguration.

What is emerging is not simply a digital upgrade, but a redesign of how government organizes work. Instead of periodic restructures, agencies can standardize shared capabilities, assemble agile teams around outcomes, and enable talent to move fluidly where it is needed most.

Three reinforcing elements define this model:

- **Platforms** provide shared, reusable capabilities—data, infrastructure, standards, and core services—that reduce duplication and enable integration.
- **Pods** are small, multidisciplinary, time-bound teams that assemble around specific outcomes and dissolve once their mission is complete.
- **People** practices support distributed decision-making, skills-based mobility, and leadership models that allow talent to move where it creates the most value.

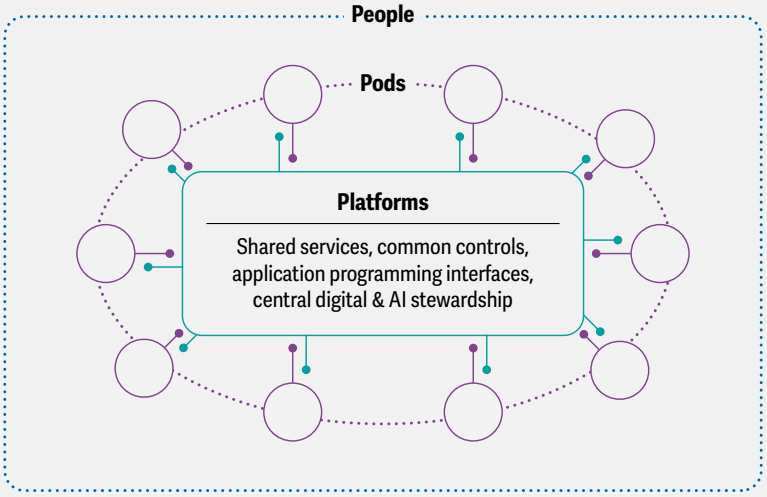
This model complements—not replaces—stable service delivery. Government will always need reliable, standardized operations. What changes is how it adapts and evolves.

In practice, this means distinguishing between two types of work. "Run" work consists of repeatable, high-volume processes that benefit from standardization, shared data, and automation.[1] "Grow" work brings cross-functional teams together around specific outcomes, often in response to emerging challenges.

By building reusable capabilities (platforms) and nimble, outcome-focused teams (pods) supported by smart workforce practices (people), agencies can create the architecture they need to thrive (figure 1). Today, only around 6% of public organizations report strong progress in breaking functional boundaries; the new operating model will take governments toward a future where significant integration is the default.[2]

Figure 1

New operating model: Platforms, pods, and people

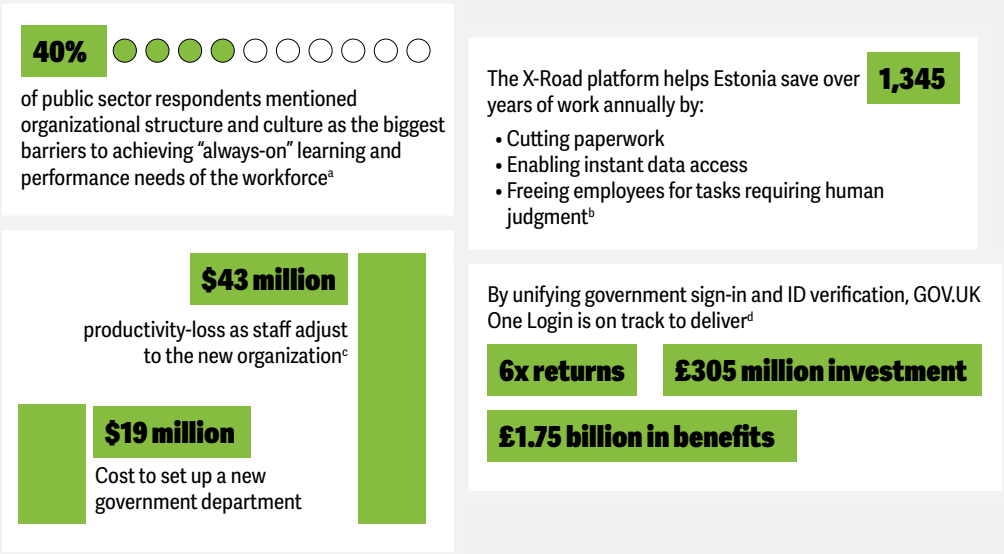


Source: Deloitte analysis.

Signals: Adaptive by design

Figure 2

Accelerated returns from operating model transformation



Note: The currencies are in US dollars and euros.

Sources: [a]2025 Deloitte Global Human Capital Trends survey; [b]e-Estonia, "X-Road – Interoperability services," 2025; [c]Institute for Government, "Why new public bodies fail – and 10 lessons for the government to get it right," Nov. 20, 2024; [d]Sam Trendall, "One Login expected to cost £305m – and deliver £1.75bn benefits," Civil Service World, Aug. 2, 2023.

Trend in action

Platforms: The shared foundation

Governments often respond to fragmentation by centralizing systems, conducting large-scale overhauls, or consolidating back-office functions such as human resources, finance, and information technology. Shared services can reduce duplication and generate efficiencies. But when treated primarily as technology consolidation, they rarely change how work is organized across agencies. Fragmentation often persists—just on a common system.

Shared services centralize functions. Platforms integrate capabilities. Rather than requiring every agency to use the same tool, it establishes shared, reusable capabilities—common data standards, core services, and orchestration tools—that connect existing systems while preserving flexibility. Agencies can retain their own systems but operate through a shared layer that enables integration, transparency, and performance management.

With AI and application programming interfaces, data can move securely across systems in real time, reducing manual work and enabling coordination without wholesale replacement. For example, when multiple agencies require similar software or cloud services, a shared acquisition platform can aggregate demand and recommend enterprise-wide agreements—unlocking cost savings without restructuring agencies themselves.

A mature government platform typically combines a shared data layer, workflow orchestration, user-facing services, and built-in performance tracking. These standardized capabilities are designed for reuse across agencies and pods, allowing teams to build and adapt services more quickly using common components.

These layers of standardized, shared tools are designed for reuse by multiple agencies and teams (or pods). This reusability enables teams to build new digital services quickly with common parts.

Estonia's X-Road illustrates the platform approach. It provides a secure national data exchange layer connecting hundreds of public and private databases. Agencies retain their own systems but operate through a shared infrastructure that enables faster, safer cross-agency transactions.[3]

Singapore's Government Tech Stack reflects a similar shift. As a whole-of-government platform of shared digital services and infrastructure, it provides reusable components that agencies can assemble into applications—reducing development time, improving quality, and enabling easier data exchange across government.[4]

Governments worldwide are beginning to pivot to a platform model by adopting some of its key features.

Moving beyond monolithic systems: Governments are moving away from monolithic, customized systems toward services built from shared infrastructure. Rather than procuring large standalone platforms for narrow functions, agencies are assembling capabilities using common data standards and standard connections.

This shift is feasible even in distributed technology environments. Workflow and orchestration tools can bridge system gaps without requiring wholesale replacement.[5]

A UK energy company brought its scattered finance data into a shared platform, so teams no longer had to work from separate reports. This made it possible to see up-to-date financial information in real time through a simple interface. While phasing out its old billing system—operating the old and new systems side by side—it created a single financial data model so everyone was working from the same numbers. The system could pull in data from different places without copying it, replacing 45 spreadsheet reports with one live report and making it possible to search billions of records almost instantly.[6]

Continuous improvement through performance data: Shared platforms can do more than integrate systems; they integrate accountability. When performance data remains trapped inside agency systems, it is difficult to compare results, improve services, or increase transparency. A platform model makes performance visible—not just internally, but across the system.

Singapore's shared-services hub, VITAL, began as a transactional processing center for payroll and procurement.[7] Today, it publishes service-level metrics openly, allowing agencies to monitor quality and drive continuous improvement. Reusable automation tools further reduce development time and complexity.[8]

Similarly, the United Kingdom's National Data Library initiative is designed to make public sector data sets easier to find, curate, and connect across silos—with governance safeguards to support safe reuse and measurable public value.[9]

By embedding transparency and feedback loops into shared platforms, governments can move from static reporting to ongoing performance management.

Collaborative governance: Shared platforms require a different governance model. Traditional oversight emphasizes compliance and control within organizational silos. A platform approach shifts toward stewardship—where central agencies set standards, operate shared capabilities, and publish performance data, while enabling distributed execution.

In this model, the center does not micromanage delivery. It defines guardrails, maintains common building blocks, and ensures transparency across the system.

New Zealand's Border Executive Board illustrates this shift. By pooling authority across agencies, it replaced fragmented directives with coordinated decision-making around shared priorities. During the pandemic, this structure enabled the rapid implementation of quarantine-free travel and vaccination programs because data, processes, and authority were aligned.[10]

Governance in a platform model becomes less about enforcing uniformity and more about enabling coherence.

Bypassing the "single system": Australia's modernization efforts illustrate an alternative to wholesale system replacement. Rather than pursuing a single enterprisewide platform, the government has focused on building common capabilities, such as identity verification, that agencies can integrate into their own systems.[11]

These shared capabilities can be adopted incrementally, simplifying modernization while enabling faster responses to changing needs. The broader principle is structural: Deconstruct work into common components, standardize what can be shared, and reconnect capabilities around outcomes rather than organizational boundaries.

Pods: Agile teams built for outcomes

If platforms create shared capacity, pods determine how quickly government can deploy it.

Traditional agencies often respond to complex challenges by creating permanent units. Over time, these structures can harden, even as priorities shift. Pods offer a different model: Small, multidisciplinary teams are formed around a specific outcome and given clear authority and timelines; they work in short cycles, and dissolve once their mission is complete.

Today, only 28% of government agencies report regularly using dynamic, on-demand teams; yet nearly 70% believe such teams will be critical within three years. This gap signals both urgency and opportunity.[12]

Pods can advance multiple goals.

Accelerating problem-solving: The United Arab Emirates' Government Accelerators program assembles cross-agency teams to tackle national priorities within fixed timelines—often 100 days. With cabinet-level sponsorship and delegated authority, these teams

can bypass routine processes and move from problem to measurable results quickly.[13] In one case, a team reduced industrial emissions by 16% in 100 days; another increased patent filings sevenfold over the same period the prior year.[14]

Enabling faster, citizen-centric services: A number of Danish agencies have shifted from long, linear projects to multidisciplinary pods that iterate in short cycles. Policy experts, technologists, designers, and user representatives work together, continuously refining services based on direct feedback and significantly shortening delivery timelines.[15]

Cross-agency collaboration on local challenges: In Denver, "tiger teams" brought cross-functional groups together to address construction permitting delays and street homelessness.[16] By aligning authority and accountability within small teams, the city reduced construction approval times by 30% and street homelessness by 45% within 18 months.[17]

Emerging technologies—particularly AI, automation, and low-code platforms—further increase the speed and flexibility of pods. Teams can orient quickly, test solutions safely, and convert prototypes into working features without lengthy procurement or integration cycles.

As digital agents increasingly handle administrative coordination, teams themselves become lighter and more mobile. In this model, adaptability comes not from restructuring agencies, but from continuously reconfiguring small teams around evolving missions.

People: A workforce designed for mobility

No operating model changes unless the workforce model changes with it.

If platforms provide the shared foundation and pods enable speed, people determine whether adaptability becomes routine. This model shifts authority closer to where data and delivery intersect, organizes work around skills rather than roles, and enables talent to move fluidly across missions.

Some of this is already visible in public organizations.

Distributed leadership and empowered decision-making: Traditional hierarchies can slow decisions when authority sits too far from frontline work. An adaptive model pushes ownership closer to delivery.

The UK Government Digital Service formalized single service ownership for major products such as GOV.UK, Pay, and Notify, so important decisions sit with the teams closest to users.[18] Each service has a clearly accountable owner responsible for performance and outcomes, supported by multidisciplinary teams operating within shared standards. As of mid-2024, more than half of the government's top services had designated single owners.[19]

HR as a capability orchestrator: In a continuously reconfiguring organization, HR shifts from managing static roles to orchestrating capabilities. Skills, not job titles, become the organizing principle.

The Australian Public Service's Career Pathfinder platform uses AI to map transferable skills across departments, enabling faster redeployment as priorities evolve. Within months, it connected tens of thousands of roles across agencies.[20]

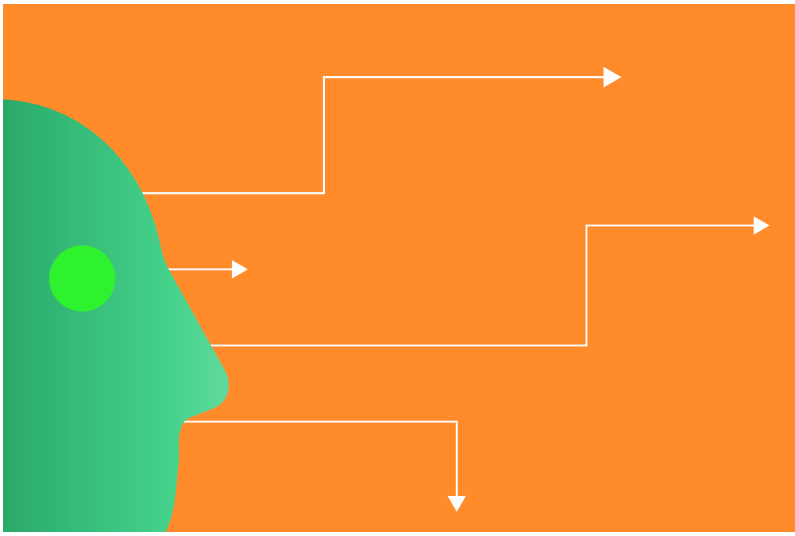
Commercial organizations are moving in a similar direction. Some have integrated HR and digital leadership and deployed AI assistants to streamline workforce management—reinforcing the link between talent mobility and operational agility. Moderna has merged HR and IT under a chief people and digital technology officer and deployed more than 3,000 tailored AI chatbots for HR tasks, streamlining performance management and employee support.[21]

Decoupling domain expertise from organizational structures: In many organizations, expertise remains confined within functional silos—finance knows finance, policy knows policy, and IT knows tech. The result is slower innovation and limited cross-pollination of ideas. An adaptive model allows expertise to travel.

New York City's Office of Data Analytics operates as a shared internal consultancy, pairing data scientists with frontline agencies. Working with the fire department, it helped develop FireCast—a predictive model that integrates data across agencies to prioritize inspections.[22]

Professional communities, such as the UK Civil Service's Government Professions framework, ensure that deep expertise is maintained even as individuals move across missions.[23]

AI can further reduce friction. New team members can rapidly gain contextual understanding, access shared knowledge, and contribute from day one.



In this model, adaptability is not achieved by restructuring departments every few years. It is achieved by enabling people, skills, and authority to move continuously within a stable shared architecture.

When talent can flow as easily as data, governments can become both more responsive and more accountable.

Enablers and accelerators

Leaders can begin designing this operating model now by:

- **Requiring the reuse of shared digital capabilities**, including common APIs, data standards, and workflows, to reduce duplication and accelerate delivery.
- **Publishing transparent performance dashboards** to enable benchmarking, shared learning, accountability, and continuous improvement across teams.
- **Defining sunset criteria for pods at launch**, clarifying when and how teams will dissolve or evolve once outcomes are achieved.
- **Delegating decision authority clearly to pod teams**, reducing bureaucratic delay while maintaining guardrails.
- **Adopting AI-enabled skill-mapping platforms** to assemble and reconfigure teams rapidly as priorities shift.
- **Establishing a systemwide orchestration view** to track capability, capacity, and cost—and rebalance resources continuously.

Toward 2030: The future this trend could unlock

Shared platforms seamlessly integrate core capabilities such as identity verification, payments, notifications, and analytics—allowing agencies to assemble services without duplicating infrastructure.

Single-window services become standard. Citizens provide information once, and agencies securely reuse it across programs, reducing friction and administrative burden.

Performance transparency is routine. Real-time dashboards allow leaders and the public to see service effectiveness, compare results, and drive continuous improvement.

Pods assemble and dissolve around clearly defined missions, reducing bureaucratic inertia and delivering measurable outcomes in months rather than years.

Workforces are organized around skills, not static roles. Talent moves fluidly across agencies and missions, supported by AI-enabled capability platforms.

AI becomes a trusted operational partner—accelerating orientation, knowledge transfer, and coordination—while human judgment remains central to complex decisions and citizen engagement.

Governments act as orchestrators of shared capabilities, deploying teams and resources quickly as priorities shift.

MY TAKE: DESIGNING A SYSTEM THAT SERVES INTELLIGENTLY

Sir Brian Roche
Public service commissioner of New Zealand

My view on transformation in the New Zealand Public Service is based on the diagnosis that we have excellent people working in a system that too often slows them down. I think we need to make a fundamental shift and reorganize the Public Service around the lives of the people we serve, not the organizational charts we inherited.

Digital is the best lever to optimize the public service for the future. Treating digital as the operating model enables agencies to work together more easily, share capabilities, and remove duplication. Shared platforms, centralized investment, and reusable digital services give us coherence across the system so people can get what they need without dealing with multiple agencies for one thing.

This will also change how public servants experience their work and free them up to do the things that matter. Fewer silos and handoffs mean clearer accountability and faster decision-making. When leaders can act more decisively, supported by shared data and better information, the system becomes more responsive. Risk shifts from something to avoid at all costs to something we understand and manage.

Workforce design is central to this model. We are investing in adaptive leadership, lifting digital and AI capability across the entire workforce, and creating systemwide career pathways so people can move, specialize, and grow as priorities change. Here, AI will play an important role in reducing administrative burden and supporting better judgment, but it should be used in ways that reinforce integrity and trust. Public servants are ready for this; they have the appetite and confidence to learn. As leaders, it is our responsibility to enable them.

I will continue to be encouraged when fragmentation continues to fall, customer experience continues to improve, digital and AI capability is lifted across the system, and we maintain trust and confidence while we make these changes. These signals will show up in the experiences of staff, leaders, and the public—and that is where I will be looking.

Endnotes

1. Aprajita Rathore and Graylin Reif, "Welcome to the center office: The future of enterprise and shared services," *Deloitte Insights*, 2020.
2. Tom Alstein et al., "2025 Global Human Capital Trends," *Deloitte Insights*, accessed Feb. 25, 2026.
3. e-Estonia, "X-Road – interoperability services," accessed Feb. 25, 2026.
4. GovTech Singapore, "Singapore government tech stack," October 2022.
5. VITAL, "Services," accessed Feb. 25, 2026.
6. Microsoft, "Centrica uses Microsoft Fabric to expose new data insights and enable faster, more responsive reporting," Jan. 16, 2025.
7. VITAL, "Services."
8. Aprajita Rathore, Christopher Hamilton, and Hilton Robinson, "America's new and efficient back-office to fuel its mission," Deloitte, 2025.
9. United Kingdom Government Office for Science, "Research and analysis: National Data Library," July 29, 2025.
10. Te Kawa Mataaho Public Service Commission, "The interdepartmental executive board model," accessed Feb. 25, 2026.
11. Australian Government Digital Transformation Agency, "Digital ID ACT 2024," accessed Feb. 25, 2026.
12. *Deloitte Insights*, "2026 Global Human Capital Trends," March 4, 2026.
13. Sheikh Mohammed bin Rashid Al Maktoum, "Mohammed bin Rashid launches Ministry of Possibilities to develop radical solutions for government's key challenges," April 23, 2019.
14. Re!nstitute, "Government accelerators in United Arab Emirates," accessed Feb. 25, 2026.
15. Andra Kasavina, "Denmark - national strategy for digitalization 2022-2026," Digital Skills and Job Platform, Dec. 19, 2025.
16. James Anderson, "Denver city hall takes a page from NASA," *Bloomberg*, July 7, 2025.
17. Ibid.
18. Olivia Helliwell and Jonathan Forman, "How we transformed the service owner role on the capability framework," Digital People blog, July 17, 2025.
19. UK Government Digital and Data, "Transforming for a digital future: Government's 2022 to 25 roadmap for digital and data," February 2024, p. 4.
20. Australian Public Service, "Career pathfinder," accessed Feb. 25, 2026.
21. Stephen Goldsmith and Craig Campbell, "The mayor's office of data analytics," *Smarter New York City: How City Agencies Innovate* (New York, NY: Columbia University Press, 2018).
22. Fire Underwriters Survey/Opta Information Intelligence, "A building fire risk prediction validation project," April 2019; Brian Heaton, "New York City fights fire with data," Government Technology, June 2015.
23. GOV.UK, "Government profession guidance," Sept. 4, 2025.

Acknowledgments

The authors would like to thank **Apurba Ghosal** from the Center for Government Insights for helping in the research and development of the draft. In addition, the authors would like to thank **Liam A. Davies** and **Christopher Hamilton** for their thoughtful feedback on the draft. The authors would also like to thank **Sir Brian Roche**, public service commissioner of New Zealand, for his valuable input in the "My take" section.

About the authors

William D. Eggers
weggers@deloitte.com

William D. Eggers is the executive director of Deloitte's Center for Government Insights where he is responsible for the firm's public sector thought leadership. Eggers is the author of numerous books. His most recent book, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Harvard Business Review Press, 2023), shows how governments at all levels can more effectively tackle society's toughest challenges by collaborating with bridgebuilders who bring together different parts of government and tap into other sectors of society.

Aprajita Rathore
aprathore@deloitte.com

Aprajita Rathore is a principal with Deloitte Consulting LLP with more than 20 years of experience helping Fortune 100 organizations transform the delivery and operations of their enterprise functions to drive sustainable efficiency gains and long-term capability-building. She has advised global chief experience officers across industries on navigating their journeys, from strategy-setting through successful execution, creating long-term impact that sticks.

Alex Massey
amassey@deloitte.co.uk

Alex Massey is a partner in our human capital practice in the United Kingdom. He is an expert in operating model design and implementation—and has worked on major transformation programmes across central government departments in the United Kingdom for over 25 years. He is the UK lead for Deloitte's "enterprise design" methodology and approach.

Adithi Pandit
apandit@deloitte.co.nz

Adithi Pandit is a senior public sector transformation leader and Deloitte partner, advising government on system reform, social investment, digital transformation, and multiagency strategy. She has worked across public sector and local government clients, with a focus on strategy execution, large-scale tech-enabled transformation, operating model design, and social impact. She is on the Deloitte Asia-Pacific public sector executive, has co-authored Deloitte's State of the State reports, and leads the Deloitte New Zealand public sector practice. Her passion lies in bringing together individuals and organizations to address "wicked problems" at multiple levels.

Amrita Datar
amdatar@deloitte.ca

Amrita Datar is a research manager at the Deloitte Center for Government Insights, where she leads research and thought leadership on the future of work and workforce issues. Her work focuses on emerging trends at the intersection of technology, business, and society and how they impact public sector organizations.

Ipshita Sinha
ipsinha@deloitte.com

Ipshita Sinha is a research specialist with the Deloitte Center for Government Insights, Deloitte Services LP. Her research focuses on addressing key health policy issues facing government health agencies. She also closely tracks the impact of digital health technologies on public health strategies and policymaking, with a particular focus on advancing health equity through innovative health care delivery and improved patient outcomes. In addition, her research also focuses on government transformation and modernization, operating model evolution, and initiatives designed to drive measurable impact.

2

From enabler to architect: How technology leadership now shapes mission delivery

As government agencies embrace AI, the lines between IT leaders' strategic and tactical roles are shifting, forcing leaders to redefine those roles or be defined by them

As government agencies embrace artificial intelligence, the line between information technology strategy and execution is narrowing, pushing technology leaders to shape mission outcomes more directly.

AI and rapid technological change have transformed IT roles within agencies. Leaders still keep the fundamentals running—managing outages, updates, and security—while now also overseeing AI agents and digital platforms that can help citizens navigate services in plain language. Increasingly, they orchestrate the technology stacks and ecosystems where intelligent automation takes shape.

Technology leaders now operate at both strategic and tactical levels. They advise on technology tools to drive transformation while selecting AI models, defining guardrails, and guiding AI adoption. Striking the right balance matters: IT is evolving from a specialized department into the digital fabric that enables government performance (figure 1).

Today's IT leaders need to define their own tomorrow—or risk having it defined for them.

Contributors:
Scott Buchholz, Sam Park, Miguel Eiras Antunes, Joe Mariani, Glynis Rodrigues, and Thirumalai Kannan

Signals: From enabler to architect

Figure 1

Generative AI adoption is reshaping the role of government IT

Gen AI is accelerating software development[a]

86%

of global survey respondents use code generators to accelerate software development

Increased AI initiatives[c]

$200M

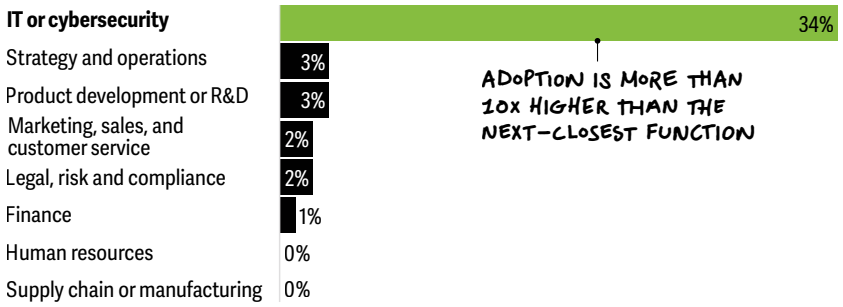
awarded to the US Department of War in AI contracts to advance frontier AI for national security

GenAI.mil

platform for all employees at the US Department of War, signaling a shift from experimental pilots to enterprisewide deployment

Unprecedented adoption in IT and cybersecurity[b]

Current gen AI adoption across functions (limited use or at scale)



Future budget expansion expectations[d]

52%

of government CIOs outside the United States expect IT budgets to increase for AI and other key technologies in 2026

Growing strategic importance of the CIO role[e]

75%

of US state CIOs say their role includes having a voice in state agency strategy and strategic initiatives

Notes: CIO = chief information officer; R&D = research and development.

Sources: [a]Joe Mariani, Pankaj Kishnani, and Ahmed Alibage, "Government's less trodden path to scaling generative AI," *Deloitte Insights*, Oct. 23, 2024; [b]Ibid; [c]Chief Digital and Artificial Intelligence Office, "CDAO announces partnerships with frontier AI companies to address national security mission areas," press release, July 14, 2025; US Department of War, "The war department unleashes AI on new GenAI.mil platform," press release, Dec. 9, 2025; [d]Gartner, "Gartner survey reveals 52% of Government CIOs outside of the US expect IT budgets to increase in 2026," press release, Nov. 26, 2025; [e]Amy Glasscock et al., "The 2024 state CIO survey: Building blocks of the next generation CIO," National Association of Chief Information Officers, September 2024.

Trend in action

Government IT leaders have historically had to balance being strategic and tactical, as well as technical and mission-oriented. What has changed is that generative AI is seemingly causing strategic and tactical roles to surface in new situations and in new combinations. This shift means that the old ways of working, teaming, and finding tools may no longer fit. Government IT leaders need to actively shape what role they want—and need—to play within their agencies (figure 2).

The strategic in the tactical: When tech decisions shape mission outcomes

Technology once operated largely behind the scenes. Today, it sits at the center of mission delivery.

Most citizen interactions and policy implementation now flow through digital systems that IT designs and governs. Nearly half of AI use cases in the US federal government support mission-enabling functions such as financial management and human resources.[1] Cloud adoption follows a similar trajectory, with agencies investing heavily in AI-enabled infrastructure.[2]

IT teams are not simply enabling other departments—they increasingly deliver outcomes directly. When citizens apply for permits or access benefits, they interact with systems that IT architects and maintains. Automation now handles tasks that once required entire teams, while IT professionals coordinate intelligent systems behind the scenes.

As technology becomes mission-critical, tech leaders are shaping organizational strategy. Across government, leaders report that integrating data across systems is central to real-time decision-making. Four-fifths of leaders surveyed across government functions say that the ability to integrate data across disparate systems is the most important factor affecting real-time decision-making.[3]

While chatbots may get all the limelight, the underlying technologies are quietly transforming IT management itself. Many banks and other organizations that require high security and significant uptime are turning to autonomous vulnerability remediation platforms. Studies of these AI-assisted systems—which detect, diagnose, and patch vulnerabilities—find that they can reduce downtime by 87% and cut time to repair by 85%.[4]

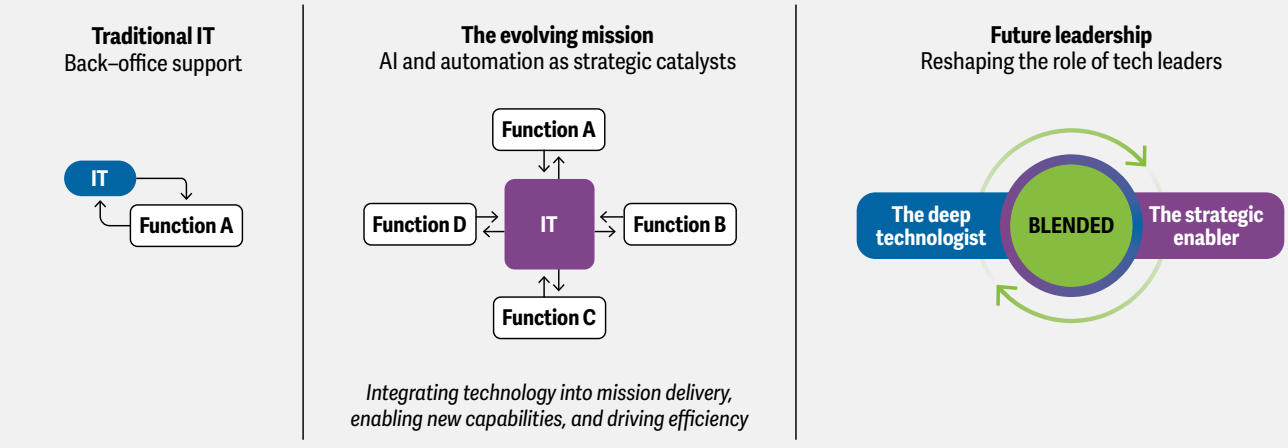
The tactical in the strategic: What it really takes to make AI work at scale

AI is also reshaping IT itself. As agencies adopt gen AI, technology leaders are pulled deeper into implementation—selecting models, defining guardrails, and guiding rollout across the enterprise. The Deloitte Tech Exec Survey finds that about 80% of chief information officers say their roles have significantly expanded to meet business objectives—evidence that leadership is becoming more hands-on and mission-driven.[5]

In many governments, CIO roles have expanded significantly. AI coding assistants, for example, have reduced development time and improved productivity in cross-government pilots in the United Kingdom and elsewhere.[6] In the US Department of the Air Force, gen AI has helped refactor millions of lines of legacy code, accelerating

Figure 2

Reimagining the role of government technology leaders in the AI era



Source: Deloitte analysis.

modernization.[7] Using gen AI to refactor old code isn't just a time-saving exercise—it's a fundamental shift in how IT work is done. It shows how smart technology can help reconstruct decades-old, undocumented systems while accelerating modernization.

AI is also helping address chronic cybersecurity talent shortages, estimated at 4.8 million unfilled positions in 2024.[8] Intelligent systems can detect vulnerabilities, automate remediation, and analyze large volumes of threat data, allowing resource-constrained cybersecurity teams to focus on higher-risk issues. The state of Utah uses an AI-powered cybersecurity program for threat detection. With two terabytes of data scanned daily, the technology helps the state sift through the noise and enables proactive mitigation by providing more actionable alerts.[9]

Across agencies, tasks that once required weeks now take minutes. Documentation, code review, and system analysis increasingly occur at machine speed.[10] The result is not simply greater efficiency, but a redefinition of how IT work is performed.

Tech leaders must choose their own adventure in redesigning the modern CIO role

Technology leaders cannot simply inherit yesterday's role. As AI becomes embedded in mission delivery, they must deliberately shape how authority, accountability, and execution are distributed.

In some agencies, that means embedding technical leaders directly within mission teams. The US General Services Administration, for example, has centralized procurement of certain AI models to reduce costs and improve buying power, while simultaneously enabling agencies to deploy those capabilities within their own mission environments.[11] This blend of central control and distributed application reflects a broader pattern: shared foundations paired with mission-level autonomy.

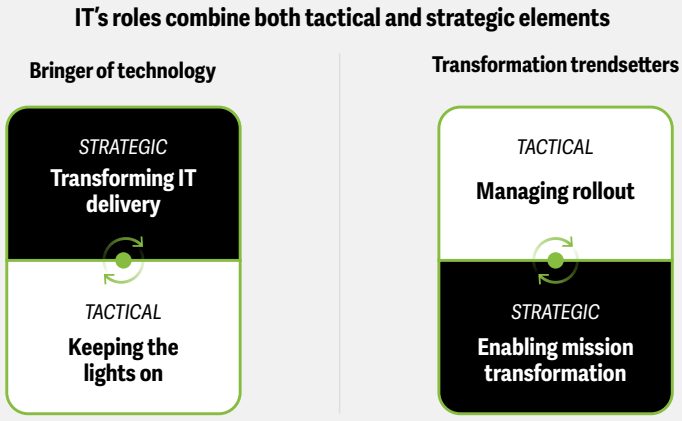
In other cases, IT leaders are stepping into strategic transformation roles. At the US Department of Transportation, CIO Pavan Pidugu has described building an internal culture that goes beyond maintaining systems to building products—reframing the CIO function as a creator of mission capabilities rather than simply a provider of infrastructure. "Everybody always thought the CIO's job is [to be] responsible for network security ... and then maybe desktop support," says Pidugu. "I want the OCIO within Transportation to be a technology shop where we build technology."[12]

IT leaders have always balanced being strategic and tactical. What's different now is that AI has positioned IT not just as a provider of the tools of change, but as a leader in shaping how work itself gets done. This is shifting the mix of strategic and tactical responsibilities within each role (figure 3).

The challenge is not choosing between strategic and tactical influence but intentionally blending both. Overcentralize, and innovation slows. Delegate too far, and coherence erodes. The most effective technology leaders are actively defining the balance rather than letting organizational history define it for them.

Figure 3

Technology leaders' roles can be viewed differently by different parts of the organization



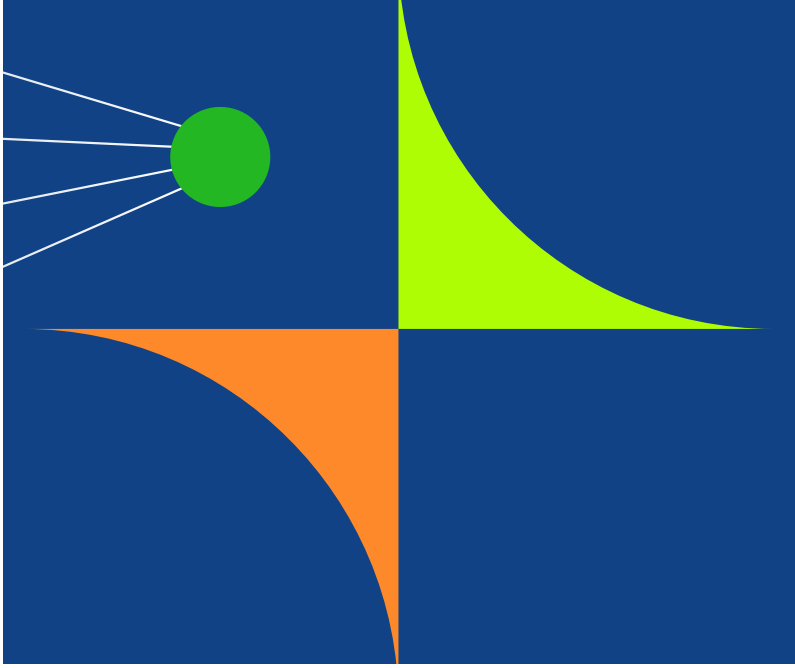
Source: Deloitte analysis.

Enablers and accelerators

The AI transformation is underway whether agencies are ready or not. Success increasingly hinges on two capabilities that have historically challenged public-sector organizations: agility and talent. Several practical levers can help.

- **Innovation exchanges.** Tour-of-duty programs and industry rotations bring external AI expertise into government while embedding technologists within mission teams. This cross-pollination accelerates adoption and builds internal capability.
- **Smarter acquisition.** AI-assisted procurement tools can help agencies evaluate vendors, pricing, and performance more quickly. Centralized buying models—such as the US General Services Administration's bulk purchasing of AI models—can lower costs while preserving mission-level flexibility.
- **Financial and operational transparency.** FinOps and similar tools make cloud and AI spending visible, linking technology investments to measurable outcomes rather than abstract budgets.
- **Mission-aligned metrics.** Beyond uptime and system availability, IT leaders need metrics that demonstrate mission impact—time saved, services improved, risks reduced.
- **Cross-functional convening.** Structured forums that bring together IT, finance, human capital, and mission leaders create shared accountability for execution and AI adoption.

These tools and approaches are not theoretical. Many agencies are already deploying them. The challenge is choosing the right mix for each agency's context and maturity.



Toward 2030: The future this trend could unlock

By 2030, the traditional IT department will look very different—not because it disappears, but because it becomes embedded throughout mission delivery.

Technology leadership blends technical depth with strategic authority. Some tech leaders embed within mission teams, bringing expertise directly to frontline delivery and leveraging tools such as low-code platforms and automated code review. Others operate at the executive level, identifying emerging technologies and aligning them with agency priorities.

Strategic foresight and operational execution converge. Technology leaders orchestrate shared platforms, data standards, and AI guardrails while partnering across finance, human capital, and mission units. Authority is defined less by system ownership and more by the ability to integrate technology, governance, and delivery into a unified operating model.

Success depends not on controlling technology but on shaping how work is redesigned around it.

MY TAKE: FROM TECH SUPPORT TO TRANSFORMATION ARCHITECT

Vince Kellen, PhD
Chief information officer, The Texas A&M University System

For most of my career, the role of IT has been framed around reliability, keeping systems up, secure, and compliant. That work still matters, but it no longer defines the role. Today, one of the most important changes facing IT leaders is philosophical, not technological. We are shifting from optimizing systems to accelerating the flow of knowledge across the organization.

AI is the catalyst for this shift. It fundamentally changes how knowledge is created, accessed, and applied. Large language models make expertise available everywhere, all the time, and enable institutions to convert their internal knowledge into an explicit, usable form almost instantly.

But right now, CIOs should be far more concerned about the **rate of adoption** than the rate of implementation. It's not enough to just implement AI and leave it there; users need to adopt it—and adapt their processes—to see the benefits. But people need to *want* to adopt AI, which means that CIOs should think about designing what I call an *architecture of desire*. That means aligning leadership goals, user motivations, and mission outcomes so people genuinely *want* to use these tools. Without engagement, there is no transformation.

Enterprise resource planning implementations were like picking grapefruits: large, consolidated processes with quick returns. AI is more like picking olives, requiring hours of effort across many smaller knowledge tasks before value emerges.

When organizations rush into adopting technology without making comparable investments in people, they shouldn't be surprised when value falls short. Technology-induced change can be effective, but it is rarely desirable without thoughtful human investment. The public sector is mission-driven, not margin-driven. But fulfilling the mission involves efficiency in administration, and that demands honest measurement of productivity gains.

There are practical implications for CIOs navigating this moment. CIOs must stay ahead of the organization on the AI journey, helping others cross the bridge from the past to the future. This is one of the few times when meaningful long-term planning is possible, given the inertia around current AI platforms. CIOs should also use AI personally, starting from a place of curiosity, asking questions, and diving back into the details. They should shift from facing business partners across the table to standing beside them, cocreating vision at the whiteboard rather than simply responding to requests.

Ultimately, IT is evolving from a specialized function into the digital fabric of the organization. CIOs who succeed will likely be those who define their role proactively, bridge past and future thoughtfully, and give equal attention to technology, people, and strategic clarity.

In an AI-shaped world, the real differentiator will not be the tools we deploy. It will be the leaders who know how to unlock their full potential.

Endnotes

1. Clare Martorana, "AI in action: 5 essential findings from the 2024 federal AI use case inventory," US Chief Information Officers Council, Jan. 15, 2025.
2. Alex Rossino, "Federal cloud computing market, 2026–2028," GovWin, Aug. 28, 2025.
3. Workday, "Workday global study: Government leaders say data silos are hampering digital transformation," Sept. 9, 2022.
4. Ramreddy Gouni, "Self-healing infrastructure as code: Autonomous remediation for cloud reliability," *Hampton Global Business Review*, Jan. 9, 2026.
5. Deloitte, "Deloitte 2025 tech exec survey," Nov. 13, 2025.
6. James, "Government coders save 28 days a year with AI tools in landmark trial," *Government Transformation Magazine*, Sept. 16, 2025.
7. Shaun Waterman, "Air Force using generative AI to help modernize legacy software," *Air & Space Forces Magazine*, April 11, 2025; Jude Stanley, "Air Force Business and Enterprise Systems directorate advances code modernization with AI," Air Force Business and Enterprise Systems, April 7, 2025.
8. International Information System Security Certification Consortium, "Employers must act as cybersecurity workforce growth stalls and skills gaps widen," Sept. 11, 2024; ISC2's 2025 report did not include an estimate of the cybersecurity workforce gap.
9. Julia Edinger, "Where to start with AI? Cities and states offer use cases," *Government Technology*, March 2024.
10. William D. Eggers, Felix Dinnessen, Mark Price, and Glynis Rodrigues, "Government at warp speed," *Deloitte Insights*, March 24, 2024.
11. US General Services Administration, "GSA strikes another OneGov deal with Anthropic to offer Claude AI to all branches of gov for just $1," Aug. 12, 2025; US General Services Administration, "Buy AI," accessed Feb. 18, 2026.
12. Frank Konkel, "'Processes, people and products': Transportation's CIO sets new vision for the agency," *Nextgov/FCW*, Aug. 1, 2025; Grace Dille, "DoT CIO's number one goal is to build technology," *MeriTalk*, July 18, 2025.

Acknowledgments

The authors would like to thank **William D. Eggers** and **Sushumna Agarwal** from the Center for Government Insights for their feedback on the draft. The authors would also like to thank **Vince Kellen**, chief information officer, The Texas A&M University System, for his valuable input in the "My take" section.

About the authors

Scott Buchholz
sbuchholz@deloitte.com

Scott Buchholz leads Deloitte's efforts to explore quantum computing and related technologies, working with customers around the world to understand and take advantage of these advanced technologies. In his role as chief technology officer for Deloitte's Government and Public Services practice, he works with government clients to use technology to innovate in their operations, technology, and mission delivery.

Sam Park
samupark@deloitte.com

Sam Park is a managing director with Deloitte Consulting LLP and is Deloitte's CIO services market leader. Park has served public sector clients in all phases of large, complex technology modernization projects. He has also led multiple strategy engagements in the areas of market analysis and strategy, strategic planning, and design and implementation of new operating models. Park holds an MBA from the UCLA Anderson School of Management.

Miguel Eiras Antunes
meantunes@deloitte.pt

Miguel Eiras Antunes leads Deloitte's Global Central Government practice. With more than 40,000 professionals worldwide, this team is dedicated to advising Central governments and multilateral organizations, among others, in areas such as policy and regulation, improving citizen services, human resources development, and operational or digital transformation. Additionally, he leads the public sector practice in Portugal and the DCE (Deloitte Central Europe) cluster, which includes public entities in 42 countries across Europe and Africa.

Joe Mariani
jmariani@deloitte.com

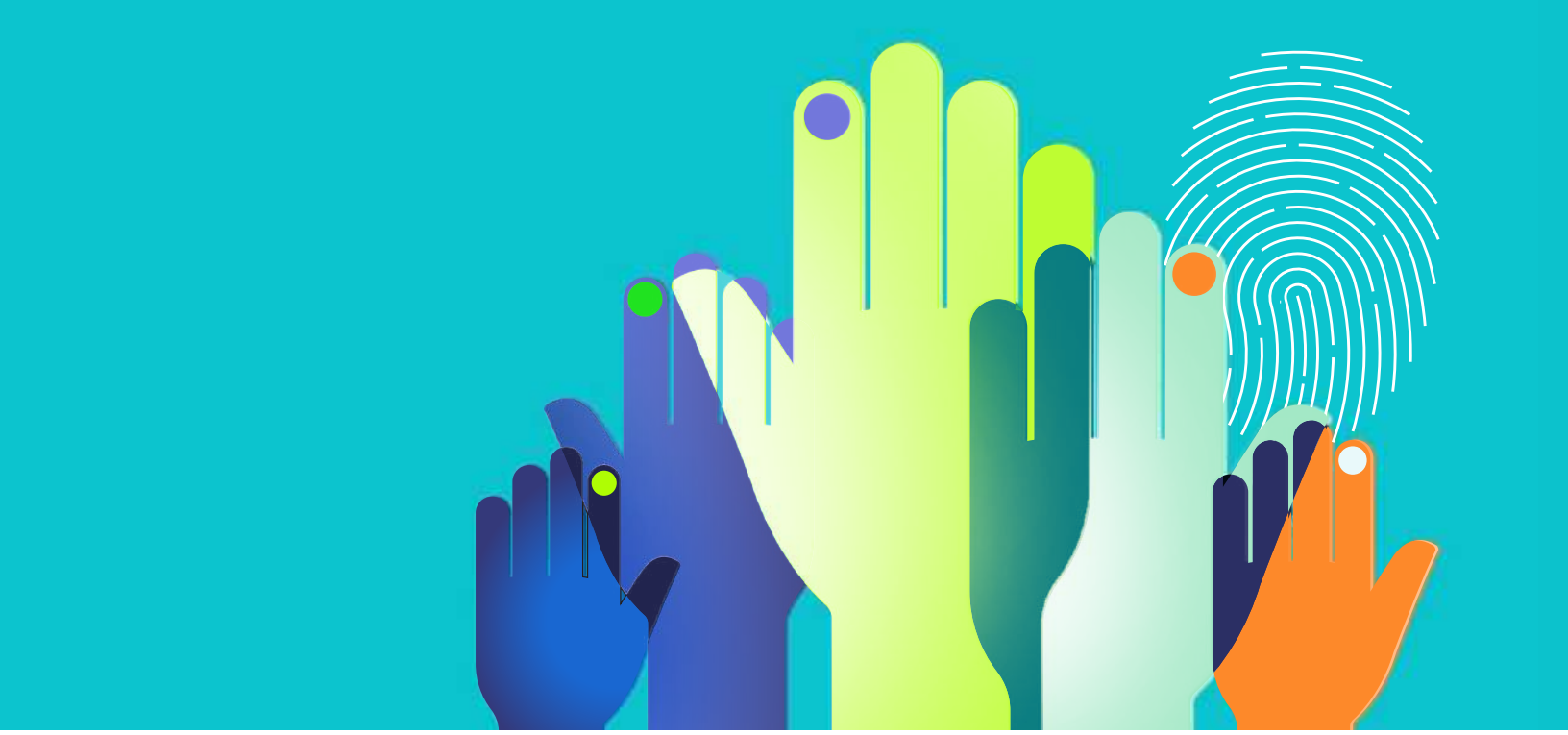
Joe Mariani is a senior research manager with the Deloitte Center for Government Insights. His research focuses on innovation and technology adoption for both national security organizations and commercial businesses. His previous work includes experience as a consultant to the defense and intelligence industries, high school science teacher, and Marine Corps intelligence officer.

Glynis Rodrigues
glyrodrigues@deloitte.com

Glynis Rodrigues is a research specialist with the Deloitte Center for Government Insights. She specializes in key topics across government, such as transportation, infrastructure, and the future of cities. Her research also focuses on the evolving landscape of regulation and emerging trends transforming government operations and service delivery. She also closely tracks developments across state and local government.

Thirumalai Kannan
tkannand@deloitte.com

Thirumalai Kannan D is a research specialist with the Deloitte Center for Government Insights. His research focuses on generative AI's impact on government work and the workforce, scaling AI adoption across public sector agencies, and how emerging technologies are reshaping talent needs. He also closely tracks the evolving landscape of generative AI tools, models, and their applications across government.



3

Customized for constituents: Agentic AI accelerates personalized public services

As agentic AI matures, government agencies are beginning to deliver personalized services to their citizens that cut across agencies, simplify journeys, and improve outcomes

Contributors:
Jaimie Boyd, Yousef Barkawie, Rajiv Gupta, Joe Mariani, and Sushumna Agarwal

Government agencies have long aimed to offer services tailored to individuals—requiring minimal effort, anticipating needs, and delivered proactively. Services such as the United Kingdom's Tell Us Once, Texas by Texas in the United States, and Singapore's LifeSG have advanced that vision. But truly customized services at scale have remained difficult because they run against the siloed structure of most organizations. Today, smart technology—especially agentic AI—makes individuated services at scale increasingly achievable.

Over the past decade, agencies have built digital foundations—cloud infrastructure, data exchanges, and digital identity. Layering agentic AI on top of these foundations can transform service delivery into customized platforms: systems that match individual needs to the right services, securely access data across agencies, and guide users through end-to-end journeys.

For individuals, the promise is simpler experiences—clearer eligibility, real-time status updates, and fewer touchpoints. For governments, the payoff is more targeted services delivered more efficiently, improving outcomes while reducing costs.

Signals: Customized for constituents

- According to the United Nations, 94 countries reported explicit AI references in their national e-government strategies between 2022 and 2024.[1] The Organisation for Economic Co-operation and Development's AI repository catalogs roughly 200 government AI use cases worldwide.[2]

- Many governments have already built the digital infrastructure required for customized service platforms. As of December 2025, at least 64 countries have adopted digital identity systems aligned with digital public infrastructure (DPI) principles. Digital payments with DPI characteristics exist in 97 countries, and more than 100 countries operate DPI-style data exchange platforms.[3]

- Early examples of customized services are emerging. After the 2024 Noto Peninsula earthquake, AI tools in Japan analyzed social media and environmental data to deliver verified, real-time insights.[4] In 2025, Portugal's Gov.pt portal launched a gen AI-powered assistant covering more than 2,300 services, enabling multilingual guidance, process tracking, and appointment scheduling.[5]

Trend in action

Now: The data foundations are already laid

Customized services depend on high-quality, connected data—often spread across multiple agencies. Anticipating needs requires systems that can securely access and combine data without centralizing it in one vulnerable repository.

Data exchanges play a pivotal role. Through application programming interfaces, agencies can access the information required to deliver requested services while preserving control and consent.

In the United States, a 2025 executive order accelerated intra- and inter-agency data-sharing, increasing demand for cross-agency integration platforms.[6] Similar shifts are underway globally.[7]

The European Union's Once-Only Technical System enables agencies to request verified records across borders—such as diplomas or licenses—after secure identity verification and consent.[8] Data moves directly between authorities, reducing duplication and error.[9] With this system, cross-border services—such as studying, working, registering a car, or claiming a pension—may be faster and less error-prone within the EU single market.[10]

Singapore's APEX national data exchange and Estonia's X-Road demonstrate how national data exchange platforms can enable secure, real-time information-sharing while maintaining agency control. These platforms ensure that data is encrypted, digitally signed, time-stamped, and logged; authentication happens at the organization and system levels.[11] The X-Road data exchange has been deployed in more than 20 countries.[12]

New: AI and super apps are improving experiences

Building on these foundations, governments are using AI and super apps to redesign public interactions.

Ireland's MyWelfare platform integrates cross-agency data to support benefit applications, personal updates, and automated decisions for straightforward cases. By late 2024, more than 83% of illness benefit claims and 98% of treatment benefit claims were auto-awarded—significantly accelerating processing times for citizens.[13]

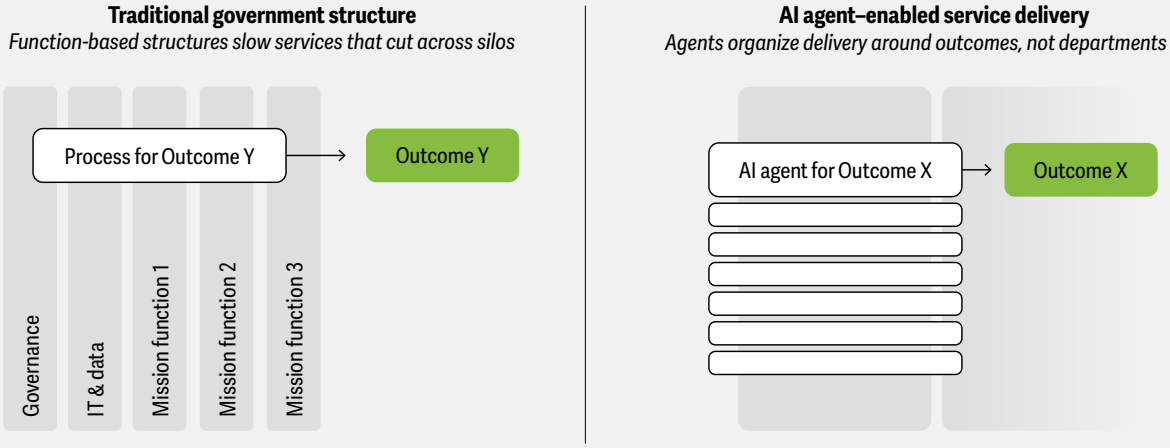
Spain's My Citizen Folder provides a unified interface across multiple agencies, allowing users to track applications, receive personalized notifications, and access official documents through web, chat, and mobile channels.[14]

AI is not simply digitizing paper processes—it enables new service designs. As Ukraine's former minister of digital transformation has noted, the goal is not to replicate bureaucracy digitally, but to create new services that improve outcomes.[15] In other words, the focus should be on improving citizen outcomes, not just on streamlining processes.

Yet, customized services still challenge traditional structures. Agencies are organized by function and domain, while individuals' needs often cut across boundaries. Enter AI agents, built around workflows and outcomes rather than departments or functions. They don't need to cut across silos—they operate outside them—thereby helping to overcome structural constraints (figure 1).

Figure 1

Tailored services often pull against the structure of government organizations



Source: Deloitte analysis.

Next: AI agents help reorient service delivery

Many digital leaders are already exploring how AI agents can make services more customized, composable, and proactive.

Imagine incorporating a business. Instead of navigating multiple sites, an AI agent gathers required information, auto-completes forms, and submits filings through a single interaction. Similar coordination can extend to tax filings, licensing, or benefits access.

Platforms such as India's UMANG, Ukraine's Diia, and Ireland's MyWelfare already provide multichannel access to services. What changes with AI agents is the ability to coordinate tasks autonomously across organizational boundaries.

Estonia's Bürokratt illustrates this shift. It connects a network of virtual assistants across government sites, allowing users to ask questions and complete tasks through secure, supervised AI workflows.[16] Built on Estonia's digital identity and data exchange infrastructure, these agents collaborate to retrieve verified data and execute actions within defined guardrails.[17]

Enablers and accelerators

Despite the promise of personalized delivery, significant adoption hurdles remain. Four foundations are key:

- **Leadership and governance**
  Senior leaders should champion modernization, reduce tech debt, and align cross-agency priorities to enable coordinated delivery. By prioritizing technology upgrades, agencies can free themselves from tech debt and create an environment where innovative solutions, including AI, can thrive.

- **A flexible technology stack**
  Customized services depend on interoperable layers: identity, payments, data exchange, orchestration APIs, and user interfaces. Each layer of this stack should be extensive enough to grow with demand but also open enough to operate across layers and agencies.

- **Flexible acquisition**
  Keeping the tech flexible also means keeping procurement flexible. Procurement approaches should accommodate software-driven services and evolving technologies while encouraging market awareness and ecosystem participation.

- **Operational redesign**
  Workflows should be redesigned to support cross-agency coordination, data protection, and rapid onboarding of new tools without vendor lock-in.

Toward 2030: The future this trend could unlock

AI agents are a tool, not the goal. The deeper shift is toward outcome-focused service delivery that connects individuals to the right services at the right time—regardless of where the services originate.

Integrated public-private delivery: Customized service platforms can extend beyond government, allowing trusted partners such as universities, hospitals, or nonprofits to deliver services through shared APIs and verified data exchanges.

Abu Dhabi's TAMM platform offers a glimpse of this model. TAMM deploys several AI agents on a data exchange layer to map users' life events to more than 1,000 services from over 90 public and private service providers through a unified workflow.[18] Vehicle owners can renew licenses, pay traffic fines, and compare and buy motor insurance from private companies in one place. Entrepreneurs can apply for licenses specific to their industry and geography, open new business accounts, and link existing ones within one workflow.[19]

Agent-to-agent delivery: Agent-to-agent communication allows agents to exchange data and trigger actions without the need for manual handoffs, reducing processing time. The MIT Media Lab's Project NANDA is developing protocols that allow agent-to-agent coordination.[20] Over time, this could allow every individual to have a personal agent that could work with government agents to execute common tasks simply by asking, for example, "register my business" or "pay my tax bill."

The result is not simply faster services, but fewer touchpoints, clearer journeys, and broader access across public and private providers.

MY TAKE

Nick Holmes
Director of sustainable infrastructure and transportation, ServiceNow

When it comes to services, citizens want simplicity. Think of a smartphone. The user sees a single pane of glass. Government services are no different. As a citizen, I want a single pane of glass, and I don't care what's behind the scenes. I just want my needs met.

Many governments are closer than they realize to this goal. And the challenges are not the usual suspects. First and foremost, it's not a technology problem, but a people problem. True end-to-end customized service delivery often crosses many organizational boundaries. That means coordinating across departments, getting the right people engaged and in the same boat together. This is the hardest thing, but also one of the most critical.

A second challenge is poor implementation. Even today, there are procurement teams that are not thinking of end-to-end workflows; they are thinking of upgrading a legacy system for a new version of the same system. Poor implementation tends to erode confidence and political capital. Defining requirements more accurately and ensuring that a solution has the right specs is key to proper implementation.

Looking ahead, we're at an inflection point. The convergence of AI agents, digital identity, and data exchanges means moving away from "tell us once" to "we already know." AI agents and an AI control tower won't overcome the challenges alone, but they fundamentally change the economics of customization and cross boundary coordination. It's the difference between building a custom road to every house and having an intelligent GPS that finds the best route regardless of infrastructure.

Speed and value realization also matter. Pre-configured out-of-the-box agents can show benefits early and help turn negative energy into positive momentum. Organizations should think of the AI agent as a member of the team, freeing up time and helping workers to be more effective. There are already several glittering examples of success including Smart Government in Dubai, Ask Jamie in Singapore and Kigali's Irembo platform.

To be successful, governments need three important things: change management, redesigned workflow, and outcome measurement. Are citizens actually experiencing fewer touchpoints? Is time-to-resolution decreasing? Are vulnerable populations accessing services they previously missed? Ultimately, success won't be how sophisticated AI agents are: It'll be when citizens stop thinking about "government services" as a separate category of experience. Imagine interacting with government that feels as seamless and personalized as the best consumer experiences, but with the additional trust and security that government can provide.

Endnotes

1. Junho Lee, "Addendum on AI and digital government," 2024 *E-Government Survey* (New York: United Nations, 2024), pp. 159–171.
2. Organisation for Economic Co-operation and Development (OECD), "Governing with artificial intelligence," Sept. 18, 2025.
3. Jordyn Fetter, Krisstina Rao, and David Eaves, "2025 state of digital public infrastructure report: A look at measurement and prevalence as DPI transitions from experiment to scale," UCL Institute for Innovation and Public Purpose, October 2025.
4. JR DeLaney, "AI for good: Revolutionizing disaster response & community resilience," *Medium*, June 14, 2025; Japanese humanitarian organizations have used Spectee Pro to tap crowdsourced intelligence during natural disasters; see University College London School of Management, "School of Management and Tohoku University launch DOTS research initiative," July 23, 2025.
5. OECD, "Governing with artificial intelligence."
6. The White House, "Stopping waste, fraud, and abuse by eliminating information silos," March 20, 2025.
7. Australian Government Office of the National Data Commissioner, "Introducing the DATA Scheme," last modified on Aug. 7, 2025.
8. European Commission, "EU member states celebrate go-live of the Once-Only Technical System," Dec. 12, 2023.
9. European Commission, "The Once-Only Technical System is creating a cross-sector data space," accessed Dec. 8, 2025.
10. European Commission, "Once-Only Technical System (OOTS)," Feb. 13, 2024.
11. GovTech Singapore, "Fact sheet: APEX: A centralised data sharing portal for Singapore's public sector," November 2022; Taavi Kotka, "X-Road: The backbone of Estonia's digital society," accessed Dec. 8, 2025.
12. European Commission, "X-Road data exchange layer," accessed Dec. 8, 2025.
13. Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, "Better public services article: Department of Social Protection Delivering Digital Public Services," Government of Ireland, March 19, 2025.
14. La Moncloa, "Mi Carpeta Ciudadana launches a message center to receive personalized notices such as scholarships, subsidies or document expiration," Aug. 4, 2025.
15. Joe Mariani et al., "The building blocks of monumental government service delivery," *Deloitte Insights*, Feb. 29, 2024.
16. Ministry of Justice and Digital Affairs of Estonia, "Virtual assistant Bürokratt," accessed Dec. 8, 2025.
17. Ministry of Justice and Digital Affairs of Estonia, "Reusable AI components," accessed Dec. 8, 2025.
18. Department of Government Enablement of Abu Dhabi, "Abu Dhabi unveils world's first AI public servant at GITEX Global 2025." Oct. 14, 2025.
19. Tamm - Abu Dhabi Government, "Abu Dhabi government services," accessed Dec. 8, 2025.
20. Massachusetts Institute of Technology - Networked Agents and Decentralized AI, "NANDA: The internet of AI agents," accessed Dec. 8, 2025.

Acknowledgments

The authors would like to thank **William D. Eggers** and **Adithi Pandit** for their thoughtful feedback on the draft. The authors would also like to thank **Nick Holmes**, director of sustainable infrastructure and transportation, ServiceNow, for his valuable input in the "My take" section.

About the authors

Jaimie Boyd
jaiboyd@deloitte.ca

Jaimie Boyd is Deloitte Canada's national digital government leader. She works with clients to accelerate digital change in the public sector, helping governments to better serve citizens using modern technologies. She previously served as the chief digital officer for the Government of British Columbia and has held a variety of leadership roles in the Government of Canada. Recognized as one of the world's 100 most influential people in digital government, Boyd is a frequent speaker on service modernization, data-driven leadership, and the future of government.

Yousef Barkawie
ybarkawie@deloitte.com

Yousef Barkawie is a seasoned and multifaceted technology leader with more than two decades of experience in large-scale transformations, government digital platforms, and AI and data analytics capabilities. As the growth platforms leader, he plays a pivotal role in leading the strategy with our global strategic alliances, fostering an ecosystem to offer innovative solutions across portfolios that meet the evolving needs of our clients. In this role he is responsible for driving sales growth in the Middle East region in synergy with alliance, portfolio, and industry leaders. Barkawie also leads Deloitte's AI strategic growth offering in the Middle East, driving Deloitte's overall AI and gen AI propositions in the market across all our businesses.

Rajiv Gupta
rajivgupta@deloitte.com

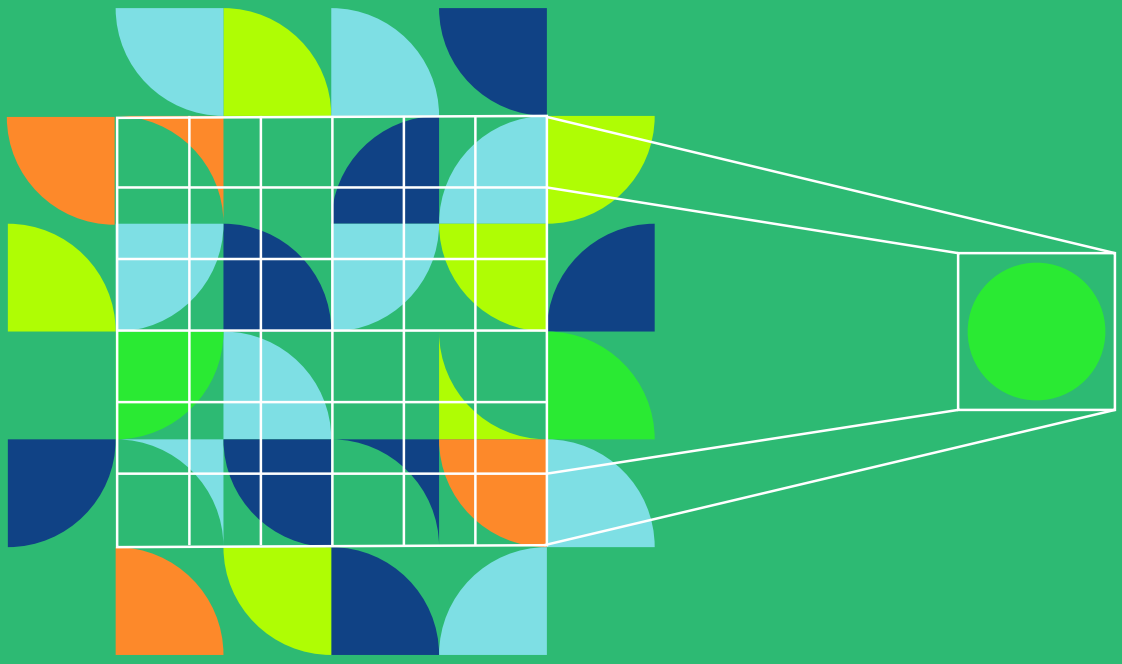
Rajiv Gupta is a managing director and leads Deloitte's Government and Public Services customer strategy and design practice. He specializes in corporate strategy, customer strategy, digital transformation, customer experience, service design, marketing, and disruptive innovation. Gupta has extensive experience working across government and is a passionate creative focused on bringing innovative, digital, and customer-centric solutions forward to serve some of the most complex government mission needs.

Joe Mariani
jmariani@deloitte.com

Joe Mariani is a senior research manager with Deloitte's Center for Government Insights. His research focuses on innovation and technology adoption for both national security organizations and commercial businesses. Mariani's previous work includes experience as a consultant to the defense and intelligence industries, high school science teacher, and Marine Corps intelligence officer.

Sushumna Agarwal
sushagarwal@deloitte.com

Sushumna Agarwal is a research specialist with the Deloitte Center for Government Insights, Deloitte Services LP. She researches workforce issues at the federal, state, and local government levels and her primary focus is on applying quantitative techniques to enable data-driven research insights.



4

Rewiring regulation: From static rulebooks to adaptive, data-driven oversight

Across regions, regulators are updating rules, tools, and processes using AI, sandboxes, and data to make regulation more adaptive while maintaining public trust

A generation ago, regulators could take years to draft and finalize rules. Today, they must adapt in months.[1] Advances in data, AI, and digital design are reshaping how regulation is written, implemented, and enforced—turning static rulebooks into more adaptive, evidence-driven systems.[2]

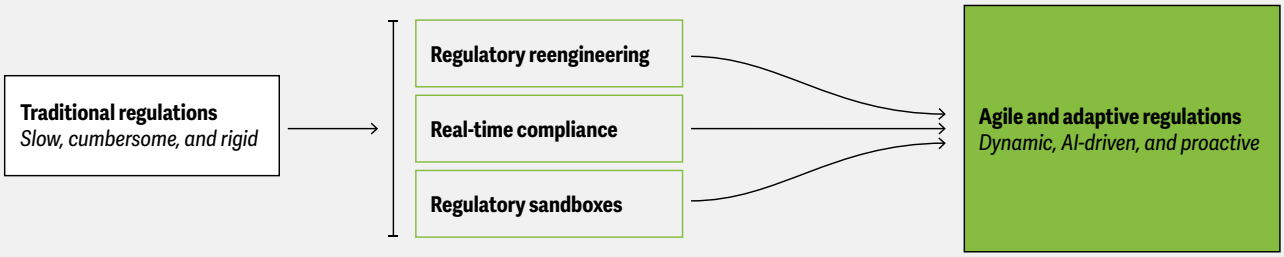
As technology accelerates change, agencies are modernizing regulatory processes without compromising public trust or safety. Governments are pairing policy reform with smart tools—from generative AI to regulatory sandboxes and policy simulation—to make rules clearer, more precise, and easier to comply with.[3] Speed and consistency, often thought to be incompatible with public oversight, are fast becoming not only achievable but expected.[4]

Dense and overlapping regulations are being rewritten in plain language and converted into machine-readable formats.[5] One-stop portals, automated code checks, and streamlined workflows are simplifying compliance journeys.[6] Policies can now be tested in controlled environments before broad rollout, with data used to refine rules over time (figure 1).

Contributors:
William D. Eggers, Matthew Gracie, Sam J Walsh, Stijn Vandeweyer, and Glynis Rodrigues

Figure 1

Regulators are updating rules, tools and processes using AI, data, and sandboxes to make regulation more agile and adaptive



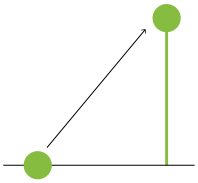
Source: Deloitte analysis.

Signals: Rewiring regulation

Figure 2

Regulatory innovation enabling agile and adaptive rules

Surge in AI regulation



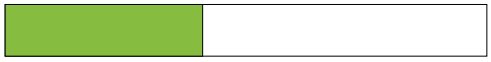
21.3% increase

in global AI legislative mentions across **75 countries** since 2023, marking a **ninefold** rise since 2016.[a]

In 2024, at least **40 AI-related laws** were enacted worldwide.[b]

Agile and digital gateways

41%



of member countries of the Organisation for Economic Co-operation and Development (OECD) require regulators to consider **agile and flexible design** options when putting forward new rules.[c]

More than 90 countries have adopted **National Single Windows**, streamlined digital gateways that allow businesses to submit all regulatory documents in one place.[d]

Citizen and business engagement

Across the European Union, governments are involving both citizens and businesses in the rulemaking process.

France's Conseil National de la Refondation convenes communities and industries to co-design solutions.

Latvia's Unified Portal lets stakeholders review and respond to all draft regulations across agencies in one place.[e]

Reducing regulatory burdens

- **India** has removed about 42,000 compliance requirements and decriminalized roughly 3,700 provisions since 2014 to create a more seamless, export-friendly economy.[f]
- The **United Arab Emirates**' Zero Bureaucracy program scrapped over 4,000 procedures, cutting delivery times by more than 70% and saving citizens roughly 12 million hours in the first phase.[g]
- **New Zealand**'s Red Tape Tipline received more than 1,300 public submissions in its first year, helping to identify outdated, confusing, or overly complex rules.[h]
- The **UK** government has committed to reducing the administrative requirements on businesses by 25%, cutting regulatory costs by about £5.6 billion a year by the end of the current parliamentary term.[i]

Sources: [a]Stanford University Human-Centered Artificial Intelligence, "The 2025 AI Index Report," accessed Nov. 21, 2025; [b]Artificial Intelligence Index Report 2025; [c]Davidson et al., *OECD Regulatory Policy Outlook 2025*; [d]UN Economic Commission for Europe, "Guidelines for establishing a regional single window," June 2025; [e]OECD, *Better regulation practices across the European Union 2025*, Sept. 29, 2025; [f]*Times of India*, "Government committed to ease regulatory burden: Finance minister," March 5, 2025; [g]Emirates News Agency, "Mohammed bin Rashid launches phase 2 of Zero Bureaucracy Programme," June 16, 2025; [h]New Zealand Ministry for Regulation, "Ministry for regulation news—October 2025," Oct. 30, 2025; [i]Rachel Reeves, "Regulation Action Plan: Progress and updates," UK Parliament, Statement UIN HCWS975, Oct. 21, 2025.

Regulation is shifting from episodic rulemaking to continuous learning—a system that can adapt as markets, technologies, and risks evolve (figure 2).

Trend in action

Regulatory reengineering: Using AI to turn complex regulations into easy-to-understand language

Regulations are often dense, cross-referenced, and amended over time, making even simple questions difficult to answer. AI is accelerating efforts to simplify how agencies write, interpret, and apply rules.

Governments are converting legislation into machine-readable formats, allowing digital systems to guide users through tailored compliance journeys that clarify what applies and what to do next.[7]

Australia has been a front-runner. Its Rules as Code initiative, launched as a sandbox, helps agencies translate legislation into machine-readable services.[8] In New South Wales, the Community Gaming Check tool uses a short questionnaire to determine instantly whether a local gaming activity requires approval.[9]

By translating complexity into structured logic, regulatory reengineering can deliver faster decisions, fewer errors, and greater confidence in outcomes.[10]

Laws can be challenging for regulators to navigate. Legal jargon, cross-references, and scattered amendments can turn simple questions into time-consuming research exercises.

The impact varies by role:

Policy experts: Using AI to translate law into actionable guidance

AI-enabled tools help policy teams turn statutory language into practical guidance while preserving legal authority. In Minnesota, the Department of Revenue and Minnesota IT Services built an AI-driven legislative tracking system in 90 days. It analyzes 100 bills per minute and has processed more than 6,500 bills with 99% accuracy, saving over 1,000 hours of manual review each session.[11]

Businesses: Clarity that lowers the cost of compliance

Reengineering can consolidate fragmented rules into clearer obligations. The Netherlands' Permit Check tool identifies which environmental regulations apply to a specific address, guiding users through relevant requirements.[12]

More broadly, aligning overlapping rule sets within a single business process rather than treating each approval separately can reduce delays and improve coordination across agencies.[13]

Citizens: Simplified access to services

Applying a customer-experience lens to regulation enables end-to-end service journeys. Pre-filled forms, semi-automatic data exchange, and embedded compliance checks help citizens and professionals get it right the first time.

Estonia has digitized all government services, allowing citizens to register life events online through integrated, safeguarded systems.[14]

Cleaning up the rulebook: Ensuring regulations are clear, current, and consistent

Over time, regulatory systems accumulate complexity—overlapping provisions, outdated requirements, and inconsistent guidance. AI is helping regulators surface and address that hidden friction.

Virginia's agentic AI pilot scans statutes, regulations, and guidance to identify contradictions, redundancies, and opportunities to simplify language. When rules change, related portals, forms, and checklists can update automatically, keeping compliance requirements aligned with current law.[15]

The Flemish Government's Regelrecht initiative similarly focuses on identifying unnecessary rules and simplifying processes in collaboration with citizens and businesses.[16]

These efforts are converging into digital regulatory twins—virtual representations of the regulatory landscape that map applicable rules over time, flag overlaps, and test proposed reforms before implementation. New South Wales' Legislation Twin brings laws into a unified, machine-readable system to support clearer analysis and decision-making.[17]

By continuously cleaning and modeling the rulebook, regulators can reduce ambiguity, prevent drift, and make reform more deliberate and evidence-based.

Real-time compliance: From paper-based processes to continuous digital oversight

Governments are shifting compliance from paper-heavy, sequential processes to integrated digital journeys. The aim is not speed for its own sake, but earlier clarity, faster approvals, and targeted human oversight for complex cases.

One front door for compliance

Single portals are simplifying regulatory interactions and supporting growth. Portugal's one-stop business registration platform increased firm creation, while similar reforms in Colombia boosted new registrations.[18] Nevada's unified licensing platform allows businesses to apply for, manage, and renew licenses in one place, reducing duplication across agencies.[19]

One-stop portals have emerged as a global regulatory trend, helping to simplify compliance and spur economic activity.

AI-assisted approvals and audits

Lengthy permitting processes remain a major barrier to housing and infrastructure, driving up costs and extending delivery times.[20] AI tools can help to speed up permitting by interpreting complex codes and conducting automated pre-checks, flagging issues before formal review. In Austin, AI-assisted building permit reviews reduce processing time and allow staff to focus on more complex applications.[21] Across the US federal government, automation could save tens of millions of staff hours annually in compliance and enforcement.[22]

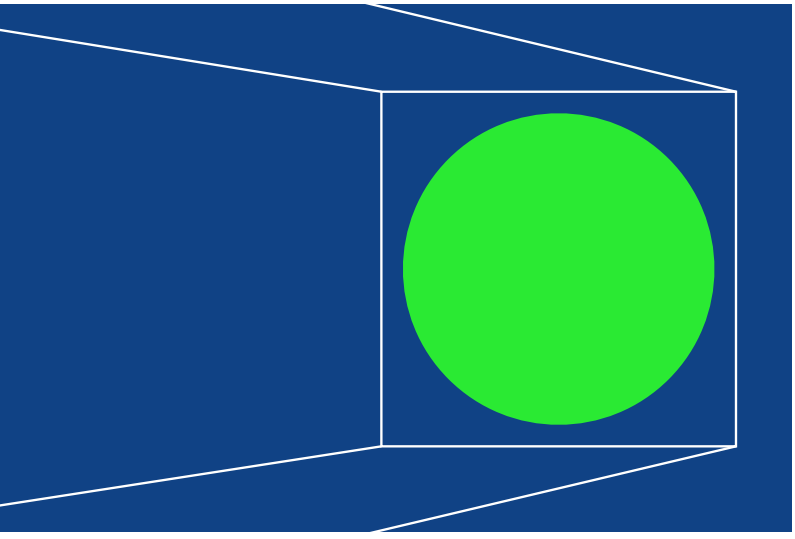
AI can also reduce burdens by allowing businesses to submit data in formats that suit their systems, with regulators extracting and standardizing required information automatically.

Strengthening inspections with real-time evidence

Drones and earth observation technologies are strengthening inspections by providing high-resolution, real-time data that is often more accurate than traditional ground surveys. Equipped with sensors such as light detection and ranging, these approaches can capture detailed imagery of wildlife, habitats, water, coasts, bridges, and roads, enabling faster, more accurate, and cost-effective decision-making.[23]

Cincinnati uses AI-enabled drones to inspect bridges and roads, lowering costs, reducing risk to inspectors, and compressing analysis timelines from months to minutes.[24]

Drones and earth observation data are helping to transform inspections and environmental compliance by providing real-time, high-resolution data.



Across these examples, a consistent model is emerging: a single entry point, automated pre-checks, risk-based human review, and continuous system updates. When applied across the regulatory lifecycle—from authorization to supervision and enforcement—this approach preserves public protections while improving speed and consistency. To realize the full promise of real-time regulation, similar innovations should extend across the entire regulatory value chain—including supervision and enforcement.

Regulatory sandboxes: Creating a safe space for innovation and oversight

As innovation accelerates, regulators face a widening gap between technological change and rulemaking cycles.[25] Regulatory sandboxes help close that gap by creating controlled environments where new products and technologies can be tested under supervision before full market deployment.[26]

Sandboxes enable iterative learning. Regulators gather evidence, refine safeguards, and adjust frameworks while maintaining public protections.[27] What began as isolated pilots is increasingly becoming a standard feature of adaptive regulation.

AI sandboxes: Tightening the gap between innovation and regulation

Given the rapid pace of AI development, many governments are embedding experimentation directly into regulatory design. The European Union's AI Act requires each member state to establish at least one AI sandbox.[28] In the United Kingdom, the AI Growth Lab allows businesses to test AI technologies under regulatory observation, helping policymakers assess risks and opportunities in real time.[29]

Participatory sandboxes: Co-designing safeguards with innovators

Some regulators are shifting from prescriptive oversight to co-design. The UK Financial Conduct Authority's AI Sprint brings together industry, academics, consumer groups, and regulators to identify risks and develop safeguards collectively. In combination with the authority's AI Input Zone, this approach provides early visibility into emerging use cases and aligns innovation with public protections.[30]

Energy sandboxes: De-risking the energy transition through controlled trials

In the energy sector, sandboxes enable real-world testing of new technologies under relaxed conditions.

Singapore's Energy Market Authority uses regulatory sandboxes to grant temporary waivers, enabling new products and services—such as virtual power plants, which digitally bundle distributed energy resources to operate as a single power generator—to be tested safely.[31]

Autonomous systems sandboxes: From controlled pilots to safe public deployment

As autonomous vehicles move from pilots to public roads, regulators are using sandboxes to test fast-evolving autonomous and advanced driver-assistance technologies in real-world conditions. India's Advanced Driver Assistance Systems Test City provides a controlled environment for evaluating autonomous vehicle technologies.[32]

The collaborative nature of regulatory sandboxes allows businesses and regulators to work closely from testing through implementation. The Australian Institute of Marine Science's ReefWorks inshore test range operates a sandbox that enables developers of uncrewed vessels to conduct trials without securing individual permits, reducing friction in research and development.[33] Data and lessons from these trials are shared with regulators to inform legislative updates.[34] ReefWorks has accelerated innovation, strengthened industry participation, and emerged as a national maritime testing hub—demonstrating how adaptive regulation can support responsible growth.[35]

Across domains, sandboxes provide a structured path from pilot to policy—accelerating innovation while strengthening regulatory insight and trust.

Enablers and accelerators

Governments can accelerate regulatory rewiring by investing in foundational capabilities.

- **Regulatory norm engineering:** Translate complex rules into structured, machine-readable formats that both humans and automated systems can interpret.
- **Risk-based authorization:** Use enhanced data capture and analytics to fast-track low-risk applications while maintaining oversight for higher-risk cases.[36]
- **Policy simulation and digital twins:** Test reforms in virtual environments before rollout, modeling real-world impacts and trade-offs.
- **Unified regulatory platforms:** Create a single digital front door that connects agency systems and simplifies compliance journeys.
- **Regulatory intelligence tools:** Combine AI and human insight to map, analyze, and streamline large regulatory data sets.[37]
- **Predictive and proactive oversight:** Apply analytics to identify emerging risks and intervene early rather than relying solely on retrospective enforcement.
- **Agentic AI for routine tasks:** Deploy autonomous agents to handle repetitive regulatory processes, generate insights, and support decision-making in complex cases.

Toward 2030: The future this trend could unlock

By 2030, regulation should function less as a static rulebook and more as a dynamic operating system—continuously updated, machine-readable, and responsive to real-world data. Regulation becomes not a brake on innovation, but an adaptive infrastructure that supports growth while safeguarding the public interest.

For businesses: Compliance by design

- **Built-in compliance:** Rules are embedded directly into digital systems. Applications are validated at the point of submission, reducing errors and accelerating approvals.
- **Once-only proof:** Regulators reuse verified data across agencies, eliminating duplicate document collection, lowering compliance costs, and speeding time to market.

For regulators: Continuous oversight

- **One source of truth:** Guidance is published in clear language, supported by digital tools. When rules change, forms, portals, and checklists update automatically, reducing ambiguity and lag.
- **Adaptive supervision:** Agencies monitor outcomes in near real time, focusing human effort on higher-risk activity and intervening proactively rather than reactively.

For citizens: Seamless, explainable services

- **One front door, tailored journeys:** Life events begin through a unified digital entry point that guides users through clear, personalized pathways with transparent timelines and status updates.
- **Decisions that explain themselves:** Approvals and denials are accompanied by clear reasoning and supporting evidence, reinforcing fairness, privacy, and public trust.

MY TAKE: DESIGNING REGULATIONS AROUND REAL-WORLD EXPERIENCES

Santiago Garces
Chief information officer of the City of Boston

For years, permitting was treated as a set of internal government workflows rather than a service—or **regulatory experience**—for residents. The City of Boston's constituent survey data consistently showed that permitting ranked among the services residents were least satisfied with—falling **below peer-city benchmarks**. A simple, persistent focus from Mayor Michelle Wu on what permitting means to people became the starting point for our reforms.

We stopped organizing around government categories and instead organized around what residents are trying to do. Permitting is a translation problem between rules written to address specific risks and the real-world outcomes that residents want to achieve.

AI helped us translate constituent permitting experiences at scale and decide what to tackle first. Using 25 years of permitting data, including unstructured comments, we built a user-centered taxonomy. With large language models and natural language processing, we clustered hundreds of thousands of comments into roughly 200 experience groupings that reflected common constituent goals rather than agency silos, such as "replacing my boiler," "building a deck," or "opening a restaurant." By linking each cluster to practical metrics like volume, typical duration, and associated sub-permits, it was possible to see where complexity concentrated, where timelines stretched, and which experiences most affected applicants.

We then validated these clusters with the help of people closest to the work, such as permit technicians and inspectors, to refine labels and merge categories until the taxonomy matched reality. This highlighted a gap in the permitting journey: applicants needed experience-level guidance that clearly explains the steps and sub-permits required, not another layer of "it depends."

That insight led to building structured guidance articles for the most common experiences, starting with the top 20, which represent more than 30,000 permit experiences a year. These are paired with AI-enabled tools, which generate first drafts from existing materials and populate structured templates. This work was complemented with a redesigned Boston.gov website, which offers AI-powered searches, clearer information, and guidance organized around how residents think rather than how government is structured.

We are tracking the measures that matter: fewer rejected applications, higher satisfaction with guidance and search, and fewer people citing a lack of clear information.

Ultimately, this is what modern regulation should look like: data-informed, user-centered, and adaptive—**improving regulatory outcomes by redesigning the experiences people actually have** one experience at a time.

MY TAKE: SMARTER REGULATIONS FOR A DIGITAL ECONOMY

Angus Barry
Head of data transformation, Department for Business and Trade, United Kingdom

Regulatory compliance is a costly business. The Department for Business and Trade has a duty to make it as frictionless as possible to free up revenue for productivity and profit. We do this by strengthening foundational regulatory data (legislation, guidance, and standards), publishing business-friendly content that crosses regulator boundaries, and digitizing regulatory services, starting with licensing. Working with regulators and their digital teams, we are building a coherent, cross-government compliance experience.

Until recently, it was not possible to describe the full set of UK laws that remain legally active, from the Statute of Marlborough 1267 to the Space Industry Act 2018. The National Archives created the "Is it in force?" data set to close that gap. We can now provide the LegalTech sector with a defined subset of legislation relevant to businesses. We are enriching this with semantic markup and collating legislative duties for each regulator—some have over 8,000. Consistent, comprehensive, machine-comprehensible regulatory data will enable RegTech firms to deliver higher-quality, lower-cost automated compliance tools.

Better data is only part of the solution. GOV.UK hosts more than 200,000 pieces of regulatory content, and keeping them current is a constant challenge. We are addressing this by generating automated "red flags"—combining analytics with large language model agents that scan pages for inaccuracies and ambiguities. Policy teams then verify and act on those signals. Thousands of pages will be updated or archived as a result. Regulators are also deploying AI. One consumer protection regulator now uses AI to detect misleading online practices, such as fake discounts, that previously required manual review, often at odd evening hours when consumers are vulnerable to temptation. We are also making compliance easier to navigate. New signposting content brings together cross-regulatory requirements in one place—whether building a spaceport or opening a commercial brewery.

Significant digitization work remains. PDF and paper-based licensing forms from the 2010s still persist, forcing thousands of licensing officers to rekey information across systems and manually check applications against multiple databases. Digitization will also enable regulatory policy benefits. For example, the Casey Review's chapter on taxi licensing described how poor data sharing between local authorities failed to prevent taxi drivers who had been struck off for abusive actions relating to grooming gangs in one local authority from re-registering in another.

These reforms matter because regulations must keep pace with innovation. Regulators today face a daunting, exciting wave of emerging technologies—from self-driving vehicles and advanced AI systems to rapid drug development. They are confronting complex questions such as: Is data processing in space subject to the General Data Protection Regulation? Can lab-grown meat be used in pet food? Ministers have been clear in their willingness to think afresh to unlock economic growth and solve our productivity problems. We must regulate smarter, not more, if Britain's economy is to thrive.

Endnotes

1. Stephen Ezell and Mario Ottero Cricco, "GTIPA perspectives: How smart deregulation can unleash powerful innovations worldwide," Global Trade & Innovation Policy Alliance, September 2025.
2. Paul Davidson et al., *OECD Regulatory Policy Outlook 2025*, April 9, 2025.
3. ET Spotlight, "Public policy: How digital transformation helps to progress and combat policy challenges," *The Economic Times*, Nov. 28, 2023.
4. William D. Eggers et al., "Government at warp speed," *Deloitte Insights*, March 24, 2025.
5. Australian Government GovCMS, "Introducing Rules as Code," June 11, 2025; Australian Government GovCMS, "Rules as code for GovCMS—moving towards production," Feb. 17, 2025; Office of the Federal Register, National Archives and Records Administration, "Financial Data Transparency Act Joint Data Standards," *Federal Register*, accessed Feb. 12, 2026.
6. William D. Eggers et al., "Delivering on reducing government red tape," *Deloitte Insights*, June 4, 2025.
7. This conversion relies on structured legal frameworks such as FLINT, which translate legislation into clear actors, actions, conditions, and consequences. By engineering regulation in this way, governments can turn existing rulebooks into reusable digital assets. This approach improves consistency, transparency, and enforceability while preserving the legal authority of the underlying text. Hamish Fraser and Tom Barraclough, "Governing digital legal systems: Insights on artificial intelligence and rules as code," *MIT Computational Law Report* (2024); Digital Government Hub, "Digitizing policy + Rules as Code," accessed Nov. 23, 2025.
8. Australian Government GovCMS, "Introducing Rules as Code;" Australian Government GovCMS, "Rules as Code for GovCMS."
9. Australian Government GovCMS, "Introducing Rules as Code."
10. Matthew Gracie et al., "AI can turbocharge government regulatory operations," *Deloitte Insights*, Nov. 16, 2023.
11. Minnesota IT Services, "Minnesota's AI tool revolutionizing legislative review," January 2025.
12. Netherlands Omgevingsloket, "Welkom op het Omgevingsloket," accessed Nov. 23, 2025.
13. Brett Loubert et al., "Rockets and regulation: Injecting agility into US space industry oversight," *Deloitte Insights*, July 14, 2024.
14. Invest in Estonia, "'100% digital & 0% bureaucrazy.' Estonia retires government paperwork," January 2025.
15. Office of the Governor, Commonwealth of Virginia, "Governor Glenn Youngkin issues Executive Order 51 launching first-in-the-nation agentic artificial intelligence (AI) empowered statewide regulatory review," *ARLnow*, July 14, 2025.
16. Flanders, "Straightforward: Flanders simplifies," accessed Dec. 23, 2025.
17. NSW Government, "Legislation Twin," accessed Dec. 23, 2025; KennisWest, "Using digitalization and AI for better regulation and administrative simplification," Nov. 10, 2025.
18. Lee G. Branstetter et al., "Do entry regulations deter entrepreneurship and job creation? Evidence from recent reforms in Portugal," National Bureau of Economic Research, October 2010; World Bank Group, "Starting a Business," accessed Feb. 17, 2026; Mauricio S. Cárdenas and Sandra V. Rozo, "Firm informality in Colombia: Problems and solutions," *Desarrollo y Sociedad* 63 (2009): pp. 211-243.
19. Sofia Fox-Sowell, "Nevada launches Orion, a new business licensing platform," *StateScoop*, Dec. 18, 2025.
20. Makinizi Hoover and Isabella Lucy, "The state of housing in America," U.S. Chamber of Commerce, Feb. 12, 2026.
21. Jonathan Andrews, "Austin launches AI-driven building permit software," *Cities Today*, Oct. 16, 2024.
22. Tasha Austin, Joe Mariani, Thirumalai Kannan, and Pankaj Kishnani, William D. Eggers, and Edward Van Buren, "Generative AI and government work: An in-depth analysis of 19,000 tasks," *Deloitte Insights*, April 25, 2024. Additional analysis by the Deloitte Center for Government Insights for regulatory occupations across federal regulatory agencies, examining task-level automation potential by type of work performed, November 2025.
23. Atlanta International University, "The role of drones in environmental conservation," accessed Dec. 1, 2025.
24. Jim Rowan, Tim Gaus, Franz Gilbert, and Caroline Brown, "AI goes physical: Navigating the convergence of AI and robotics," *Deloitte Insight*s, Dec. 10, 2025; Deloitte US, "Rust belt renaissance: Cincinnati's OptoAI story," YouTube video, Sept. 15, 2023.
25. William D. Eggers, Mike Turley, and Pankaj Kishnani, "The future of regulation: Principles for regulating emerging technologies," *Deloitte Insights*, June 19, 2018.
26. OECD Secretariat, "Regulatory sandboxes in artificial intelligence," July 2023; Dante Disparte, "Fintech has outgrown sandboxes. Now it needs airports," World Economic Forum, Sept. 27, 2024; Financial Conduct Authority, "Launch of permanent Digital Sandbox," July 20, 2023.
27. Paulo Carvão, "Are AI regulatory sandboxes a good idea?", *Forbes*, Sept. 12, 2025.
28. EU Artificial Intelligence Act, "AI regulatory sandbox approaches: EU member state overview," May 2, 2025.
29. UK Government Department for Science, Innovation & Technology, "AI Growth Lab: Call for evidence," Dec. 18, 2025.
30. Financial Conduct Authority, "AI Sprint summary," Dec. 18, 2025.
31. Josh Sawislak et al., "Delivering an energy-resilient future," *Deloitte Insights*, June 4, 2025.
32. Future Mobility Media, "ARAI unveils India's first ADAS test city in Pune," Sept. 5, 2025.
33. Australian Government and Australian Institute of Marine Science, "ReefWorks granted Australia's first permit-free marine tech testing status," May 15, 2023.
34. MarineLink, "Australia creates permit-free, autonomous marine tech test area," May 15, 2023.
35. Catapult and Stehr Consulting, "Navigating innovation a regulatory sandbox framework for UK Maritime autonomy," Sept. 16, 2025.
36. Deloitte, "Reimagining regulation for UK economic growth," September 2025.
37. Deloitte RegExplorer, "Home page," accessed Feb. 23, 2026.

Acknowledgments

The authors would like to thank **Nicole Savia Luis** for helping in the research and development of the draft, and **John O'Leary** for his inputs during the initial stages of the draft. In addition, the authors would like to thank **Angus Barry**, head of data transformation, Department for Business and Trade, UK government, and **Santiago Garces**, chief information officer of the City of Boston, for their valuable input in the "My take" section.

About the authors

William D. Eggers
weggers@deloitte.com

William D. Eggers is the executive director of Deloitte's Center for Government Insights where he is responsible for the firm's public sector thought leadership. Eggers is the author of numerous books. His new book, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Harvard Business Review Press, 2023), shows how governments at all levels can more effectively tackle society's toughest challenges by collaborating with bridge-builders who bring together different parts of government and tap into other sectors of society.

Matthew Gracie
magracie@deloitte.com

Matthew Gracie is a managing director in the risk, regulatory, and forensics practice at Deloitte. He leads Deloitte's regulatory intelligence portfolio and works with governments across the US and globally, pioneering the use of AI and technology to support regulatory burden reduction, transparency, and modernization.

Sam J Walsh
sjwalsh@deloitte.co.uk

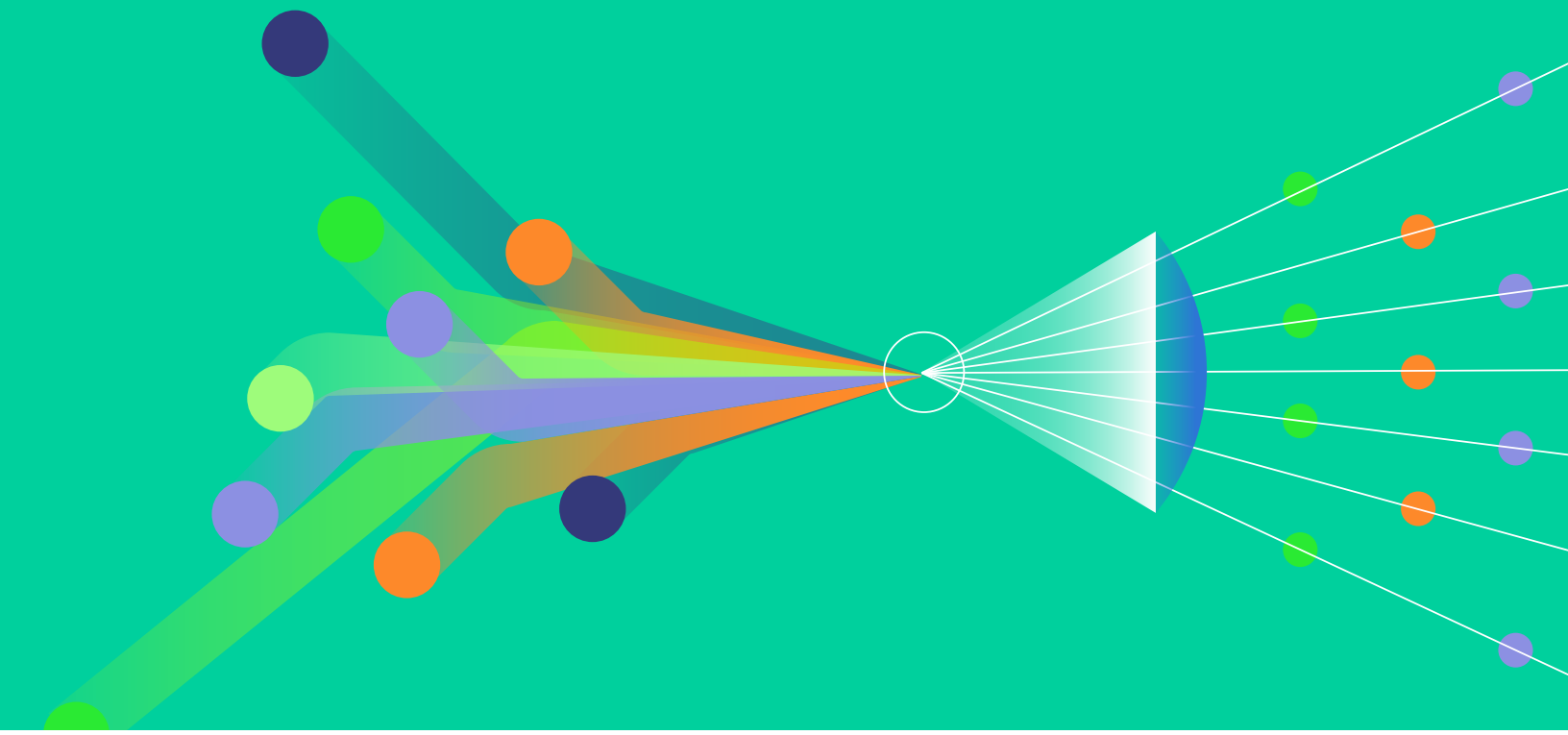
Sam J Walsh has worked with the United Kingdom's regulators for almost 15 years. She has advised on the establishment of new UK regulators and on the transformation of existing regulators in industries including food, health, space, and financial services. Her experience includes supporting the establishment of the Prudential Regulation Authority, the Independent Football Regulator, and the UK regulator for space flight, advising on the transformation of Companies House, the Health and Safety Executive, and the Financial Conduct Authority, and advising the Food Standards Agency on applying anticipatory regulation techniques.

Stijn Vandeweyer
svandeweyer@deloitte.com

Stijn Vandeweyer's research has primarily focused on the public sector for more than two decades: first as a researcher at the Public Management Institute (University of Leuven), and later as a trusted adviser for multiple clients across all levels of the Belgian government. Vandeweyer has managed many complex transformations in all policy domains and has a deep understanding of all trends and evolutions within government. As a strategic adviser, he adds value to his clients in areas such as strategic transformation, policy advisory, administrative simplification, better regulation, and spending reviews.

Glynis Rodrigues
glyrodrigues@deloitte.com

Glynis Rodrigues is a research specialist with the Deloitte Center for Government Insights. She specializes in key topics across government, such as transportation, infrastructure, and the future of cities. Her research also focuses on the evolving landscape of regulation and emerging trends transforming government operations and service delivery. She also closely tracks developments across state and local government.



5

Cognitive government accelerated: From aspiration to operational reality

AI is enabling governments to sense, predict, and orchestrate across systems for faster, smarter decisions and greater readiness

AI is enabling governments to sense emerging risks, predict outcomes before committing resources, and orchestrate complex systems in real time.

In an era of accelerating technological change, constrained budgets, and rising expectations, governments can no longer rely on reactive models of governance. Success increasingly depends on the ability to detect weak signals early, simulate choices before acting, and coordinate across systems with agility.

This marks a fundamental shift: from responding to events after they unfold to anticipating and shaping them.

Deloitte first introduced the idea of "government as a cognitive system" in 2021. Since then, sensing capabilities have matured rapidly.[1] Real-time data streams, AI-powered analytics, and digital platforms are no longer experimental. What was once situational awareness is evolving into predictive insight and, increasingly, large-scale orchestration.

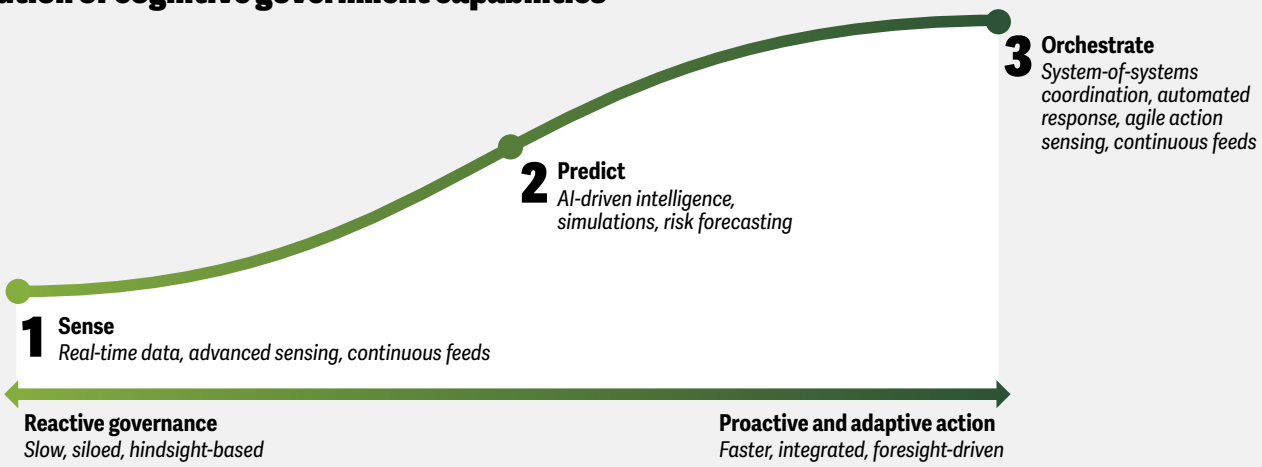
A new cognitive reality is within reach. With digital twins, advanced simulation, real-time sensing, and agentic workflows, governments can move from fragmented responses to coordinated, anticipatory action.

This trend explores how cognitive capabilities are accelerating across three dimensions: sensing, simulation, and orchestration (figure 1).

Contributors:
Mahesh Kelkar, William D. Eggers, Sara Siegel, Allan Mills, Chris Stehno, and Ken Ohama

Figure 1

Evolution of cognitive government capabilities



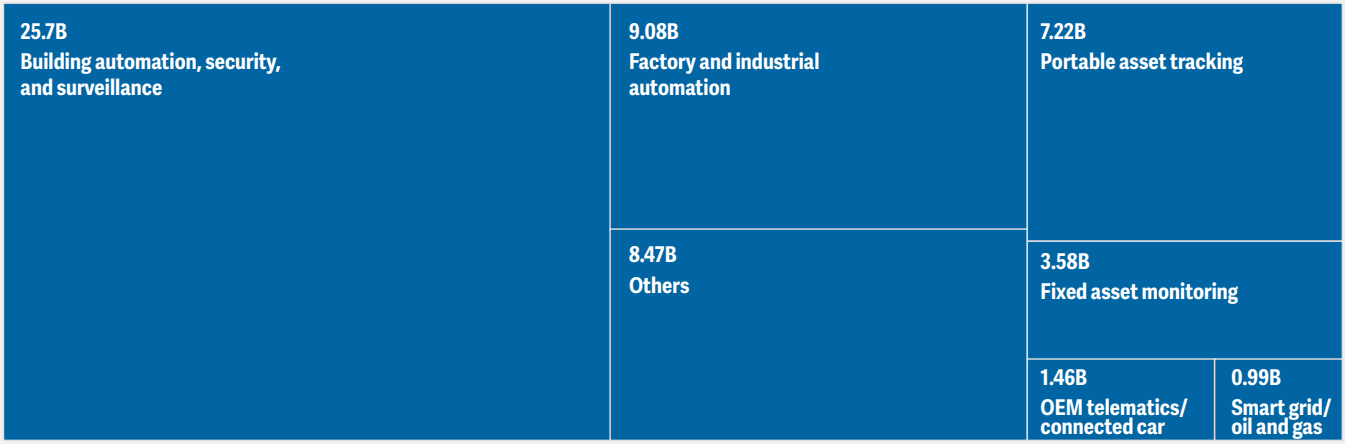
Source: Deloitte analysis.

Signals: Cognitive government accelerated

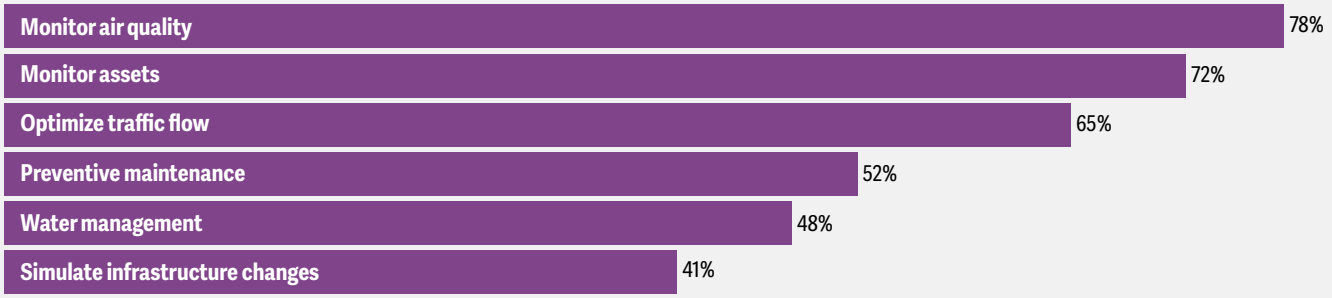
Figure 2

From IoT sensing at scale to digital-twin simulation and system orchestration

Total Internet of Things (IoT) device forecast for 2025 by application, in billions



Prominent digital twin use cases in cities today, percentage of city leaders using digital twins for each use case



Sources: Frost & Sullivan analysis; AlphaSense; Deloitte, "AI-powered cities of the future," accessed January 2026.

Trend in action

Advanced sensing optimizes lead times

Governments are rapidly expanding their ability to sense emerging risks in real time. Government sensing capabilities have scaled dramatically in the past decade, largely driven by what futurist Peter Diamandis calls the "trillion-sensor economy," a massive convergence of terrestrial, atmospheric, and space-based sensors.[2] Networks of sensors across infrastructure, transport, utilities, and public safety now generate continuous data streams rather than periodic reports.

Artificial intelligence can further turbocharge government sensing by making sense of disparate, high-volume data sources—such as Internet of Things streams, satellite imagery, remote sensing, mobile telemetry, health wearables, administrative data, and social data—to detect anomalies sooner and forecast risk with greater precision.[3] These accelerated capabilities can upend traditional sense-and-response models across disaster management, extreme weather warnings, health emergencies, and asset maintenance.[4]

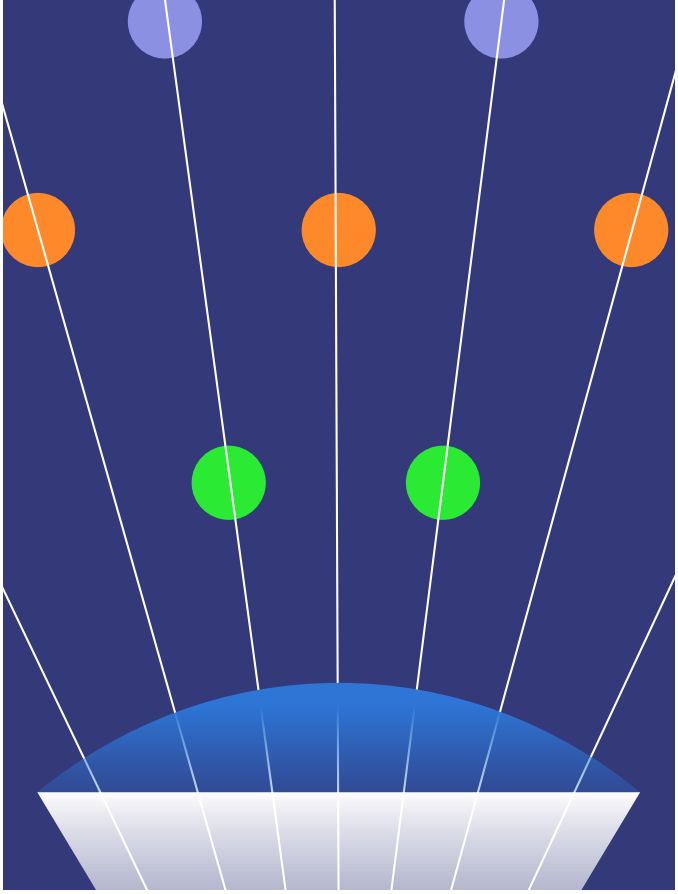
The value of advanced sensing lies in lead time. Even seconds or minutes of early warning can dramatically improve outcomes.

In Japan, deep-learning models trained on thousands of tsunami simulations can now estimate wave height and coastline impact in seconds rather than minutes, accelerating evacuation decisions.[5] In Sweden, pilot programs have used drones to deliver automated external defibrillators to suspected cardiac arrest cases. During trials, drones arrived an average of more than three minutes before ambulances—a critical margin in life-saving response.[6]

AI-enabled advanced sensing is also transforming infrastructure management, one of the top AI use cases identified in our survey of city leaders.[7] The New York City Metropolitan Transportation Authority's TrackInspect prototype uses smartphone sensors mounted in subway cars to capture vibration and sound data. AI models analyze the data in real time, flagging potential track defects for human inspection. In early pilots, the system detected the vast majority of known defects while significantly reducing manual inspection time.[8]

Across domains, the shift is clear: from periodic inspection to continuous monitoring; from reacting to breakdowns to anticipating them. With stronger sensing capabilities, governments gain the time and confidence needed to move from response to prevention.

Situational awareness is the first step toward a deeper set of capabilities that enable government agencies not only to sense but also to predict and anticipate events with increasing accuracy.



Simulations improve execution decisions

Sensing provides early signals. Simulation allows leaders to test choices before acting.

Digital twins—virtual representations of physical systems—are moving from experimental tools to operational platforms. By combining real-time data with scenario modeling, governments can evaluate infrastructure investments, land-use changes, emergency responses, or service redesigns before committing public resources.[9]

In Singapore, Virtual Singapore integrates data on buildings, mobility, utilities, and infrastructure into a shared digital environment.[10] Agencies can test how changes in one system—such as transport routing or drainage design—affect others, reducing surprises and improving coordination.[11] For example, by feeding live telemetry from buses, drains, signals, and bins into the platform, crews and controllers can adjust routes, schedules, and timing in near real time.

Dubai is advancing a similar approach through its Dubai Live ecosystem, using simulation to assess the impact of proposed policies and infrastructure investments before implementation—shifting from reactive management to "proof first, policy next."[12]

In the United States, the Broward Metropolitan Planning Organization's Smart Metro platform combines housing, zoning, population, and transportation data into a unified geospatial system. Planners can run plain-language queries, model future scenarios, such as flood impacts on current and future infrastructure, and visualize trade-offs across growth, mobility, and resilience.[13]

By combining data, analytics, and simulation, Smart Metro can help forecast traffic, predict land use trends, and model flood impacts on current and future infrastructure.

Helsinki offers a complementary model. Its Energy and Climate Atlas serves as a publicly accessible digital twin of the city's building stock. Residents and businesses can explore retrofit options, estimate energy savings, and identify pathways to decarbonization. In this case, simulation is not just a planning tool for officials—it becomes a shared platform for public engagement and climate action.[14]

As these systems mature, they are becoming easier to use and more powerful. Generative AI interfaces now allow planners to query complex models in natural language. Emerging agentic workflows can automate routine coordination tasks while keeping humans in control of high-stakes decisions.

"Today we still think of digital twins as a mirror of the real world," says Justin Anderson, managing director of data and digital at Connected Places Catapult. "I think we will see that shift from a twin being a representation of the world to a decision-making, autonomous piece of a broader digital nervous system."[15]

The shift is subtle but profound: Digital twins are evolving from static representations into active decision-support systems that improve execution before policy meets reality.

Predictions for people, not just places

Not every challenge requires a city-scale digital twin. Many of government's hardest problems involve predicting outcomes for people—not infrastructure.

Advances in data and AI are enabling agencies to move from reactive case management to earlier, targeted intervention. Rather than waiting for crises to emerge, governments can identify elevated risk sooner and allocate support more effectively.

Health care has long used triage methods to prioritize scarce resources. Today, those approaches are becoming more precise. Improved data, advanced analytics, and machine learning allow agencies to identify patterns across large populations while still relying on human judgment for final decisions.[16]

The US Department of Veterans Affairs' Recovery Engagement and Coordination for Health program illustrates this shift. A suicide-risk algorithm analyzes electronic health records to identify veterans at elevated risk.[17] Clinicians then review cases, reach out directly, and codevelop safety plans. The model does not replace professional judgment—it directs attention where it may matter most. Evaluations show increased outpatient engagement and a measurable reduction in documented suicide attempts.[18]

Beyond identifying risk at the individual level, governments are beginning to model how entire populations may respond to policy change. Agent-based models have long helped simulate how individuals or households react to new benefits, taxes, or mobility rules by modeling interactions among many small "agents."[19] These models are powerful but often limited in scale and typically used to analyze past behavior.

The next leap is toward large population models. Powered by modern AI and greater computational capacity, large population models simulate entire populations at much larger scale and with richer data. Rather than looking backward, they are designed to anticipate how policies or technologies may reshape systems before those changes fully unfold.[20]

The Massachusetts Institute of Technology and Oak Ridge National Laboratory's iceberg index, for example, simulates interactions among millions of US workers to explore how AI adoption may reshape tasks, skills, and labor markets across counties and states.[21] Rather than analyzing the past, it allows policymakers to test potential futures—informing long-term investment in training and workforce strategy before shifts fully materialize.[22]

The common thread is anticipatory governance. Whether identifying individuals at risk or modeling labor-market transitions, predictive tools allow governments to act earlier, target support more precisely, and design policies with clearer insight into downstream effects.

As these capabilities mature, the focus will remain on pairing algorithmic insight with human accountability—ensuring that predictions inform decisions without replacing judgment.

Enablers and accelerators

Turning cognitive ambition into operational reality involves a few deliberate shifts.

- **Make simulation routine, not exceptional.** Require scenario modeling for major policy, capital, and operational decisions. Leaders should see tested alternatives before committing public resources.
- **Strengthen the data backbone.** Reliable sensing and prediction depend on high-quality, interoperable data. Invest in shared data standards, governance, and cross-agency integration so signals flow continuously and securely.
- **Institutionalize experimentation.** Stand up ongoing pilots in predictive maintenance, algorithmic triage, and policy simulation. Treat cognitive capability as something that is practiced and refined, not deployed once.

- **Clarify human–machine roles.** Define which decisions can be automated, which require human review, and which must remain fully human. Codify risk-based decision rights to maintain accountability and public trust.

Toward 2030: The future this trend could unlock

Cognitive capabilities are embedded into the daily fabric of government operations. Intelligence is no longer confined to specialized analytics teams—it becomes broadly accessible, continuously updated, and directly connected to action.

- **Intelligence that is democratized.** Advanced analytics platforms allow policymakers, frontline staff, and even residents to explore scenarios through natural-language interfaces. Simulation and forecasting tools become easier to use, strengthening transparency and shared accountability.

- **Cities as coordinated systems.** Urban digital twins evolve into integrated orchestration platforms. Transportation, energy, water, housing, and emergency systems operate as interconnected networks rather than isolated departments. Human operators supervise coordinated systems instead of manually stitching together fragmented data feeds.

- **Cognitive operations centers.** Governments establish cognitive operations hubs that bring together sensing, simulation, forecasting, and coordination. Foresight becomes continuous rather than episodic, enabling leaders to anticipate and adjust in weeks rather than years.

- **Agentic workflows support constrained workforces.** AI agents automate routine coordination tasks—intake, scheduling, triage, follow-up—under human supervision. This expands capacity in resource-constrained environments, allowing public servants to focus on judgment, complex problem-solving, and citizen interaction.

- **Decision design as a core capability.** Governments cultivate internal expertise in defining problems clearly, modeling trade-offs, and translating insight into action. Strategic foresight becomes an always-on discipline, informed by weak-signal detection and continuous analysis.

In this future, the measure of success should not be smarter dashboards or more sophisticated models. Instead, it should be faster response times, better-prepared systems, and stronger public trust, enabling cognitive government to move from aspiration to operating reality.

MY TAKE: MOVING FROM WRITING PLANS TO CONTINUOUS STRATEGIZING

Professor Bert George
Professor of public and nonprofit strategy, Department of Public and International Affairs, City University of Hong Kong

As governments adopt the emerging cognitive toolkit, there should be a fundamental shift in how public organizations operate.[23] For too long, strategy was reduced to "writing plans," a static exercise of producing strategic documents every few years.

Today, technology empowers public sector executives to move beyond simply creating documents, transforming "strategizing" into an ongoing, dynamic practice that takes into account purpose, analysis, place, and implementation (PAPI for short).[24] Governments should develop the capability to strategize in real time, allowing them to nimbly adapt to challenges as they arise rather than waiting for the next planning cycle.

Technology is also crucially transforming strategizing practices like strategic foresight. Governments must move away from relying solely on internal data and harness "collective intelligence"— not just government intelligence. True resilience requires a whole-of-society effort. By using technology to analyze broad societal data sources, governments can, for example, turn foresight into a collaborative capability that reflects the reality of governance, not just the interests of government.

At the same time, the barrier to entry for technology is lowering. The user experience of modern AI interfaces, especially large language models, now allows policymakers, public managers, and other professionals to interact directly with data. Instead of wading through complex, inaccessible technical reports, executives can now ask specific questions and receive immediate, useful insights. This democratization of data is essential. It ensures that technology supports strategizing without adding administrative burden or unnecessary red tape. Ultimately, this shift facilitates a government that is truly strategic.

MY TAKE: BRIDGING THE GAP: FROM DATA SENSING TO RESPONSIVE ACTION

Stephen Goldsmith
Derek Bok professor of urban policy and director of Data-Smart City Solutions, Harvard Kennedy School

Many of us joined in praising and emulating famous legacy data-driven management programs such as ComStat and CitiStat, which produced breakthroughs in operational performance. Yet they functioned primarily as top-down systems in which leaders held managers accountable based on retrospective metrics. Too often, a disconnect emerged between what was measured and actual changes in city operations. We now have a chance to close that critical gap today by moving from merely sensing problems via dashboards to actively improving outcomes on the ground.

Generative AI enables broader data use across the enterprise, extending insights beyond policy analysts in backrooms. By allowing natural language queries, specific issues—such as drainage outliers or pothole clusters—can be identified and resolved in real time. The objective is to harness the power of data by granting discretion to frontline workers, who are currently rule-driven, thereby transforming them into proactive problem-solvers capable of rapidly iterating on solutions.

Opportunities abound across a wide range of digital innovations. In infrastructure, for example, the value of merging digital and physical is immense. However, solutions require rethinking infrastructure economics, particularly with respect to lifecycle costing. A significant barrier to progress is that current procurement models often favor the lowest initial construction bid, thereby overlooking the long-term value of digital components, such as IoT sensors, that can predict failures in lighting or structural components. If digital infrastructure were viewed as a critical component of physical infrastructure, and procurement were reimagined to include digital components, it would enable "next-generation maintenance," in which sensors drive efficiency rather than relying on reactive repairs.

Ultimately, the future of "cognitive government" will not be defined by the adoption of smarter tools or complex digital twins, but by tangible increases in responsiveness and public trust. The metric of success will be a reduction in time-to-response for citizen issues, or the use of data insights to preempt the problem altogether.

Endnotes

1. William Reed, "Enhancing disaster resilience: Sensor networks for real-time situational awareness and response," Wireless Sensor Networks Research Group, Aug. 27, 2024.
2. Peter H. Diamandis, "Metatrend #9: Trillion-sensor economy: The ability to sense and know anything, anytime, anywhere," Peter H. Diamandis, Dec. 8, 2022.
3. Cao Longbing, "AI and data science for smart emergency, crisis and disaster resilience," *International Journal of Data Science and Analytics* 15, no. 3 (2023): pp. 231–246.
4. M. Hino, E. Benami, and N. Brooks, "Machine learning for environmental monitoring," *Nature Sustainability* 1, no. 10 (2018): pp. 583–588.
5. Riken, "Deep learning can predict tsunami impacts in less than a second," Dec. 26, 2022.
6. Sofia Schierbeck et al., "Drone delivery of automated external defibrillators compared with ambulance arrival in real-life suspected out-of-hospital cardiac arrests: A prospective observational study in Sweden," *Lancet Digit Health* 5, no. 12 (2023): pp. 862–871.
7. Based on a global survey of 250 city leaders; for more details, refer to: Deloitte, "AI-powered cities of the future," accessed Feb. 25, 2026.
8. NYC Metropolitan Transportation Authority, "MTA and Google Public Sector announce preventive track maintenance pilot program," press release, Feb. 27, 2025.
9. Silvia Mazzetto, "A review of urban digital twins integration, challenges, and future directions in smart city development," *Sustainability* 16, no. 19 (2024).
10. Geospatial World, "Virtual Singapore–building a 3D-empowered smart nation," accessed Feb. 23, 2026.
11. Ibid.
12. Mohammed Ali, Badr AlMulla, Fida Alhammadi, and Khulood Mustafawi, "The proactive municipality: Shaping the future through foresight-driven signals," Dubai Municipality, October 2025.
13. Broward Metropolitan Planning Organization, "Mapping the future of transportation," July 2024; Broward Metropolitan Planning Organization, "Revolutionizing transportation planning: A hands-on AI workshop," Sept. 23, 2024.
14. City of Helsinki, "Helsinki 3D," accessed Feb. 23, 2026.
15. Justin Anderson (managing director of data and digital, Connected Places Catapult), interview at the Barcelona Smart City Expo World Congress, Nov. 6, 2025.
16. Ewa Kucewicz-Czech and Maria Damps, "Triage during the COVID-19 pandemic," *Anaesthesiology Intensive Therapy* 52, no. 4 (2020): pp. 312–315.
17. US Department of Veterans Affairs, "VA REACH VET initiative helps save veterans lives: Program signals when more help is needed for at-risk veterans," press release, April 3, 2017.
18. John F. McCarthy et al., "Evaluation of the recovery engagement and coordination for health–veterans enhanced treatment suicide risk modeling clinical program in the Veterans Health Administration," *JAMA Network* 4, no. 10 (2021).
19. Christian Nitzsche and Stefan Simm, "Agent-based modeling to estimate the impact of lockdown scenarios and events on a pandemic exemplified on SARS-CoV-2," *Scientific Reports* 14, no. 13391 (2024).
20. Ayush Chopra, "Large population models," Massachusetts Institute of Technology, accessed Dec. 1, 2025.
21. Massachusetts Institute of Technology, "Project iceberg," accessed Feb. 23, 2026.
22. MacKenzie Sigalos, "MIT study finds AI can already replace 11.7% of US workforce," CNBC, Nov. 26, 2025.
23. Prof. Bert George (professor of public and nonprofit strategy, Department of Public and International Affairs, City University of Hong Kong), interview, Nov. 24, 2025.
24. Bert George and John Bryson, "Strategizing in public management: The concept and its measurement," *International Public Management Journal*, September 2025, pp. 1–21.

Acknowledgments

The authors would like to thank **Aniruddha Bapat** and **Nicole Savia Luis** from the Center for Government Insights for helping with the research of the draft. In addition, the authors would like to thank **Sean McClowry** for his thoughtful feedback on the draft. The authors would also like to thank **Prof. Bert George**, professor of public and nonprofit strategy, Department of Public and International Affairs, City University of Hong Kong, and **Stephen Goldsmith**, Derek Bok professor of urban policy and director of Data-Smart City Solutions, Harvard Kennedy School, for their valuable input in the "My take" section.

About the authors

Mahesh Kelkar
mkelkar@deloitte.com

Mahesh Kelkar is the Future of Cities research leader for the Deloitte Center for Government Insights. His research focuses on understanding the impact of technology, innovation, and policy on the future of cities. Kelkar closely tracks the federal and state government sectors and conducts in-depth research on the intersection of technology with government operations, policies, and decision-making. His other research focus areas include trust in government, digital equity, digital connectivity, transportation, and government trends.

William D. Eggers
weggers@deloitte.com

William D. Eggers is the executive director of Deloitte's Center for Government Insights where he is responsible for the firm's public sector thought leadership. Eggers is the author of numerous books. His new book, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Harvard Business Review Press, 2023), shows how governments at all levels can more effectively tackle society's toughest challenges by collaborating with bridge-builders who bring together different parts of government and tap into other sectors of society.

Sara Siegel
sarasiegel@deloitte.co.uk

Sara Siegel is the Deloitte Global health and human services sector-leader. In this role, she works closely with public and private health care practice leaders within the Deloitte network to help organizations address some of the transformational changes impacting the sector from digital transformation, workforce, and operational efficiencies.

Allan Mills
allmills@deloitte.com.au

Allan Mills is a consulting partner, a member of Deloitte's national public sector industry executive, and the national civil sector lead partner. He has more than 10 years' experience working with government to design programs, funding, and governance to achieve the desired outcomes.

Chris Stehno
cstehno@deloitte.com

Chris Stehno is a managing director in Deloitte Consulting LLP's strategy and analytics consulting and has more than 25 years of consulting experience in the life insurance and health care industries. He specializes in predictive modeling for health risk and mortality analysis, pioneering the use of alternative data used in these analyses and their business implications and applications, including PredictRisk, Deloitte's strategic health intelligence product. Stehno's work includes consulting on lifestyle-based data, electronic medical records and artificial intelligence, predictive modeling, and behavioral analytics to enhance underwriting decisions, identify individuals for disease management, enhance risk-based sales, marketing, and retention efforts.

Ken Ohama
kohama@tohmatsu.co.jp

Ken Ohama is Deloitte Japan's government and public services industry leader and a nonexecutive board member. He serves as the APAC alliance lead for Deloitte's Salesforce business. With more than 30 years of experience in IT consulting, he has led large-scale programs across government and multiple industries, from strategy and system delivery to business process transformation.

6

New models of public-private collaboration: Rethinking how governments create public value

Innovative mechanisms are reshaping how government agencies finance, govern, and deliver sustained public value

Contributors:
William D. Eggers, Michael Flynn, Steve Porter, Matt Donovan, Mahesh Kelkar, and Akash Keyal

For decades, governments have partnered with the private sector to build and maintain infrastructure. Today, collaboration extends far beyond roads and airports to include digital infrastructure, social outcomes, innovation ecosystems, and data platforms.

Traditional public-private partnership models remain important. What has expanded is the range and flexibility of collaboration structures (figure 1). Governments are using innovative contracting, blended finance, and digital governance mechanisms to share risk, accelerate delivery, and unlock value from assets, services, and data—while preserving core public safeguards.

Figure 1

Governments can leverage a wide range of collaboration and financing models to drive public value

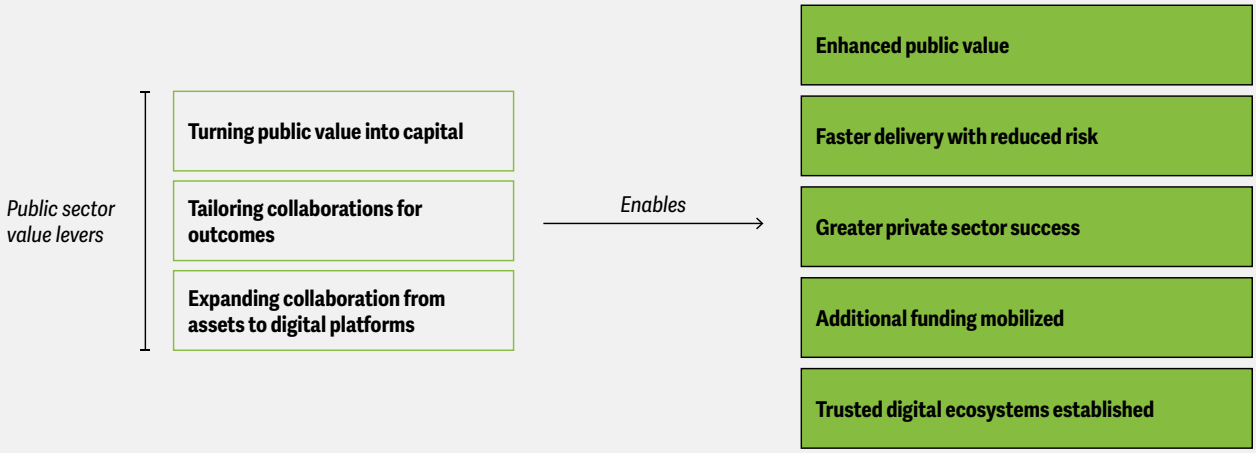
Models →	*Sub-models*					
Managed service	Business process outsourcing	Information technology outsourcing	Knowledge process outsourcing	Shared services hub		
Fee-funded/access-based models	Transaction-priced citizen services	Unit-fee inspection and certification	Pay-per-use/ usage-based	Metered data/application programming interface access		
Licensing and franchise rights	Regulated operating license/permit	Service franchise	Delegated agency franchise	Channel franchise (e.g., smart kiosk/retail point)		
Concessions and leases	User-fee concession (greenfield)	Brownfield lease	Asset recycling concession	Management concession		
Life cycle public-private partnerships	Design-build-transfer models (and all their variations)	Digital infrastructure public-private collaboration				
Divestiture	Trade sale	Initial public offering	Secondary offering (follow-on/stake sale)	Carve-out/spin-off		
Monetization	Sale-leaseback	Data monetization fund	Registry monetization (service/transaction)	Registry data monetization	Non-registry data monetization	
Outcome-based/pay-for-success collaboration	Rate-card facilities	Staggered or milestone payment models	Outcome-based commissioning	Social impact bond	Performance-based management contract	Availability-payment public-private collaboration
Innovation collaborations	Innovation lab	Data-sharing partnership	Pre-commercial procurement	Innovation partnership	Prizes and challenges	
Government investment	Equity investment (minority/controlling interest)	Equity-linked investment				

Source: Deloitte analysis.

The fundamentals still matter: a clear business case, defined value capture, appropriate risk allocation, and the right collaboration model. What is new is the ability to combine these elements more flexibly and strategically to cocreate public outcomes (figure 2).

Figure 2

Public-private collaboration is evolving from transactional delivery to strategic value creation



Source: Deloitte analysis.

Signals: New models of public-private collaboration

Figure 3

Infrastructure shortfalls fuel public-private investment

Privatization unlocks additional funding

US$2.5 billion

capital raised by Abu Dhabi in 2023 by listing just 5% of its national gas company through an initial public offering

Digital public infrastructure (DPI) takes off globally

64 countries have DPI-like **digital ID systems**

97 countries have DPI-like **digital ID payment systems**

103 countries have DPI-like **data exchange systems**

Infrastructure needs rising private sector investment

US$15 trillion

projected global infrastructure funding gap by 2040, which will require a substantial uptick in private capital infusion to bridge

Sources: Valentina Pasquali, "Trump's Gulf visit was grand – but the real test starts now," *Arabian Gulf Business Insight (AGBI)*, May 18, 2025; Gavin Gibbon, "Adnoc Gas completes record-breaking $2.5bn ADX IPO," *AGBI*, March 3, 2023; Jordyn Fetter, Krisstina Rao, and David Eaves, "2025 state of digital public infrastructure report," UCL Institute for Innovation and Public Purpose, October 2025; Christian O. Deseglise and Louis Downing, "Why investment in sustainable infrastructure is key to financial resilience in a changing climate," World Economic Forum, April 24, 2025.

Trend in action

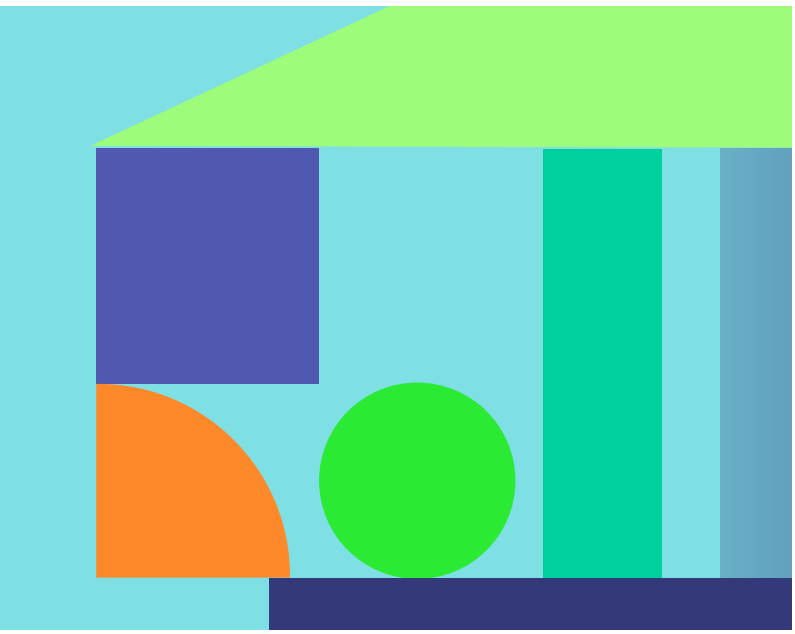
Mobilizing new revenue for public priorities

As fiscal pressures intensify, many governments are turning to collaboration not only for delivery but also for capital. Three approaches, in particular, are gaining traction: capturing the economic uplift created by public investments; leveraging existing assets to fund new priorities; and monetizing government data responsibly.

Capturing economic uplift. Tools such as land-value capture, developer contributions, congestion pricing, and carbon markets channel a portion of economic gains back into public priorities. New York City's congestion pricing program reduced traffic and pollution while generating over US$550 million in its first year to fund transportation upgrades.[1] In Sydney, over-station and adjacent development at four new metro stations generated more than AU$1 billion for the New South Wales government.[2]

Using existing assets. Asset recycling arrangements—such as long-term leases and sale-leaseback arrangements—can generate capital without increasing debt. Victoria's 50-year lease of the Port of Melbourne raised AU$9.7 billion to fund new infrastructure investments. New South Wales reinvested proceeds from leasing ports and electricity networks into its AU$20 billion "Rebuilding NSW" program.[3]

In 2024, Auckland Council completed the sale of its remaining NZ$1.3 billion stake in Auckland International Airport. Combined with an earlier 7% divestment, the proceeds are funding debt reduction and capitalizing the Auckland Future Fund, which is expected to generate NZ$60 million to NZ$70 million annually for long-term fiscal resilience.[4]



Monetizing data responsibly. Tiered-access models allow governments to preserve public ownership while charging for premium use. The United Kingdom's Ordnance Survey charges for advanced geospatial products, generating significant revenue.[5] Similarly, Finland's Findata enables secure, paid access to health and social data through a controlled environment. The model helped generate €541,000 in revenue for the Finnish government in 2025.[6]

Expanding public-private collaboration from concrete to code

The next wave of collaboration centers on digital public infrastructure—identity systems, data exchanges, AI platforms, connectivity, and national technology stacks.

As partnerships expand into digital domains, data sovereignty and hosting requirements are becoming central design considerations.[7]

Delivering digital public infrastructure. Governments increasingly separate governance from delivery: defining standards and safeguards while enabling private actors to build services on shared infrastructure.

India's Aadhaar digital ID illustrates this model. The government built the core identity infrastructure, while private banks and fintech firms developed user-facing services on top. Financial inclusion expanded dramatically, from roughly one-third of the population in 2011 to almost 90% by 2024, as the cost of opening and maintaining accounts fell and digital transactions became accessible to millions.[8]

Data and platform partnerships. Structured data partnerships are also emerging. Germany's Mobility Data Space enables public and private actors to share and license mobility data through a decentralized platform integrated with Mobilithek, the national mobility data portal.[9]

Connectivity partnerships. Through partnerships, concession models, and municipal networks, governments are working with private providers to extend fiber and next-generation networks into rural, low-income, and commercially underserved regions. In the United States, more than 400 municipal broadband networks operate under open-access models, in which cities own fiber infrastructure while private providers compete to operate and deliver services to residents.[10]

Tailored, fit-for-purpose outcome-based partnerships

Governments are increasingly shifting from activity-based contracts to outcome-based arrangements that link payment to results. Such partnerships should be tailored to each agency's specific needs and operating context.

Rate-card models define standardized payments for verified outcomes. Several US school districts work with the Center for Outcomes Based Contracting to tie payments to measurable learning gains across nearly 15,000 students. Districts agree on a menu of outcomes, such as growth targets in reading or math, with fixed payments to the center for each verified result.[11]

Milestone models release funding as providers meet interim goals. These are well-suited to projects in which results can take years to materialize. In Australia's Capital Territory, an AU$64 million multimodal transport contract to deliver a new multimodal public transport ticketing system includes 30 milestones covering delivery, installation, and integration.[12]

Pay-for-success health models link reimbursement to patient and health outcomes rather than to the volume of services delivered. In Sweden's Stockholm region, a value-based reimbursement program for elective spine surgery reduced average episode costs by 11% while increasing the number of treated patients by 22%, without evidence of worsening outcomes.[13]

Outcome-based commissioning generally defines clear results while giving providers flexibility in how they achieve them. This model is suitable when local needs differ, evidence of effectiveness is still emerging, or multiple partners must work together. In Virginia, a US$20 million program pays for verified reductions in actual pounds of pollution removed or prevented in the Chesapeake Bay watershed, regardless of method.[14]

As needs evolve, agencies should calibrate public investment by asset type, risk profile, and the incentives needed to attract private partners. Targeted public investment, often a modest share of the total project costs, can help de-risk projects, attract private capital, and deliver far greater impact beyond what the private sector would finance on its own.

Enablers and accelerators

Sustained collaboration requires institutional capability, not isolated deals.

- **Assess partnership readiness.** Agencies should evaluate mandates, fiscal flexibility, regulatory constraints, and delivery capacity before selecting collaboration models.
- **Strengthen data for outcome contracts.** Clear outcomes and reliable performance data are essential for effective value-based arrangements.
- **Develop a strategic menu of models.** Leaders should map collaboration options—financing structures, monetization pathways, and risk allocations—to align models with mission needs.
- **Build a monetization pipeline.** Review infrastructure, digital platforms, access rights, and data assets to identify long-term revenue opportunities.
- **Invest in collaboration skills.** Managing multi-party partnerships requires expertise in design, governance, and risk management. Agencies should cultivate these capabilities internally and externally.

Turning public-private collaboration into enduring engines of public value creation will require governments to institutionalize readiness assessments, context-specific collaboration model design, and long-term monetization planning as standard practice.

Toward 2030: The future this trend could unlock

By 2030, public-private collaboration functions as a continuously evolving delivery ecosystem. Value capture is embedded in planning, and digital public infrastructure provides a shared backbone for integrated services.

- **Public-private collaboration ecosystems become essential delivery engines.** These ecosystems mobilize capital, manage risk, and continuously evolve assets and services in a rapidly changing environment.
- **Outcome-based models become routine.** Payments link to verified performance, supported by shared standards and transparent validation.
- **Value capture becomes standard practice.** AI-powered forecasting tools help identify economic uplift generated by infrastructure investments, clarifying who benefits and ensuring that a portion of gains returns to public priorities.
- **Digital public infrastructure operates as a trusted utility layer**—identity, payments, registries, and data exchange—enabling multiple providers to deliver integrated services. Residents experience coordinated journeys rather than fragmented touchpoints.
- **Programs replace projects.** Public-private partnerships are managed as repeatable programs with standard templates, common identifiers, and integrated enabling systems. Shared physical and digital infrastructure support clusters of projects that deliver scale, efficiency, and resilience.

MY TAKE: FROM TRANSFERRING RISK TO MANAGING RISK: DESIGNING PARTNERSHIPS THAT CAN DELIVER NEXT-GENERATION PUBLIC TRANSPORTATION

Peter Regan
Chief executive at Sydney Metro

Sydney Metro's evolution over the past 15 years reflects a deliberate shift in how major infrastructure partnerships are structured and managed. Early public-private partnerships relied heavily on fixed-price risk transfer, but experience showed that beyond a certain scale, those models can become fragile.

As projects grow larger and more complex, the capacity of any single private entity or consortium to absorb full fixed-price risk diminishes. In practice, risk often returns to government—sometimes at greater cost and with less transparency.

The lesson is clear: successful partnerships are not about transferring the maximum possible risk; they are about allocating risk to the party best positioned to manage it while ensuring the financial consequences remain sustainable.

At large scales, the most significant risks often arise not within individual contracts but at the interfaces between them. Metro systems require coordination across civil works, systems integration, and operations. Delays or misalignment at these interfaces can cascade across the entire program.

For the Sydney Metro West project, this insight led to a different approach. Instead of relying on a single large contract, the program was structured through multiple contract packages, with governments playing a more active role in managing interfaces between them.

Several packages used Incentivized Target Cost (ITC) models rather than rigid fixed-price structures. Under ITC arrangements, genuine target costs are established upfront, with overruns and savings shared between public and private partners. Incentives are tied to key milestones—particularly handover dates—to reduce the risk of cascading delays across interconnected contracts.

The experience during COVID-19 reinforced the value of this flexibility and disciplined risk management.

Another key design principle is focusing partnerships on outcomes rather than revenue risk. Revenue risk remains with government, reflecting the realities of an integrated public transport network where fare levels are not controlled by operators.

Instead, operating contracts use availability payment models, where private partners are paid once services begin operating, and payments depend on performance metrics such as reliability, availability, and on-time running.

Sydney Metro has also expanded the partnership model through integrated station development. By retaining development rights—including air rights above stations—and integrating station and tower construction, the value created through commercial and residential development flows back into the Metro program and public budgets.

The result is not a single public-private collaboration template but a more adaptive partnership model—one that recognizes that delivering complex infrastructure requires managing interfaces, aligning incentives around outcomes, and capturing long-term value from integrated development. In practice, this approach shifts public-private partnerships from transferring risk to actively managing risk across the entire system.

Endnotes

1. Michelle Kaske and Aaron Gordon, "New York's congestion pricing is working. Five charts show how," Bloomberg, Dec. 22, 2025; Metropolitan Transportation Authority, New York, "ICYMI: Less traffic, better transit: On its first anniversary, Governor Hochul celebrates transformational success of congestion pricing," press release, Jan. 5, 2026.
2. Sydney Metro, "Sydney's first look at a new Martin Place," Sept. 12, 2018; Sydney Metro, "Pitt Street metro station to become the city's newest landmark," Sept. 17, 2019; Sydney Metro, "Waterloo metro station integrated development award," Dec. 19, 2019; Sydney Metro, "Landmark hub for North Sydney," Dec. 21, 2018.
3. *Infrastructure*, "Port of Melbourne leased for $9.7 billion," Sept. 19, 2016.
4. Auckland Future Fund, "About the fund," accessed Feb. 26, 2026.
5. Ordnance Survey Limited, "Annual report and financial statements for the year ended 31 March 2023," Dec. 2023, p. 37.
6. Findata, "Annual report 2025," Feb. 17, 2026.
7. Javier López González, Francesca Casalini, and Juan Porras, "A preliminary mapping of data localisation measures," Organisation for Economic Co-operation and Development, June 2022.
8. Leora Klapper, Dorothe Singer, Laura Starita, and Alexandra Norris, "The global findex database 2025: Connectivity and financial inclusion in the digital economy," World Bank Group, p. 88.
9. Mobility Data Space, "Home page," accessed Feb. 26, 2026; Mobility Data Space, "Mobility Data Space: Data sovereignty for the smart mobility of the future," accessed Feb. 26, 2026.
10. Sean Gonsalves, "New municipal broadband networks skyrocket in post-pandemic America as alternative to private monopoly model," Community Networks, Jan. 18, 2024; Jericho Casper, "Exclusive series: Municipal broadband and open access," *Broadband Breakfast*, Sept. 16, 2024.
11. The Center for Outcomes Based Contracting, "Accountability in action: Transforming educational partnerships, 2024 annual report," accessed Feb. 26, 2026.
12. Zachariah Kelly, "ACT gov committed to working with NEC to fix transport ticketing," *IT News*, Nov. 13, 2025.
13. Thérèse Eriksson, Hans Tropp, Ann-Britt Wiréhn, and Lars-Åke Levin, "A cost-reducing reimbursement programme? Effects of value-based reimbursement on healthcare costs," *Frontiers in Public Health* 12, Dec. 11, 2024.
14. The Environmental Council of the States, "Virginia announces innovative pay-for-outcomes grants for Chesapeake Bay," Sept. 27, 2024; Virginia Department of Environmental Quality, "NPS pilot program," accessed Feb. 26, 2026; Virginia Department of Environmental Quality, "DEQ news vol. 4 no. 5," May 20, 2025.

Acknowledgments

The authors would like to thank **Nicole Savia Luis** from the Center for Government Insights for helping in the research and development of the draft. They would also like to thank **Allan Mills** for his thoughtful feedback on the draft. In addition, they would also like to extend their gratitude to **Peter Regan**, chief executive, Sydney Metro, for his valuable input in the "My take" section.

About the authors

William D. Eggers
weggers@deloitte.com

William D. Eggers is the executive director of Deloitte's Center for Government Insights where he is responsible for the firm's public sector thought leadership. Eggers is the author of numerous books. His new book, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Harvard Business Review Press, 2023), shows how governments at all levels can more effectively tackle society's toughest challenges by collaborating with bridge-builders who bring together different parts of government and tap into other sectors of society.

Michael Flynn
micflynn@deloitte.ie

Michael Flynn is the global infrastructure, transport, and regional government leader for Deloitte. In this role, he leads the global teams focused on public sector investment in infrastructure, transport and mobility, regional and local government (including cities), and climate and environment. He also leads our firmwide global infrastructure practice. Through his global roles, Flynn has worked with teams around the world advising public, private, and banking sectors on government and infrastructure, real estate, project finance, and public and private sector transactions.

Steve Porter
stporter@deloitte.com.au

Steve Porter is a partner at Deloitte Australia in strategy, risk, and transactions, focused on infrastructure and capital projects for public sector clients. He advises across the infrastructure asset life cycle, with experience in transport, social infrastructure, utilities, property, and oil and gas. Porter has worked in consulting, a semi-government authority, and an upstream hydrocarbons company, and has a keen interest in the digital transformation of infrastructure delivery and operations.

Matt Donovan
madonovan@deloitte.com

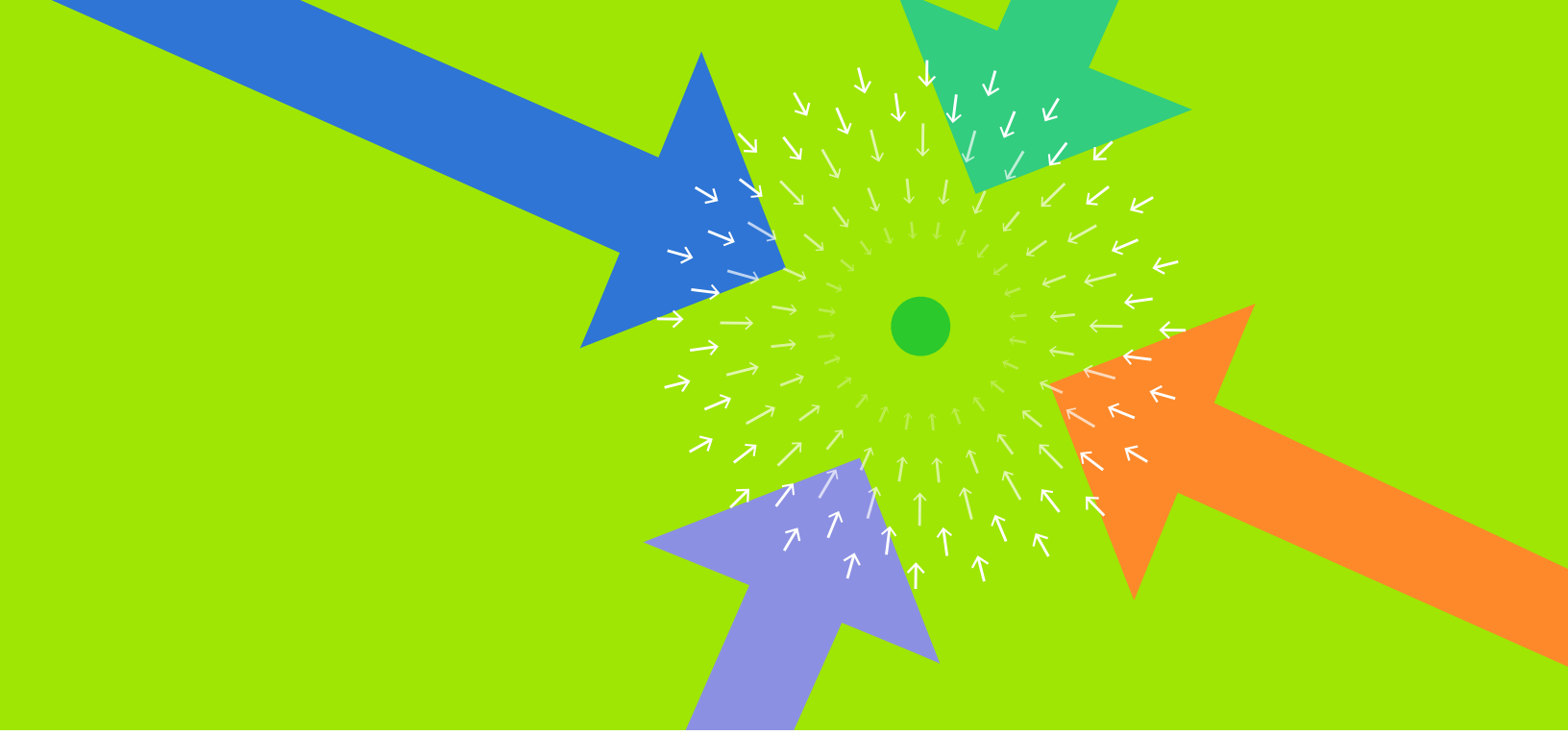
Matt Donovan is a manager within Deloitte's US infrastructure practice, focusing on clients in the state, local, and higher education markets. He has supported teams across the country with strategy and planning for infrastructure and economic development projects that span sports venues and entertainment districts, transportation and high-speed rail, and seaports. Donovan has helped clients navigate large federal grant programs and public-private partnerships and is focused on leveraging infrastructure investment as a means for broader economic and regional development.

Mahesh Kelkar
mkelkar@deloitte.com

Mahesh Kelkar is the Future of Cities research leader for the Deloitte Center for Government Insights. His research focuses on understanding the impact of technology, innovation, and policy on the future of cities. Kelkar closely tracks the federal and state government sectors and conducts in-depth research on the intersection of technology with government operations, policies, and decision-making. His other research focus areas include trust in government, digital equity, digital connectivity, transportation, and government trends.

Akash Keyal
akkeyal@deloitte.com

Akash Keyal is a research specialist at the Deloitte Center for Government Insights. He specializes in issues related to defense, security, justice, and climate and sustainability.



7

The procurement reset: Adopting a simplicity-first mindset

A simplicity-first reset can help government leaders clear procurement bottlenecks, open markets, and use technology to accelerate speed, access, and results

For many governments, procurement reform has followed a familiar pattern: Invest in new digital tools, promise faster buying, and expect automation to fix long-standing delays. Too often, the result is disappointing. Technology faithfully replicates complex, layered processes—only now behind new interfaces. Cycle times barely move. Suppliers see little difference. Confidence in modernization erodes.

A growing number of governments are taking a different path. Instead of starting with technology, they begin by simplifying the underlying system. They strip out low-value reviews, clarify decision rights, standardize common documents, and focus on what truly matters: how quickly credible suppliers can deliver, how widely markets can participate, and whether spending achieves meaningful outcomes.

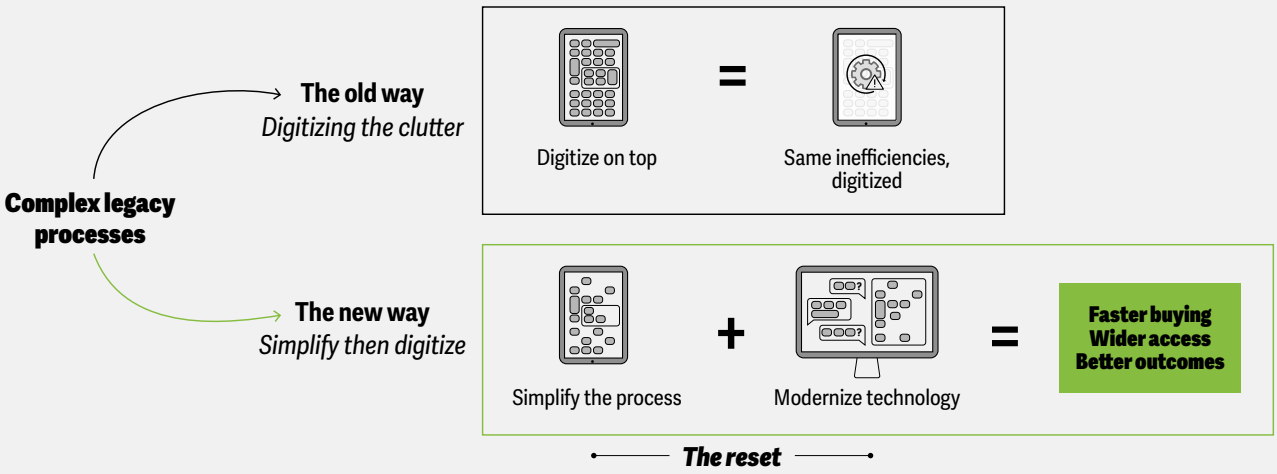
Only after the process is simplified do they apply digital tools—selectively and strategically. Automation supports clearer pathways rather than reinforcing clutter. Marketplaces stay open all year round. Dashboards track time to award, supplier access, and delivery against results. Technology becomes an enabler of simplicity, not a substitute for reform.

When procurement is reset this way, it feels different (figure 1). Workers see steps disappear rather than multiply. Suppliers find it easier to engage. Leaders can point to visible gains in speed, access, and impact. Modernization shifts from digitizing the old system to redesigning it.

Contributors:
William D. Eggers, James Gordon, Karen Harvey, Lauren Dailey, Adam Routh, and Akash Keyal

Figure 1

Governments are resetting procurement: Simplify first, then digitize



Source: Deloitte analysis.

Signals: The procurement reset

Figure 2

Procurement platforms around the globe emphasize transparency and integration

The United Kingdom creates a central digital procurement platform

Find a Tender service routes major notices through a single online hub, using structured forms to standardize publishing. Suppliers register once and reuse data across bids and agencies, reducing red tape and widening access.

Ukraine standardizes recovery delivery through a single national portfolio

DREAM, Ukraine's national public investment and reconstruction platform, hosts about 9,000 projects worth US$15 billion in one portfolio, giving government and partners a unified view of planning, funding, and delivery.

The United Arab Emirates simplifies buying through a unified procurement portal

120,000+ products and services from 230 suppliers across 35 categories are accessible through the nations federal Digital Procurement Platform.

Sources: GOV.UK, "Central Digital Platform—factsheet," April 11, 2025; Open Contracting Partnership, "2024 annual report," May 2025; Emirates News Agency, "Ministry of Finance launches expanded 'Digital Procurement Platform' catalogue," Feb. 6, 2024.

Trend in action

Improving speed: Buying more quickly and effectively

Procurement rules are built to protect the public interest—to ensure fairness, manage risk, and safeguard taxpayer funds. Over time, however, layers of well-intentioned safeguards can accumulate. Reviews multiply. Documentation expands. Approvals overlap. What was designed to reduce risk can begin to slow delivery.

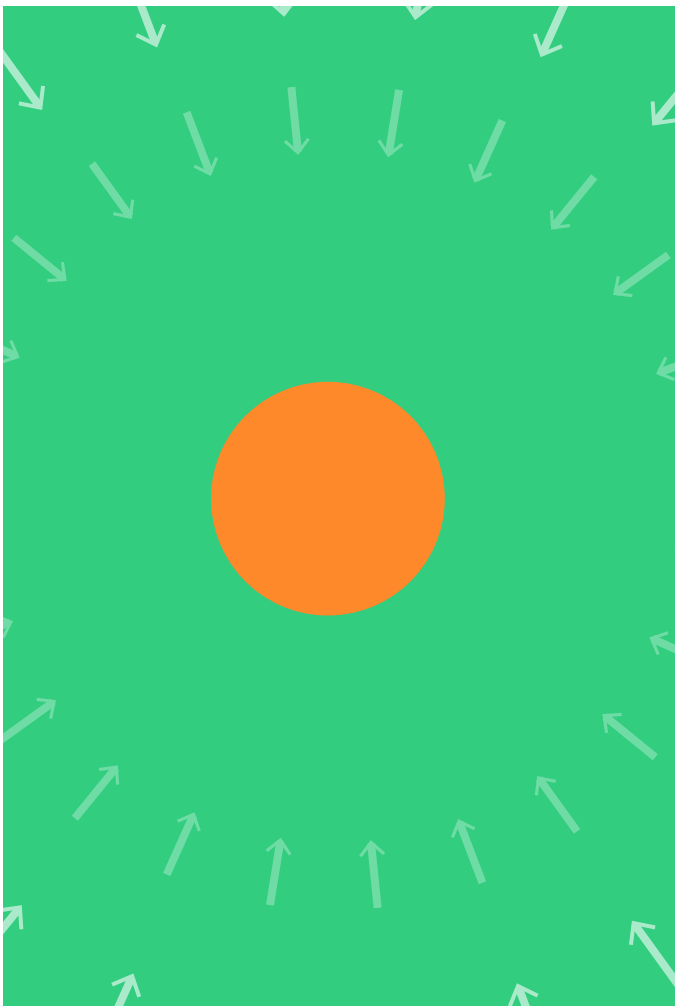
Many governments are now stepping back and asking a basic question: Which steps genuinely protect the public, and which simply persist out of habit?

In 2025, the US federal government began a major effort to rewrite its core procurement rules in plain language and remove duplicative requirements.[1] By cutting back unnecessary clauses and raising thresholds for streamlined purchases, the reform aimed to clarify decision rights and significantly shorten buying cycles.[2] The emphasis shifted from procedural compliance to responsible, outcome-focused purchasing.[3]

It is only after simplifying the rules do targeted digital tools typically make a meaningful difference. At the US Internal Revenue Service, for example, an automated review tool scans draft contracts to ensure required terms are included and applied correctly. After the agency simplified its internal rules, review times dropped from hours to minutes.[4] The technology worked because the underlying process had already been clarified.

India's Government e-Marketplace shows a similar pattern. By standardizing common goods and services and creating a shared digital marketplace, the government reduced purchase cycle times by more than 30%.[5] The speed came not just from the platform itself, but also from simplifying how routine purchases were structured.

The US Department of Defense's Software Acquisition Pathway reflects this same logic. Designed for rapid software delivery, it replaces hardware-centric timelines with shorter, iterative cycles. Digital marketplaces then help buyers identify solutions that fit those faster pathways.[6]



Across these examples, speed does not come from more automation alone. It comes from simplifying the path first, then using technology to reinforce that simplicity. When teams see steps removed rather than added, trust grows. Leaders can track time to award and time to delivery as core performance measures. Buying becomes lighter, faster, and more transparent—without compromising accountability.

Greater access: Working with more companies and suppliers

Procurement systems can unintentionally exclude capable suppliers—especially smaller firms and new entrants—when requirements are complex, opportunities are infrequent, or participation feels unpredictable. When only experienced incumbents can navigate the system, governments limit competition and innovation.

Expanding access begins with lowering unnecessary barriers. Governments are simplifying bid documents, standardizing common requirements, and creating clearer, more predictable qualification pathways. Instead of one-off tenders with shifting rules, suppliers increasingly see stable criteria and opportunities that remain visible throughout the year.

Public Services and Procurement Canada's Better Buying initiative, for example, focuses on rewriting contracts in clearer language and removing outdated provisions to make bidding less burdensome.[7] In the United Kingdom, reforms under the Procurement Act 2023 include prompt payment requirements that improve cash flow for smaller suppliers.[8] ChileCompra connects thousands of public bodies with more than 110,000 suppliers through a centralized platform, increasing visibility and participation in public markets.[9]

New Zealand's Pae Hokohoko Marketplace offers an always-open catalog of pre-qualified suppliers. Rather than waiting for narrow windows of opportunity, firms can qualify when ready and compete for work through a shared digital entry point.[10]

What matters most is whether suppliers genuinely find it easier to do business with government. That may mean a single registration process, reusable credentials, clear communication, and consistent expectations across agencies. Technology supports this shift—but access expands only when procurement teams are prepared to manage a broader, more dynamic supplier base.

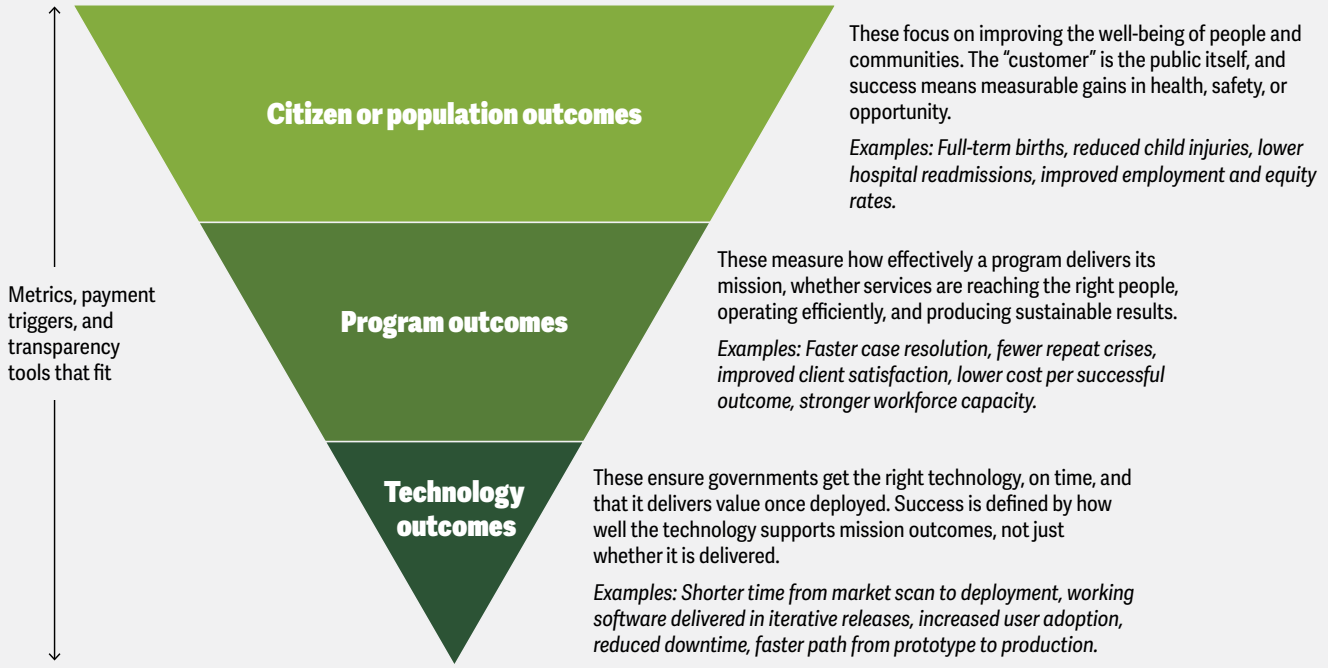
Greater access is not just about inclusion. It strengthens resilience, increases competition, and brings fresh ideas into public programs—ultimately improving outcomes for citizens.

More outcomes: Buying results, not just products

Most public contracts are still written around activities—such as hours worked, units delivered, and features specified—rather than the results that matter for people and programs.[11] An outcomes-first approach starts from a different question: What change are we trying to achieve?

Figure 3

Three key categories of outcomes-based contracting approaches



Source: Deloitte analysis.

Instead of tightly prescribing how work must be done, governments define a small number of meaningful results and align contracts, payments, and performance tracking to those outcomes. In practice, outcomes-based contracting typically falls into three buckets: citizen or population outcomes, the effectiveness of a public service or program, and the reliability of a technology system (figure 3).

At the citizen level, some governments are tying a portion of funding to verified outcomes. Missouri's Children's Trust Fund, for example, developed a statewide "rate card" that pays providers additional incentives when specific results are achieved, such as healthier births or safer home practices.[12] Connecticut piloted a similar model in its maternal and early childhood programs, linking bonus payments to measurable health and stability outcomes, such as early prenatal enrollment, economic stability, and prenatal and postnatal health.[13]

At the service and technology level, governments are increasingly paying for delivered capability rather than effort alone. The United Kingdom's Digital Outcomes and Specialists framework evaluates progress through short development cycles tied to working software.[14] The US Department of Defense's Software Acquisition Pathway aligns payments to functional delivery milestones, enabling earlier fielding of capability.[15]

Buying for outcomes is not simple. Proving that a bid complies with formatting rules is easier than proving it will deliver real value. To shift toward outcomes, agencies should loosen overly rigid specifications, invite diverse approaches, and apply clear, transparent evaluation criteria focused on impact.

The governments making the most progress define a handful of meaningful results, design contracts around them, and use straightforward dashboards to make performance visible. When spending is tied to outcomes rather than activities, procurement becomes a lever for measurable public value—not just a transaction process.

Enablers and accelerators

Governments can accelerate a procurement reset by focusing on a few practical shifts.

Speed

- **Start with simplicity.** Map the typical path for common purchases and ask why each step exists. Remove redundant reviews, collapse overlapping approvals, and standardize

a small set of reusable templates before introducing new technology.

- **Create clear, fast lanes.** Define streamlined routes for routine purchases and digital services, with clear decision rights and thresholds. Teams should know how to move quickly without needing special permission.

- **Embed checks into the workflow.** Once pathways are simplified, use digital tools to automatically apply standard clauses, approvals, and validations. Track time to award and time to delivery as visible performance measures.

Access

- **Build one front door.** Move toward a single supplier registration, reusable credentials, and consistent notice formats so firms don't have to relearn the system each time they bid.

- **Keep markets open year-round.** Allow rolling qualification and maintain active catalogs where appropriate. Monitor participation data to identify gaps and adjust outreach.

- **Communicate clearly.** Provide straightforward feedback to bidders so they understand decisions and can compete more effectively next time.

Outcomes

- **Define a small number of meaningful results.** Decide what success looks like—for citizens, services, or technology—and focus contracts on those outcomes rather than detailed inputs.

- **Link payment to performance in simple ways.** Use milestone payments or outcome-based incentives where appropriate, without overly complex formulas.

- **Make performance visible.** Create simple dashboards showing outcomes, cost, and equity impacts. Review them regularly and retire metrics or processes that no longer add value.

Toward 2030: The future this trend could unlock

By 2030, procurement should function less as a compliance checkpoint and more as a strategic delivery engine. Simplicity becomes the default, and complexity is treated as a cost.

- **Clear, simplified pathways:** Most purchases flow through a small number of streamlined routes built on shared digital standards. Policy checks and standard terms are embedded directly into these pathways, allowing routine buys to move quickly while reserving deeper scrutiny for higher-risk or novel procurements. Teams use these pathways confidently, without needing constant specialist intervention.

- **Open, accessible markets:** Supplier access is consistent and visible year-round. Firms register once, reuse credentials across agencies, and compete through unified digital entry points. Always-open catalogs and rolling qualification lower barriers for smaller firms and new entrants. Governments measure market access with the same rigor they apply to speed and cost.

- **Outcomes as the organizing principle:** Major contracts define a small set of meaningful results tied to mission impact. Payments align to verified performance rather than activity alone. Simple, live dashboards make progress visible to program leaders, procurement teams, and oversight bodies alike.

- **Oversight matched to risk:** Review intensity is calibrated to actual risk rather than precedent. Routine, low-risk purchases move through fast lanes with embedded safeguards, while complex or sensitive buys trigger deeper analysis. Effort is focused where it adds value.

In this future, technology supports clarity rather than compensating for complexity. Procurement becomes lighter, more transparent, and more accountable—accelerating delivery while strengthening public trust.

MY TAKE

Daniel J. Finkenstadt, PhD
Vice president of research and senior fellow, Commerce & Contract Management Institute

Governments generally get more value by simplifying procurement processes first and only then using tools to move faster, widen markets, and pay for results; it's the difference between real reform and "digitizing the clutter."

But the deeper, performance-focused reforms require addressing what I call the "architecture of ignorance." Federal procurement data systems were built to record transactions—that a contract was awarded, when it was awarded, and for how much—while leaving out the context and outcomes that actually explain performance. When leaders only have a few easy-to-pull metrics, they naturally seek them. For instance, often cycle time becomes the headline, not because it is the best measure of how impactful the procurement is, but because it is the most available metric.

Worse, much of the data needed to measure performance is scattered across disconnected systems. Requirements reside in mission planning tools, budget data is stored in financial systems, contracting actions are logged in contract-writing platforms, and performance data appears later in separate databases with limited linkage back to the decisions that shaped the contract. The result is a management blind spot: We can tell you the award date, but not whether the requirement was mature, whether the market was ready, whether the contract structure supported learning, how many modifications were made, or whether the delivered capability effectively solved the operational problem.

Simplify, then digitize, is a crucial step—but it should go hand in hand with making procurement data mission-ready, so it captures context and outcomes, not just transactions. Build a common data spine that connects requirement intent, budget timing, acquisition strategy, and post-award outcomes. Then dashboards stop rewarding what is easiest to count and start showing what improves results.

If we want procurement reform that lasts, we must modernize both the information foundation and the process—so leaders can manage to mission outcomes, not just transaction speed. Do that, and the same tools that help us buy faster can also help us buy smarter, learn faster, and deliver better.

Endnotes

1. Acquisition.gov, "Revolutionary FAR overhaul (RFO)," Jan. 28, 2025; Miranda Nazzaro, "GSA procurement leader says 'community readiness' poses challenge to acquisition overhaul," *FedScoop*, Feb. 5, 2026.
2. Acquisition.gov, "Part 12—acquisition of commercial products and commercial services," Jan. 2, 2026.
3. The White House, "White House announces revolutionary federal procurement overhaul," April 16, 2025.
4. US Internal Revenue Service, "Contract clause review tool," December 2023; Stephanie Kanowitz, "IRS deploys bots to streamline procurement processes," US Supply Chain Management Council, Jan. 29, 2021.
5. Government e-Marketplace, "India's government eMarketplace," Oct. 18, 2023.
6. US Department of Defense, "DoD instruction 5000.87: Operation of the software acquisition pathway US Secretary of Defense," October 2020; US Department of Defense, "Software acquisition pathway Integration with risk management framework," Aug. 23, 2023; Chief Digital and Artificial Intelligence Office, "Tradewinds solutions marketplace," accessed Feb. 16, 2025; US Secretary of Defense, "Directing modern software acquisition to maximize lethality," March 6, 2025.
7. Government of Canada, "Simplifying contracts," March 16, 2023.
8. Cabinet Office and Gould, "New public procurement rules to drive growth, opportunities for small businesses and exclude suppliers that fail to deliver," Feb. 25, 2025.
9. Dirección ChileCompra, "Montos transados en la plataforma Mercado Público superaron los US$ 17.643 millones en 2024," June 9, 2025.
10. New Zealand Government, "Pae Hokohoko/Marketplace," accessed Jan. 8, 2026.
11. Deloitte interview.
12. Social Finance, "Paying for outcomes to support more Missouri," accessed Jan. 5, 2026; Children's Trust Fund of Missouri, "Missouri Children's Trust Fund rate card," June 26, 2024.
13. Catherine Lenihan, Jake Edwards, Constance Heye, and Annie Dear, "Implementing outcomes rate cards to support evidence-based home visiting programs in Connecticut," Connecticut Office of Early Childhood and Social Finance, Jan. 31, 2019; Social Finance, "Boosting childhood health in Connecticut," accessed Feb. 16, 2026.
14. Crown Commercial Service, "Supporting better public procurement," accessed Jan. 5, 2026; Crown Commercial Service, "Contracting for agile: Guidance note," June 2023.
15. US Government Accountability Office, "Defense software acquisitions: Changes to requirements, oversight, and tools needed for weapon programs," July 20, 2023; US Department of Defense, "Software acquisition pathway Integration with risk management framework," Aug. 23, 2023.

Acknowledgments

The authors would like to thank **Ipshita Sinha** from the Deloitte Center for Government Insights for helping in the research and development of the draft. They would also like to thank **Jaimie Boyd**, **Tom Pickthorn**, **Shanley Vetter**, **Phoebe Baker**, **Mason Chin**, and **Duke Wu** for providing feedback and suggestions at critical junctures. In addition, they would also like to extend their gratitude to **Daniel J. Finkenstadt**, vice president of research and senior fellow, Commerce & Contract Management Institute, for his valuable input in the "My take" section.

About the authors

William D. Eggers
weggers@deloitte.com

William D. Eggers is the executive director of Deloitte's Center for Government Insights where he is responsible for the firm's public sector thought leadership. Eggers is the author of numerous books. His new book, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Harvard Business Review Press, 2023), shows how governments at all levels can more effectively tackle society's toughest challenges by collaborating with bridge-builders who bring together different parts of government and tap into other sectors of society.

James Gordon
jamesgordon@deloitte.ca

James Gordon is the managing partner for government and public services at Deloitte Canada and Chile. He is also the global, regional, and local government sub-sector leader. His work and the team he leads are dedicated to supporting public service organizations in preparing for a prosperous and inclusive future. Through his portfolio, he serves clients across all levels of government, as well as crown corporations, boards, commissions, and higher education institutions.

Karen Harvey
kharvey@deloitte.com

Karen Harvey is a principal at Deloitte US, leading supply chain and risk management services for government clients. With over 24 years of experience in public and private sector transformation, she focuses on acquisition transformation, supply chain security, resiliency, process optimization, cost savings, and innovation. Throughout her career, she has supported federal, state, local, and private sector clients in addressing complex supply chain challenges.

Lauren Dailey
ldailey@deloitte.com

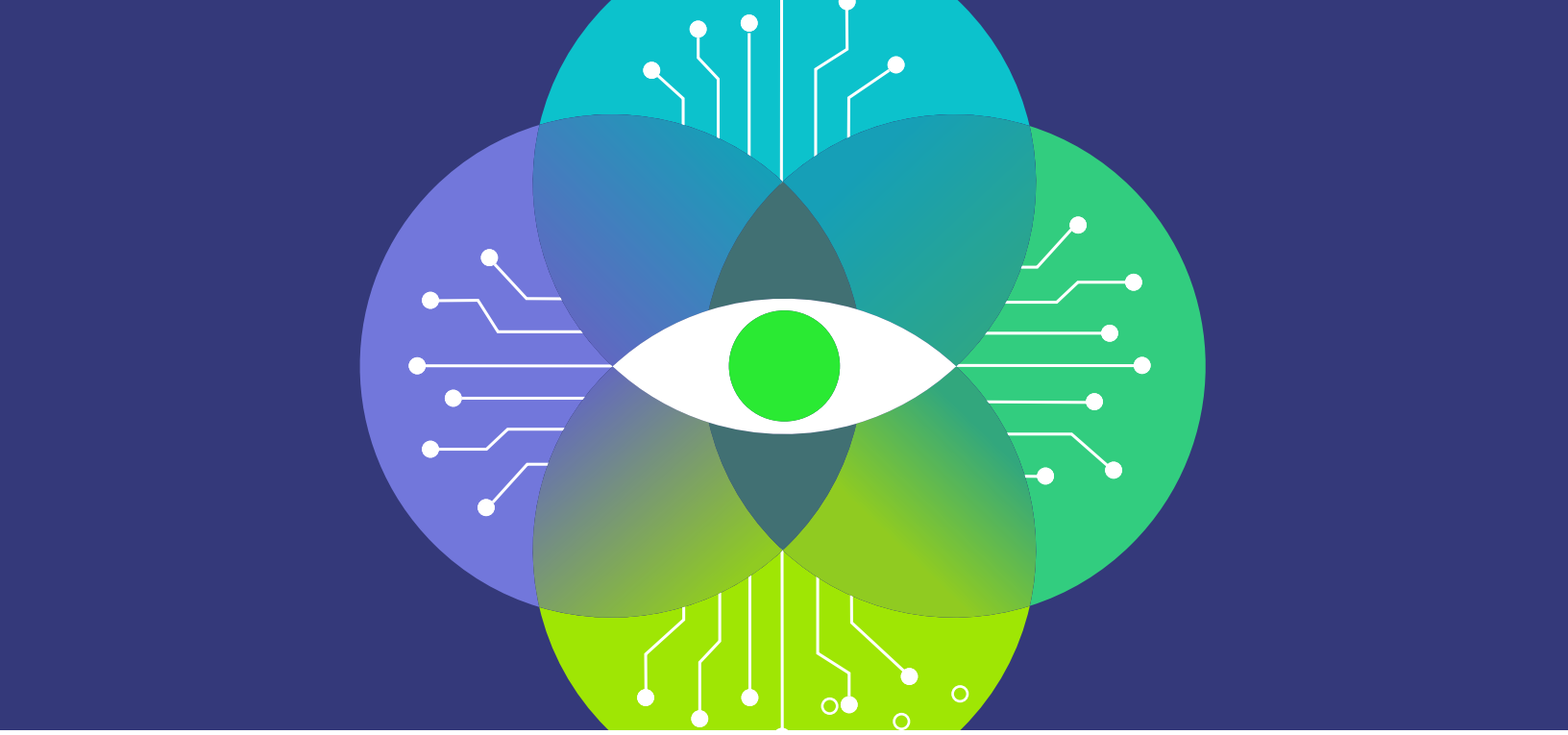
Lauren Dailey is a senior manager and recognized leader in defense innovation, with a focus on acquisition. She designs and implements transformative, sustained change for Deloitte GPS clients. Prior to this role, Dailey spent most of her career in the Department of Defense, designing and managing new ways of doing business to work with innovative and nontraditional companies. She built and ran the Commercial Solutions Opening at the Defense Innovation Unit, overseeing the award and execution of $150 million other transaction agreements, including the first ever production OTs for the DoD.

Adam Routh
adrouth@deloitte.com

Adam Routh is a manager with Deloitte's Center for Government Insights and a PhD student in the defense studies department at King's College London. His research areas include space policy, the future of defense, and great power competition. Routh's research has addressed US national space policy, space governance, the challenges and requirements of the future military force, and emerging technologies. His analysis has been featured on the nightly news and *The John Batchelor Show* and published in the *National Review, The Hill*, *The National Interest*, *Space News*, *The Space Review*, *Real Clear Defense*, and *Defense News*, among other outlets.

Akash Keyal
akkeyal@deloitte.com

Akash Keyal is a research specialist at the Deloitte Center for Government Insights. He specializes in issues related to defense, security, and justice and climate and sustainability.



8

Scaling the public sector's human edge: Making human-AI collaboration work

As AI becomes embedded in government work, agencies are redesigning roles, skills, and workflows so technology amplifies human judgment rather than replacing it

From the wheel to the engine, the quill to the printing press, the postcard to the smartphone, humans have always used tools to accomplish their work.

As artificial intelligence becomes embedded in government work, it is shifting from tool to collaborator. The opportunity is not simply automation, but amplification—using technology to enhance uniquely human strengths such as judgment, creativity, and empathy.

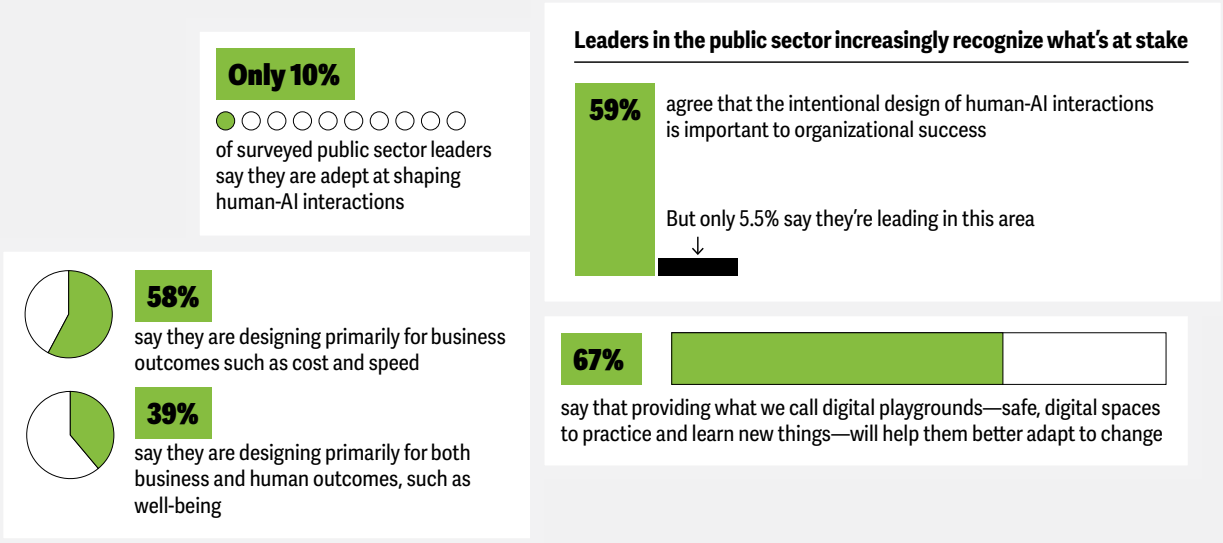
Realizing that potential is not primarily a technology challenge. It is a design challenge. Agencies must rethink roles, workflows, and skills so that humans and AI collaborate productively. Scaling the public sector's human edge depends on three shifts: designing effective human-machine teaming, building adaptability into the workforce, and developing AI fluency across roles.

Contributors:
William D. Eggers, Lucy Melvin, Cameron Pitt, Stephen Harrington, Amrita Datar, and Apurba Ghosal

Signals: Scaling the public sector's human edge

Figure 1

Public sector leaders know human–AI design matters



Source: Deloitte's 2026 Global Human Capital Trends survey.

Trend in action

Figure 2

Humans x machines collaboration in government

Source: Deloitte analysis.

Designing human x machine collaboration that works

AI creates the greatest value when organizations intentionally design how humans and machines work together. The difference between additive (humans + machines) and multiplicative (humans × machines) collaboration lies in whether AI merely assists or actively amplifies human capability.

In public sector settings, AI is already augmenting situational awareness in disaster response, supporting frontline decision-making and collaborating in a broad spectrum of other ways, with AI exercising varying degrees of agency (figure 2).

In all cases, humans remain accountable for outcomes—not just "in the loop," but ultimately responsible.

When designed thoughtfully, these interactions and the human x machine relationship can spark more innovation and efficiency than either could achieve alone. For example, one study found that when humans work closely and iteratively with AI, their performance can improve by up to 29% compared to humans and AI working solo.[1]

Organizations are exploring different ways to amplify the human edge.

Playing to human and AI strengths to unlock better outcomes

The strongest human-AI partnerships assign work based on comparative advantage. AI excels at pattern recognition, scale, and routine analysis. Humans remain essential for judgment, empathy, and navigating ambiguity.

Designing hybrid workflows requires clarity about this division of labor. Tasks demanding oversight or nuanced decision-making stay with people, while AI handles information processing for speed and precision.

The United Kingdom's National Health Service illustrates this model. An AI-powered chatbot supports behavioral health triage, with clinicians reviewing high-risk cases flagged by the system. The result: a 30% increase in referral completion, a 23.5% reduction in assessment time, and an 18% decrease in treatment drop-off.[2]

When thoughtfully structured, human-AI collaboration improves both efficiency and outcomes—without shifting accountability away from people.

Designing for adoption and integration

Access to AI does not guarantee impact. Adoption depends on human-centered design, workflow integration, and continuous change.

Leading organizations embed AI directly into existing systems to reduce context switching and minimize disruption. Buckinghamshire Council in the United Kingdom integrated AI into departmental systems, reducing call wrap time and administrative burden within months.[3] Singapore similarly embedded AI tools into everyday government processes, cutting administrative time nearly in half.[4]

Structured experimentation further accelerates adoption. New Jersey's AI sandboxes allowed employees to test generative AI safely before deployment, resulting in measurable gains: Self-resolved calls increased by 50%, response times fell by 35%, and more than 80% of users reported that the tools improved their work.[5]

Ultimately, adoption depends less on technical training than on redesigning work around outcomes. As one private sector leader observed, the real challenge is behavioral change—not simply access to new tools.[6]

Always-on change management to build resilience and adaptability

AI makes change continuous. Traditional transformation models—such as implement, stabilize, and move on—are no longer sufficient. Agencies need change management that is embedded in daily work: iterative, lightweight, and ongoing.

Change starts at the unit of one, then ripples across the organization

Adaptation begins with the individual. Each caseworker, analyst, or officer must learn to work differently—and those individual shifts compound into organizational change. AI itself can support this transition. Intelligent agents can act as tutors and coaches, offering real-time feedback, suggesting improvements, and helping workers build skills through practice.[7]

The US Department of Veterans Affairs uses AI-powered simulations to help veterans crisis responders strengthen empathy and intervention skills in realistic scenarios.[8] Montgomery County, Maryland, deploys AI as a "practice partner," prompting teams to rehearse complex situations such as cyber incidents or emergency coordination before they occur. "These response muscles become more important when we talk about the collective, when we talk about teams, and so the ultimate focus might be: How do we make decisions under pressure together?" explains Michael Baskin, the county's chief information officer.[9]

These approaches treat adaptation as a continuous capability—not a one-time initiative.

Experimentation is how learning scales safely

In dynamic environments, learning happens through structured experimentation. Agencies are building safe spaces—sandboxes, pilots, and controlled trials—that allow employees to test AI tools with clear guardrails before scaling them broadly.

Singapore's Government Technology Agency has adopted this learning-by-doing approach through its AI Agents initiative. Public officers experiment with secure AI tools and develop internal bots for tasks such as research, policy review, and responding to public queries. Through hands-on use, they learn how systems behave, where oversight is required, and how to manage risk before broader deployment.[10] To date, about 18,000 internal AI bots have been created illustrating how creating a safe space for experimentation can help drive meaningful AI adoption. About 150,000 public officers were reported to be regular users of gen AI.[11]

By normalizing experimentation, agencies can accelerate adoption while maintaining trust and accountability.

Building AI skills fluency as a core workforce capability

As AI becomes embedded in daily work, fluency becomes essential. AI fluency is not technical mastery alone—it is the ability to understand how systems work, when to rely on them, and when to question them.

Just as physical fitness has different levels of intensity—depending on whether you are a hobby runner, a marathoner, or an Olympic athlete—there are at least three distinct types of AI fluency, based on the learner's role, experience, and level of interest.

- **Use fluency.** Applying AI tools safely and effectively in everyday tasks
- **Choose fluency.** Evaluating tools, risks, and trade-offs to select appropriate solutions
- **Build fluency.** Designing and developing custom AI applications

The US Department of State's StateChat program illustrates this tiered approach. Training pathways aligned to use, choose, and build fluency helped employees adopt generative AI responsibly while enabling more advanced users to design custom workflows. Structured learning, paired with governance guardrails, drove adoption while maintaining accountability.

Other governments are adopting similar models. California emphasizes foundational training in privacy, security, and AI bias awareness.[12] San Jose pairs role-specific upskilling with certification pathways.[13] Singapore's Digital Academy offers differentiated tracks for leaders, officers, and developers.[14] Across cases, the pattern is consistent: baseline literacy for all, deeper capability for many, and advanced expertise for a smaller cohort.

New skills to build—and old ones to double down on

As AI automates more routine analysis, human advantage shifts toward skills that are harder to replicate:

- Discernment
- Framing and problem decomposition
- Social judgment and legitimacy work
- Systems thinking under constraints

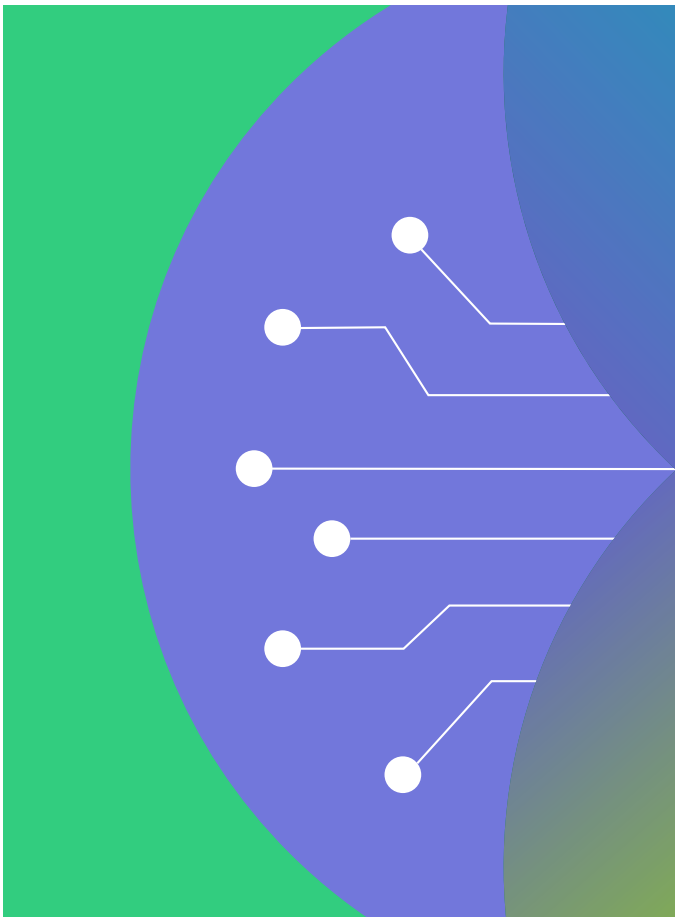
Judgment, in particular, becomes central. It develops through practice—in simulations, sandboxes, and scenario-based exercises that allow workers to make decisions in low-risk environments before applying them in high-stakes contexts. Police departments in the United States and Canada are increasingly using virtual reality and simulation tools, some powered with AI, to train officers in de-escalation and crisis intervention.[15] These simulations place officers in realistic high-stress scenarios—such as a tense domestic dispute or a mental health crisis—where they can test, assess, and improve their judgment under pressure.

Scaling the human edge requires deliberate cultivation of the skills AI cannot replace.

Enablers and accelerators

Leaders can begin scaling the public sector's human edge by focusing on a few structural shifts.

- **Modernize the workforce system.** Align workflow redesign ("hard wiring") with culture, leadership, and incentives ("soft wiring") so human-AI collaboration is reinforced across the organization.
- **Reengineer roles around outcomes.** Redesign job architectures to reflect AI-enabled tasks and clarify accountability for human-machine workflows. Workforce skill sets and modular learning programs should map to roles and functions to address gaps.



- **Establish clear design principles.** Codify guardrails for collaboration—for example, "AI proposes, humans decide" in high-stakes contexts.

- **Define decision rights by risk.** Specify when AI can act autonomously, when humans must remain in the loop, and when decisions must remain human-only.

- **Create space for responsible experimentation.** Use sandboxes and pilots to test new tools safely, share lessons learned, and avoid common antipatterns such as siloed deployments or one-time training initiatives.

Providing access to AI tools alone will not deliver results. Productivity gains emerge when work is redesigned, skills are developed, and governance keeps pace with capability.

Toward 2030: The future this trend could unlock

Human-agent teams become the norm. Public servants act as orchestrators of intelligence, directing networks of AI agents while retaining responsibility for intent, oversight, and outcomes.

AI is designed for cognitive ergonomics. Systems are built to support human reasoning—offering transparency, configurable risk thresholds, bias checks, and clear audit trails by default.

Work compresses around insight. Routine processing is automated at the point of data creation, allowing human roles to concentrate on interpretation, exception handling, and community engagement.

Professional identity evolves. Public servants develop hybrid expertise that blends domain knowledge with AI fluency and ethical discernment.

Judgment becomes a core institutional asset. Agencies invest deliberately in building decision-making capability through simulation, structured practice, and scenario-based learning.

Legitimacy becomes a design priority. AI-enabled actions are paired with explainability and visible human accountability, ensuring public trust keeps pace with technological capability.

Endnotes

1. Christoph Riedl and Ben Weidmann, "Quantifying human-AI synergy," *PsyArXiv*, Sept. 21, 2025.
2. UK Government Department for Health and Social Care, "Limbic access," May 23, 2025; Modern Civil Service, "One Big Thing 'AI for All' is live," UK Government, Oct. 14, 2025.
3. Local Government Association, "Buckingham Council: Early adoption of Microsoft Copilot," Jan. 9, 2025.
4. Bryan Ong and Gary Chew, "Pairing with AI for public sector impact in Singapore," UN Development Programme, Sept. 26, 2024.
5. Jessica Balen, "AI sandboxes let state government employees experiment safely," StateTech, Oct. 2, 2025.
6. Michael Ehret (senior vice president and chief people officer, Walmart), online interview with Sue Cantrell, October 2025.
7. Tarun Galagali, "The future of work has arrived: How AI is rebuilding workplace culture," *Forbes*, Oct. 14, 2025.
8. Madison Coffey, "AI technology is helping crisis line responders," *VA News*, Sept. 2, 2024.
9. Bloomberg Cities Network, "Prompt and prepared: Using AI to practice for the next crisis," March 20, 2025.
10. Krist Boo, "Singapore to test autonomous AI agents for delivery of public services," *Straits Times*, Aug. 29, 2025.
11. Young Zhan Heng, "GovTech partners Google Cloud to trial agentic AI usage in public sector," *The Business Times*, Aug. 28, 2025.
12. William Melhado, "California hopes to bolster AI preparedness with employee training for state workers," *Sacramento Bee*, July 31, 2024.
13. Skip Descant, "San Jose, Calif., develops AI upskilling training for staff," GovTech, July 17, 2025.
14. Digital Academy, "Artificial intelligence," Government of Singapore, March 28, 2025.
15. Kennedy Hayes, "Police agencies turn to virtual reality to improve split-second decision-making," *Fox News*, Oct. 23, 2025.

Acknowledgments

The authors would like to thank **Nicole Savia Luis** from the Center for Government Insights for helping with the research and development of the draft.

About the authors

William D. Eggers
weggers@deloitte.com

William D. Eggers is the executive director of Deloitte's Center for Government Insights where he is responsible for the firm's public sector thought leadership. Eggers is the author of numerous books. His new book, *Bridgebuilders: How Government Can Transcend Boundaries to Solve Big Problems* (Harvard Business Review Press, 2023), shows how governments at all levels can more effectively tackle society's toughest challenges by collaborating with bridge-builders who bring together different parts of government and tap into other sectors of society.

Lucy Melvin
lmelvin@deloitte.com

Lucy Melvin is a principal in Deloitte's federal human capital practice and the executive leader of Deloitte's public sector human capital artificial intelligence team. She brings 15 years of experience leading organizational transformation, implementing enterprise systems and solutions, and adopting the future of work. She has led large-scale organizational transformation and change management for organizations with more than 40,000 employees across multiple agencies.

Cameron Pitt
capitt@deloitte.com.au

Cameron Pitt leads multidisciplinary teams across consulting, tax, and legal, and risk advisory, working with government clients to deliver improved social, economic, and environmental outcomes. He champions Deloitte's reconciliation action plan locally, drives social impact through the Deloitte Foundation, and leads diversity, equity, and inclusion initiatives at the Canberra office.

Stephen Harrington
stharrington@deloitte.ca

Stephen Harrington leads Deloitte's workforce strategies and intelligence business globally, bringing over 25 years of experience helping organizations transform how they attract, develop, and engage talent. He partners with clients to design workforce strategies that create business value and help employees find purpose and impact, particularly as organizations navigate the future of work and the age of AI. His expertise spans talent attraction and retention, employee value proposition, compensation, workforce planning, succession, and leadership development.

Amrita Datar
amdatar@deloitte.ca

Amrita Datar is a research manager at the Deloitte Center for Government Insights, where she leads research and thought leadership on the future of work and workforce issues. Her work focuses on emerging trends at the intersection of technology, business, and society and how they impact public sector organizations.

Apurba Ghosal
apghosal@deloitte.com

Apurba Ghoshal is a researcher with the Deloitte Center for Government Insights, specializing in the intersection of human-machine collaboration and its implications for the future of work in government. Her research spans workforce transformation, sustainability and infrastructure, and human services, with an emphasis on designing human-centered, technology-enabled government systems. She is part of the team behind the Government Future Frontiers podcast, which convenes global experts to discuss the most urgent issues confronting governments and the ideas shaping their future.

Acknowledgments

The authors express their gratitude to **Nicole Savia Luis**, **Aniruddha Bapat**, and **David Noone** from the Deloitte Center for Government Insights for their invaluable operational and research support.

This report owes its publication to the dedicated support of the *Deloitte Insights* team. The authors would like to acknowledge **Kavita Majumdar**, **Rupesh Bhat**, **Aparna Prusty**, **Shyamili M**, **Cintia Cheong**, **Pubali Dey**, and **Anu Augustine** for their editorial contributions. They would also like to thank the following members of the visual and design team for their artwork and data visualizations: **Jim Slatton**, **Sonya Vasilieff**, **Meena Sonar**, **Molly Piersol**, and **Harry Wedel**.

The author team extends their gratitude to various members of Deloitte's Government and Public Services global leadership and account teams for their insights, feedback, and continued support, including **Liam A. Davies**, **Christopher Hamilton**, **Sean McClowry**, **Allan Mills**, **Tom Pickthorn**, **Shanley Vetter**, **Phoebe Baker**, **Mason Chin**, and **Duke Wu**.

Finally, the author team would like to thank the GPS marketers, **Shane O'Hagan**, **Leslie Wolf**, **Neelangana Noopur**, **Adina Preiss**, and **Zishan Ali**, for their support in promoting Government Trends 2026 across various geographies.

About the Deloitte Center for Government Insights

The Deloitte Center for Government Insights shares inspiring stories of government innovation. We produce cutting-edge research that guides public officials, crystalizing essential insights in an easy-to-absorb format. Through research, forums, and immersive workshops, our goal is to provide fresh insights that advance an understanding of what is possible in government transformation.

Continue the conversation

Practice leadership

Beth McGrath
Managing director | Deloitte Consulting LLP
+1 571 882 8455 | bmcgrath@deloitte.com

Beth McGrath is Deloitte's global leader for Government and Public Services. In her role, she is committed to strengthening synergies across global industries and government and public services with a focus on client mission needs and solutions.

Jennifer J. Walcott
US national government and public services (GPS) industry leader | Deloitte Consulting LLP
+1 571 882 5345 | jwalcott@deloitte.com

Jennifer J. Walcott leads Deloitte's US national GPS industry, where she serves clients from federal, state, and local government; higher education institutions; and nonprofit agencies.

The Deloitte Center for Government Insights

William D. Eggers
Executive director | Deloitte Center for Government Insights | Deloitte Services LP
+1 571 882 6585 | weggers@deloitte.com

William D. Eggers is the executive director of Deloitte's Center for Government Insights, where he is responsible for the firm's public sector thought leadership.

Contributors

Editorial: Kavita Majumdar, Rupesh Bhat, Aparna Prusty, Pubali Dey, Cintia Cheong, and Anu Augustine
Creative: Molly Piersol, Harry Wedel, Jim Slatton, Sonya Vasilieff, and Meena Sonar
Cover artwork: Sonya Vasilieff and Meena Sonar

Deloitte.

Published in collaboration with Deloitte Insights.