

Local Government Al Adoption Manual

September 2025

FINAL Version 1.0



Table of Contents

Ta	able of Contents2
1.	Introduction5
	Background5
	Purpose5
	Scope6
	Intended Audience6
	Document Structure6
	Navigation Guide
	Key Terms8
2.	Acknowledgement of Support9
3.	Disclosure Statement9
4.	Al Strategy Framework10
	Framework Overview10
	Conceptual Model11
	Framework Detail
	Framework Guidance14
5.	Al Maturity Model18
	Al Maturity Overview
	Al Maturity Detail19
	Target Maturity Guidance
6.	Framework Implementation22
	Al Implementation Tool
	Target Maturity Selection
	Al Implementation Plan
7.	Supporting Toolkit24
8.	Participating Councils25
9.	References

Document History

Document Owner			President LGITSA, Executive Sponsor - AI Adoption Toolkit Project				
Contact		info@lgitsa.com.au					
Document	t Details	AI A	Al Adoption Toolkit Manual				
Version Status			Working Draft		Consultation Release	V	Final Version
Version	Version Date Reason for Change		Author				
1.0 17/9/2025		Preparation for Steering Group approval			Karin Swiatnik		
							Strategy in the City Pty Ltd

Endorsement | Authorisation

Name	Organisation	Position Title	Date
Project	LGITSA	LGITSA President	17/9/2025
Steering	LGITSA	LGITSA Secretary	
Group	LGA SA	Acting Executive Director, Member Services	
	LGRS	Divisional Manager Public Sector	
	LG Professionals SA	Chief Executive Officer	

Contributors | Reviewers

AI Working Groups	Councils Represented
Leadership & Vision	Refer to Section 8 for Participating Councils
Trust & Transparency	Participating Councils
Capabilities & Culture	
Data & Technology	
Projects & Performance	



Local Government Information Technology South Australia Incorporated (LGITSA) (ABN 70 390 449 396) is an incorporated association registered in South Australia under the Associations Incorporation Act 1985 (Registration No. A42664).

This Artificial Intelligence (AI) Adoption Toolkit ("the toolkit") has been developed by LGITSA in collaboration with the South Australian Local Government sector and its industry partners. The toolkit, including any recommendations, analysis, advice, templates, or tools it contains, is provided for general guidance only. It does not constitute legal, professional, technical, or financial advice, and must not be relied upon as such. Users should seek independent expert advice tailored to their specific circumstances before acting on any information contained within this toolkit.

The information provided is based on sources believed to be reliable at the time of publication. However, LGITSA makes no representations or warranties, express or implied, as to the accuracy, currency, completeness, or suitability of the information for any particular purpose. LGITSA accepts no liability for any loss or damage arising from the use of, or reliance on, this toolkit or its contents.

This toolkit has been prepared in good faith to support Local Government organisations in South Australia with the deployment and governance of AI technologies. It reflects the needs and input of LGITSA member councils at the time of development. LGITSA is under no obligation to update the toolkit to reflect changes in technology, legislation, or sector requirements.

Licence Terms

This document and associated toolkit are licensed for use exclusively by:

- LGITSA member councils;
- Those exclusively authorised in writing by LGITSA;
- Council-affiliated entities established under Sections 41, 42 and 43 of the Local Government Act 1999 (SA): and
- LGITSA-affiliated partners, including the Local Government Association of South Australia, Local Government Professionals South Australia, and Local Government Risk Services.

Attribution

All reproductions or adaptations of this toolkit must acknowledge LGITSA as the source.

Modification

LGITSA members may adapt or modify the toolkit for internal use within their organisations. However, modifications must:

- Retain acknowledgment of LGITSA as the original author;
- Not be distributed outside the scope of this licence; and
- Not be rebranded in a way that obscures LGITSA's authorship.

Commercial Use

Use of this toolkit for commercial purposes is strictly prohibited.

Enforcement

Any unauthorised use, reproduction, or distribution outside the scope of this licence may constitute a breach of copyright and may be subject to legal action.

© 2025 Local Government Information Technology South Australia Incorporated. All rights reserved.



1. Introduction

Background

Artificial intelligence (AI) is rapidly transforming how Local Government operates, offering new ways to improve service delivery, create efficiencies, and enhance customer experience. In South Australia, councils and employees are already experimenting with AI tools (particularly generative AI) to help with tasks like drafting documents, assisting with customer service, writing reports, and analysing complex data, often before any formal policy is in place¹.

Councils operate in a dynamic environment driven by technology, changing community expectations, and increasing demand for efficiency and transparency. While the private sector is utilising AI to streamline services, reduce costs, and improve customer experience, it is important for governments to consider timely and responsible adoption to remain effective and relevant.

Visible interfaces such as chat assistants and digital help tools represent only a fraction of how AI systems operate. Much of the capability sits within embedded services inside platforms and data pipelines, including autonomous agents and decision support systems that optimise operations, generate insights, and act within defined guardrails under human oversight.

These embedded capabilities exist in council systems and in third party products. In recruitment for example, a chat assistant may support applicants, while vendor systems perform screening, skills matching, candidate sourcing and interview analysis. Many suppliers now deliver platforms with model-assisted features even when AI is not presented as a product feature, underscoring the need for councils to identify and govern these uses.

Recognising this broad spectrum of AI applications underscores the importance of transparency and responsible governance. Councils must clearly understand and take responsibility for AI use (both inhouse and by vendors) to ensure adoption is informed, ethical, and trustworthy.

Purpose

As AI use is already happening within councils, it is critical to move from informal experimentation to a coordinated approach that supports ethical and effective AI adoption. By establishing robust AI foundations, Local Government can proactively manage the risks and realise the benefits, ensuring its use is both responsible and aligned with community values and environmental commitments.

The AI Adoption Toolkit ("the toolkit") provides councils with a framework for developing their AI strategy, supported by a suite of documents, tools and templates to guide implementation. It incorporates a maturity model to help councils set an initial target level and plan the adoption and management of AI technologies accordingly.

The toolkit aims to support a holistic, consistent approach to AI governance across Local Government, providing a common language and building trust by helping the sector to adopt and manage AI technologies responsibly and effectively. It offers councils a practical starting point and is expected to evolve as councils implement AI and share their insights, experiences, and best practices across the sector.

¹ May 2025 Generative AI in Local Government Survey



Scope

The AI Adoption Toolkit applies the Organisation for Economic Co-operation and Development (OECD) definition of AI:

"An AI system is a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment."

Intended Audience

The AI Adoption Toolkit has been developed for all councils² that operate or serve the public in South Australia; that is all councils, subsidiaries and regional subsidiaries under the Local Government Act 1999. It is scalable and relevant across the entire sector, regardless of council size. The toolkit also applies to vendors and other third parties that provide AI solutions or services to councils.

Documents comprising the toolkit have been designed to support the diverse professional disciplines of employees within councils and can be adapted to meet the unique context of each organisation.

Document Structure

This **Al Adoption Manual** is a high-level, step by step manual on how to use the Al Adoption Toolkit, which includes guidance for councils on the:

- Al Strategy Framework ("the framework") A practical, structured approach to adopting
 and leveraging Al to meet user needs and achieve business objectives, safely and ethically.
- Al Maturity Model Designed for Local Government, this model supports selection of the council's target Al maturity level, considering the organisation's unique characteristics.
- Al Implementation Tool An essential component and the 'engine' behind the toolkit, details the key actions and initiatives to reach the council's target maturity level. This tool can also be used to monitor council's implementation of the Al Strategy Framework.

The AI Adoption Manual is accompanied by the following resources:

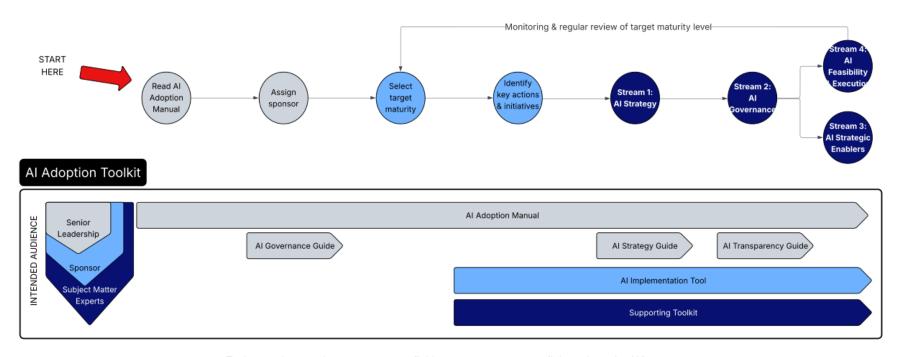
- **Supporting Toolkit** A range of tailored guides, tools and templates, along with publicly available reference resources to support council's with implementing the strategic foundations for responsible and successful Al adoption.
- **Tips** \bigcirc handy hints or suggestions are indicated throughout by this icon.

² 'Council' and 'organisation' are used interchangeably throughout the toolkit to describe Local Government entities



Navigation Guide

Your personal guide to navigating the Al Adoption Toolkit



Tools, templates and resources are available to support your council throughout the Al journey



Key Terms

Term / Acronym	Definition
Al Governance	Systems and structures that guide and oversee the responsible use of AI.
Al Maturity	Extent to which an organisation has integrated AI into its operations, culture, governance, and strategy.
Al Maturity Model	Structured framework that describes the stages of organisational capability in adopting and managing Al. Helps organisations to assess current state, identify gaps, and plan progression across dimensions such as strategy, governance, data, workforce, technology, and culture.
Al Metrics & KPIs	Quantitative or qualitative measures used to evaluate and track the performance, effectiveness, risks, or impact of AI systems against strategic goals. KPIs are specific measurable targets within these metrics that reflect desired outcomes or improvements.
Al Strategy Framework	Structured approach that guides the planning, development, and implementation of AI initiatives, ensuring alignment with ambitions and risk appetite.
AI Capability	Functional and technical competencies that AI systems can provide, to underpin multiple AI Use Categories and Use Cases.
Al Use Case	Define what AI is being used for, where it is applied, and the expected value. For example, a customer service chatbot on council's website to handle common customer queries on a 24/7 basis.
Al Use Case Canvas	Structured template for planning AI initiatives, covering business value, data, stakeholders, risks, and success criteria.
Al Use Case Type	Define how AI applied, regardless of the function or service. Examples include productivity assistants, customer assistants, or agents.
Al Use Category	Broad functional area where artificial intelligence may be applied. Council examples include customer service automation, or asset optimisation.
Business Capability Model (BCM)	High-level, organisation-wide, stable view of core functions used for strategic planning, digital transformation, and AI alignment.
Enterprise Architecture	Strategic planning discipline for ensuring alignment between organisational goals, technology investment, and service delivery.
Pilot	Limited deployment of an AI solution in a controlled setting to evaluate its performance, usability, risks, and impact before broader implementation.
Proof of Concept	Small-scale, short-term AI experiment to test an idea or method is technically feasible and likely to deliver value in a specific context.
Public AI Tools	Freely accessible AI platforms and applications available for general public use, offering capabilities such as content generation, search, or image creation.
RACI Matrix	Tool to assign roles and responsibilities (Responsible, Accountable, Consulted, and Informed) for AI activities.
Responsible AI	Ensuring AI is ethical, fair, transparent, and safe in line with community expectations and legal requirements.



Term / Acronym	Definition
Scaling Al	Expanding successful AI solutions beyond pilots or specific business units to broader organisation use, in a sustainable and responsible way.
Target Maturity	Desired future state, providing a clear goal to guide AI adoption at a pace and scale suited to the council's context.
Transparency Statement	Public-facing explanation of how AI is used, governed, and aligned with ethical principles. For councils, this could take the form of an external AI policy.

2. Acknowledgement of Support

Creation of the AI Adoption Toolkit was funded and championed by Local Government Information Technology SA Incorporated (LGITSA).

The LGITSA Board extends their gratitude to the Project Steering Group (PSG) which supported the initiative and provided oversight to ensure that the deliverables would meet the needs of the Local Government sector.

We are appreciative of the representatives from LGA South Australia, Local Government Risk Services (LGRS), and LG Professionals SA, who played a crucial role on the PSG.

Our sincere thanks to the Local Government AI Working Groups for their generous time, invaluable insights, and expertise to co-design the AI Adoption Toolkit. Section 8 lists the 30+ participating councils, represented by more than 70 members across the AI Working Groups.

Lastly, we are appreciative of everyone who took the time to respond to the 'Generative AI in Local Government Survey', sharing feedback which was instrumental in shaping the project deliverables.

3. Disclosure Statement

Al-assisted research, Al-generated content (such as draft templates) and selected publicly available tools and resources informed the initial draft project deliverables, which were subsequently reviewed and refined through stakeholder engagement with the five Al Working Groups. A Quality Assurance Working Group was formed to provide an additional review to confirm the toolkit's clarity, consistency of terminology, and alignment of the maturity model.



4. Al Strategy Framework

Framework Overview

The framework sets the strategic foundations for responsible and successful AI adoption, informed by Local Government survey results and stakeholder engagement, extensive research, and leveraging publicly available resources, including those from Australian State and Federal Governments.

• Alignment with Strategic Goals

Ensure the AI Strategy aligns with the council's broader vision and values, considering the benefits of AI, climate change commitments, and other community priorities.

• Ethical and Responsible Use Principles

Establish principles around ethical use, transparency, fairness, accountability, privacy, and inclusion to guide how AI systems are designed, procured, and deployed.

• Clear Governance and Policy Frameworks

Develop robust guidelines and policies that outline how AI can be used, responsibilities for oversight and risk management, and what ethical standards must be met.

Al Literacy and Workforce Development

Invest in training and upskilling employees to understand both the capabilities and limitations of AI tools, as well as their responsibilities when using them.

• Stakeholder Engagement and Communication

Engage employees, community members, and external experts to help build understanding, address concerns, and ensure transparency of the AI Strategy.

Prioritised, Phased Implementation

Start with pilot projects and targeted use cases, before scaling up to more complex applications, enabling councils to learn, adapt, and manage risks along the way.

Continuous Monitoring and Improvement

Set up mechanisms for ongoing monitoring, evaluation, and reporting on AI use, including regular reviews of environmental impact, effectiveness, and alignment with council objectives.



Conceptual Model

The AI Strategy Framework provides Local Government organisations with a practical, structured approach to adopting and leveraging Artificial Intelligence technologies to meet user needs and achieve business objectives, safely and ethically. This diagram provides a conceptual model of the strategic foundations for responsible and successful AI adoption.

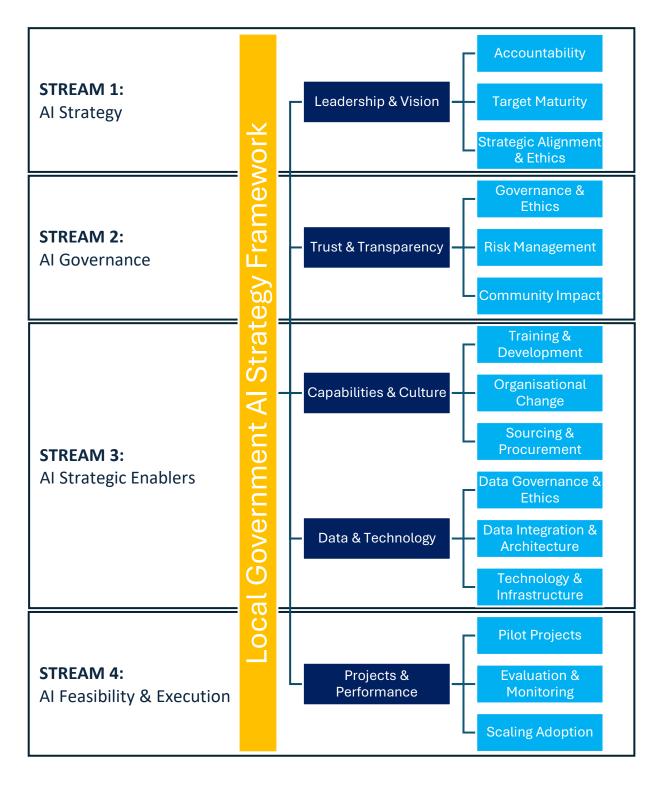
LEADERSHIP & VISION Al Strategy to ensure alignment of Al Determine accountability, responsible Al principles, risk investment with ethical appetite and initial target maturity for AI in alignment with principles, priorities strategic goals and ambitions Continuous Monitoring, Evaluation, Improvement & Innovation Feasibility of pilot **PROJECTS & PERFORMANCE** projects aligned with Al Strategy Execution and evaluation of outcomes for potential to expand **CAPABILITIES & CULTURE DATA & TECHNOLOGY** Successful Al adoption **Enabled** by Develop the culture, Manage data quality and people, processes, workforce, and skills to storage, and integrate Al data, and technology procure and manage Al services into IT environment **Underpinned** by a **TRUST & TRANSPARENCY** robust governance Promote responsible, ethical use framework and mitigate risks to build trust in Al



Framework Detail

The framework comprises:

- Four streams, guiding practical implementation of the framework,
- Five strategic pillars, encompassing the foundations for responsible AI adoption; and
- Three domains for each pillar, covering the key considerations, actions, and initiatives required to achieve the desired target maturity.





Al Adoption Toolkit



The recommended approach to implementing this framework is based on the Australian Government Voluntary Al Guardrails³, with the aim of uplifting Al maturity and to future proof for compliance against potential incoming regulatory requirements.

- Start with the core foundations of accountability, strategy, governance, and risk management.
- Build the strategic enablers for AI adoption, considering people, processes, data, and technology.
- Define and evaluate pilot projects, whilst establishing the foundations for sustainable AI growth.

Further guidance on how to navigate the framework is provided in the next section. Your council may already have several of these domains in place or underway. In that case, the framework guidance can serve as a checklist to ensure that the council has considered all the essential foundations for successful AI adoption. It is recommended that councils implement the AI Strategy Framework as soon as practical, with consideration to the council's context and size.

_

³ Aligned with international standards <u>ISO/IEC 42001:2023</u> and US National Institute of Science and Technology <u>AI Risk Management Framework 1.0</u>. Actions under each guardrail are mapped to Australia's <u>AI Ethics Principles</u>.



Framework Guidance

This section provides high-level guidance on the approach to implementing the framework. Comprehensive details of the key actions and initiatives relating to each domain, plus supporting tools and templates can be found in the AI Implementation Tool.

STREAM 1: Al Strategy

The first stream aligns the AI Strategy with organisational priorities and ambitions and assigns accountability for leading STREAM 2: Governance. The AI Strategy is a critical dependency, providing the direction, priorities, and guardrails that guide how the remaining streams are implemented.

	LEADERSHIP & VISION			
Ref.	Ref. Domain Description			
1.1	Accountability	Senior leadership is ultimately accountable for the responsible and effective implementation of council's AI adoption program. Elected Members are accountable to their community for the impacts of AI adoption.		
		Assign an executive (or CEO-delegated senior leader) to establish and lead AI governance. Senior leaders should be actively engaged in the AI program to champion cultural change.		
1.2	Target Maturity	Senior leadership should establish responsible AI principles and select which target maturity their AI adoption program will align to, guiding the approach toward implementing and managing AI technologies.	Guidance	
1.3	Strategic Alignment & Ethics	Senior leadership should ensure clarity of AI goals and alignment with the organisation's strategic objectives and ethical AI principles. A structured feedback loop should be implemented to strategically monitor AI adoption, along with periodic reviews of AI maturity.		

Getting Started:

- Confirm your council's sponsor for Al governance refer to the Al Governance Guide.
- Familiarise yourself with the AI Maturity Model outlined in this manual.
- Determine your council's target maturity and the associated key actions and initiatives.
- Contact LGITSA for support or join the AI Community of Practice.



Engage AI Working Group representatives for support with navigating the AI Strategy Framework they helped co-design.⁴

⁴ Refer to Section 8 Participating Councils to check which councils were represented.



STREAM 2: AI Governance

The second stream establishes governance for AI oversight, promotes responsible and ethical use, and mitigates risk to build community and stakeholder trust in AI.

	TRUST & TRANSPARENCY			
Ref.	Domain	Description		
2.1	Governance & Ethics	The accountable executive should embed AI governance within existing structures or establish a dedicated group with responsibility for AI governance and compliance with ethical AI principles.		
		This cross-functional team should manage AI governance, helping to identify, coordinate, and oversee activities needed to reach the desired maturity level.	Gui	
2.2	Risk Management	Led by the accountable executive, the governance group should proactively identify potential risks and mitigation strategies and develop an implementation plan to enhance risk management processes and practices.	Guidance	
2.3	Community Impact	The governance group should ensure public transparency in the use of AI and establish methods for engaging the community in the design and implementation of AI solutions.		

Getting Started:

- Confirm key actions and initiatives for target maturity using the AI Implementation Tool.
- Consult the <u>AI Governance Guide</u> and determine your council's AI governance arrangements.
- Use LGA's Al Model Policy as the basis for creating your council's internal Al policy.
- Refer to the <u>Al Toolkit Register</u> for resources to help develop your Elected Member Al policy.



Take up the <u>LGRS offer of consulting hours</u>, to assist with implementation or training on the <u>Generative AI Risk Management Guidelines</u>.



STREAM 3: AI Strategic Enablers

The third stream may be commenced concurrently with STREAM 2.

Responsibilities should be assigned for identifying and coordinating the key actions and initiatives required to achieve the target maturity for each of the strategic enablers.

	CAPABILITIES & CULTURE				
Ref.	Domain	Description			
3.1	Training & Development	This domain focuses on educating and upskilling employees to meet current needs and where required, recruiting talent to meet future AI needs. Education programs should cover awareness of the council's AI policies and principles.			
3.2 Organisational Chang		Fostering cross-functional collaboration and developing a change management plan to address workforce concerns and impacts is the focus of this domain.	Guidance		
3.3	Sourcing & Procurement	This domain covers the exploration of potential partnerships, procurement of external AI capabilities, and integrating AI requirements into procurement policies and processes.			



Keep an eye on the <u>LG Professionals SA website</u> for upcoming AI training courses, to enhance your organisation's knowledge and use of AI.

	DATA & TECHNOLOGY				
Ref.	Domain	Description			
4.1	Data Governance & Ethics	Implementing processes for the effective management of data quality to meet the needs of AI applications is covered in this domain.			
4.2	Data Integration & Architecture	The focus of this domain is to establish secure, scalable, and accessible data storage solutions.	Guidance		
4.3	Technology & Infrastructure	This domain covers evaluating technical readiness, determining how AI services will be consumed, and mitigating technical risks.	J		



Leverage the complementary LGITSA frameworks for <u>Data Governance</u> and <u>Cyber Security</u> to build your data and technology readiness.



STREAM 4: AI Feasibility & Execution

This stream may be commenced concurrently with STREAM 3.

Responsibilities should be assigned for identifying and coordinating the key actions and initiatives associated with the feasibility and execution of AI projects.

PROJECTS & PERFORMANCE				
Ref. Domain Description				
5.1	Pilot Projects	Defining pilot AI projects and metrics to measure their success and ensuring alignment with the AI Strategy is covered by this domain.		
5.2	Evaluation & Monitoring	The focus of this domain is developing methods to regularly evaluate AI projects against metrics, policy and ethical principles, to maintain effectiveness and integrity.	Guidance	
5.3	Scaling Adoption	This domain assesses the ability of AI solutions to handle increased workloads or expansions into new areas, and identifies the funding and resources required for sustainable AI growth.		



Collaborate and share insights and use cases with other councils implementing AI projects through the <u>LGITSA online network</u>.



5. Al Maturity Model

AI Maturity Overview

The Local Government Generative AI survey results show that some councils have yet to embark on their AI journey. Other councils are in the early stages - formulating AI policies, experimenting with use cases, or initiating basic training - typically the precursor to a more structured approach to AI adoption.

The AI Maturity Model helps councils understand where they are now, what steps to take next, and ensures that the foundational capabilities for responsible AI are established as a minimum.

In conjunction with the AI Implementation Tool, it provides a structured approach to:

- Assess where the organisation currently stands in terms of AI maturity and adoption, including data infrastructure, talent, culture, and governance.
- Compare progress with similar councils or benchmark against ethical principles and best practice for responsible use.
- Identify gaps and limitations that need addressing to ensure effective and safe AI adoption.
- Make informed decisions about AI investments, pilot projects, or policy development.
- Plan realistic improvements and track over time.

The diagram below depicts the maturity model⁵ designed for use with the toolkit.

Figure 1 AI Maturity Model Diagram D: Advanced C: Performing Embedded governance, **B:** Defined partnerships to Integrated drive innovation, governance, strong co-design and A: Foundational internal capability Structured scaling AI and culture, governance, solutions program to deliver initiating pilot Foundational Al capabilities projects aligned governance, with prioritised Al engaging in safe, use categories low risk Proof of Concepts with clear evaluation criteria **Pre-Foundational** Emerging Al-awareness, exploratory activities, approach may be siloed or inconsistent

⁵ Adapted from GSMA Responsible AI Maturity Model

Al Adoption Manual

Al Adoption Toolkit

Al Maturity Detail

This matrix highlights the key indicators of Local Government AI maturity across the five strategic pillars. Detailed information on the key actions and initiatives for each AI maturity level can be found in the AI Implementation Tool.⁶

Strategic Pillar	Foundational (A)	Defined (B)	Performing (C)	Advanced (D)
Leadership & Vision	Assigned sponsor, AI ethical principles established, target maturity identified, action plan and timelines identified	Al policy position evolving, use categories prioritised, regular reporting, Al in strategic or corporate plan revision	Established AI strategy and capabilities identified, strategic collaboration, benefits realisation	Identifying business capabilities for AI transformation, assessing readiness to publicly disclose AI impacts
Trust & Transparency	Internal and Elected Member policy on use of public Al	Governance structure formalised, Al risk	Responsible AI principles integrated into council	Proactive monitoring of regulatory impacts, Al
панзрагенсу	tools, transparency statement published on council website	assessments, policy evolving to cover deployed AI systems	policies and frameworks, governance regularly reviewed	incorporated into community consultation practices
Capabilities & Culture	Al fundamentals and policy training and induction, Code of Conduct review for Al impacts	Targeted training programs, vendor compliance, exploring collaboration opportunities	Domain-specific training, strong internal capabilities and sourcing strategy, change management plan	Exploring partnerships with private sector and academia to drive AI innovation
Data & Technology	Executive awareness and lead assigned for data governance framework, technical and security readiness evaluation underway	Data governance and ethics activities in progress, secure sandbox deployed	Data storage platforms modernised and secured, Al systems development underway	Integrating AI capabilities into enterprise architecture, enabling continuous innovation
Projects & Performance	Experimenting safely with public AI tools, conducting low risk Proof of Concepts with defined measures	Evaluating incumbent vendor roadmap, identifying and initiating pilot projects	Defined program of projects, monitoring performance and evaluating potential to scale, sharing best practice	Scaling projects organisation- wide, exploring potential for partnerships, co-design of AI solutions for community benefit

⁶ Refer to the AI Change Management Template for a human-centred view of the AI Maturity Journey.



Target Maturity Guidance

Purpose of Target Maturity

Target maturity defines the desired future state for AI adoption, influenced by factors such as risk appetite, strategic ambitions, culture, and funding. It provides a clear goal to guide AI adoption at a pace and scale suited to the council's context, supports informed decision-making, helps prioritise investment, manage risk, and enables steady, sustainable progress in AI capability.

Council Readiness Characteristics

When first assessing council's ability and ambition to reach a target AI maturity level, various organisational characteristics should be considered. The table below supports discussions with Senior Leadership about the council's overall readiness and AI ambitions, recognising that readiness may differ across parts of the organisation and more mature business units could be leveraged as early adopters.



Choose the column (A–D) that most reflects the entire organisation, as a guide to selecting the council's initial target maturity level on the next page.

	Council Readiness Characteristics			
Dimensions	Α	В	С	D
Ambitions	Responsible exploration	Tactical, to solve known problems	Early adopter	Sector-leader
Risk appetite	Low risk appetite, prefers proven solutions used elsewhere	Prepared to take measured risks for operational improvements	Open to experimentation with emerging technologies	High risk tolerance, comfortable to trial leading-edge technologies
Risk management (RM) ⁷	Fragmented: independent RM activities	Top-down: RM framework fully embedded	Integrated: RM integrated with planning processes	Risk intelligent: Embedded in service delivery
Resourcing	Limited internal capacity, minimal budget for contractors	Capacity to contract external expertise, leverage collaboration or shared services	Investment for building upon internal capabilities	Investment for expanding internal teams
Organisational Culture	Change fatigue or resistance to change	Varying openness to change	Widespread support for innovation	Adaptive, growth mindset across the organisation
Data culture	Limited trust in data, decisions driven by experience	Data used for reporting, may be inconsistent across teams	Increasing use of data for planning and service improvement	Data is trusted, used for insights and embedded in day-to-day operations

⁷ LGA Risk Maturity Model

	Council Readiness Characteristics			
Dimensions	Α	В	С	D
Technology	Legacy systems, limited cloud adoption	Modernisation of systems underway, migrating to cloud	Modern core systems, cloud-first strategy	Mature data and systems architecture
Funding flexibility	Budget constraints, limited discretionary spend	Seed-funding options	Funding for allocation to multi-year programs	Strategic investment; co-funding models
Collaboration approach	Participates in cross- sector forums and knowledge-sharing	Participates in shared service models or joint projects	Actively seeks partnerships and collaboration opportunities	Leads cross-council collaborations
Governance	Minimal or informal governance structures	Basic frameworks, compliance- focused	Strengthening policies, strategic oversight	Comprehensive, embedded frameworks
Ethics	No formal consideration of ethics	Basic ethical standards	Emerging ethical principles or policies	Embedded ethical frameworks



Consider engaging the broader organisation in self-assessment of these characteristics, for example by undertaking an employee survey.

Initial Target Maturity

The table below aligns each of the Council Readiness Characteristics columns (A-D) with a suggested initial target maturity level, intended to support decision-making within each council's unique context. Once an initial target has been selected, the AI Implementation Tool will assist councils in identifying the associated key actions and initiatives to reach the desired maturity for responsible AI adoption.

Given the pervasiveness and rapid evolution of AI, it is recommended that councils prioritise achieving a baseline level of 'Foundational' maturity. Although not all councils will require or seek an 'Advanced' maturity, all should regularly review whether their current AI capabilities remain aligned with organisational goals, risk appetite, and future ambitions.

	Initial Target Maturity Alignment			
Council Characteristics	Α	В	С	D
Target Maturity	A: Foundational	B: Defined	C: Performing	D: Advanced
Description	Foundational governance, engaging in safe, low risk Proof of Concepts with clear evaluation criteria	Structured governance, initiating pilot projects aligned with prioritised Al use categories	Integrated governance, strong internal capability and culture, program to deliver AI capabilities	Embedded governance, partnerships to drive innovation, co- design and scaling Al solutions



6. Framework Implementation

AI Implementation Tool

The AI Implementation Tool is an essential component of the toolkit. This tool outlines the key actions and initiatives associated with each domain and target maturity level and identifies the supporting tools and templates which are available.

The tool can also be used to monitor council's implementation of the AI framework. Steps 2 and 3 of the following process should be repeated at regular intervals, to evaluate progress against the AI Strategy Framework and revisit the council's AI ambitions.

Target Maturity Selection

The steps outlined below provide a practical example of selecting the council's target maturity.

1. Evaluate Council Readiness Characteristics

When first using the AI Adoption Toolkit, it is recommended that Senior Leadership undertakes this step with the support of key Subject Matter Experts covering corporate planning, governance, risk, legal and privacy.

- Refer to the section **Target Maturity Guidance** in this Manual.
- Evaluate the Council Readiness Characteristics table in the context of the organisation to determine what is most applicable - for example, column B might best represent the council's overall organisational readiness.
- Check the Target Maturity Alignment table for the corresponding Target Maturity for example,
 B: Defined.

2. Undertake Gap Analysis

It is recommended that the AI governance group undertakes this process with the Executive Sponsor prior to final selection of Target Maturity, to ensure it is realistic and achievable. Where there are significant gaps between the Current State and Target Maturity, Senior Leadership may wish to adjust the council's target maturity.

- Use the **AI Implementation Tool** to support this process.
- Filter the 'Target Maturity' column on A (Foundational) and B (Defined), to identify the recommended 'Key Actions/Initiatives' to reach the target maturity of B: Defined.
- IMPORTANT: Select all the Target Maturity Levels up to and including the desired Target Maturity.
- Review each Key Action/Initiative and update the Current State column as Implemented, Partially Implemented, Not Implemented, or Not Applicable.
- Undertake an overall assessment to compare Target Maturity with Current State.

LGITSA

Al Adoption Manual

Al Adoption Toolkit

3. Confirm Target Maturity

Where significant gaps are identified between the Current State and Target Maturity, council's Senior Leadership may wish to adjust the council's target maturity.

Councils may choose to set an initial target maturity and then adopt a staged approach, revisiting their ambitions over time and progressing through the maturity levels as their capabilities, priorities, and confidence evolve.

• For example, a council may initially select a target maturity of A (Foundational) rather than B (Defined), with a two-year timeline before reassessing whether to advance its ambitions.

AI Implementation Plan

Upon final selection of the council's Target Maturity, the AI governance group can then prepare an implementation plan, including expected timelines for completing each of the key actions and initiatives.

- Filtering the **AI Implementation Tool** on the desired Target Maturity Level will identify the key actions and initiatives required to realise the organisation's AI ambitions.
 - IMPORTANT: Select all the Target Maturity Levels up to and including the desired Target Maturity.
- The council's progress towards implementation of the AI Strategy Framework should be tracked using the 'Implementation Status' column.
- The AI Implementation Status tab of the spreadsheet can be used for reporting purposes, to provide an overview of the council's progress.



7. Supporting Toolkit

The AI Implementation Tool includes details of the tools and templates available to support each key action and initiative, based on the council's target maturity. The <u>AI Toolkit Register</u> lists the suite of tools, templates, and reference resources that are provided with the AI Adoption Toolkit to support the key actions and initiatives associated with each domain and target maturity.

- 'Tools & Templates' are customised for Local Government use and include existing resources provided by Local Government member bodies that align with the supporting toolkit.
- 'Reference Resources' are publicly available materials considered to be of relevance and value at the time this document was created.



Employees of <u>LGITSA Member Councils</u> are encouraged to continue sharing knowledge, experience, and resources via the <u>LGITSA</u> online network.



8. Participating Councils

The table below lists the councils represented on the AI Working Groups and AI Project Steering Group.

Councils Represented on Al Working Groups and Steering Group		
Adelaide Hills Council	City of Port Lincoln	
Adelaide Hills Region Waste Management Authority	City of Prospect	
Adelaide Plains Council	City of Salisbury	
Berri Barmera Council	City of Tea Tree Gully	
City of Adelaide	City of Unley	
City of Burnside	City of West Torrens	
Campbelltown City Council	District Council of Kimba	
City of Charles Sturt	District Council of Robe	
City of Holdfast Bay	District Council of Yankalilla	
City of Marion	Flinders Ranges Council	
City of Mitcham	Light Regional Council	
City of Mount Gambier	Lower Eyre Council	
City of Norwood Payneham & St Peters	Northern Areas Council	
City of Onkaparinga	Port Augusta City Council	
City of Playford	Rural City of Murray Bridge	
City of Port Adelaide Enfield	City of Victor Harbor	
	Yorke Peninsula Council	

LGITSA would like to thank the participating Councils and employees for their contribution to the development of the Toolkit. We acknowledge that participant's time and expertise was volunteered and sincerely appreciate the dedication, collaboration and insights that they provided.



9. References

Resources:

The AI Adoption Toolkit was developed through AI-assisted research, extensive stakeholder engagement, and the use of resources such as those listed in the table below.

Resource Title	Source
Pilot AI Assurance Framework	Australian Government
Al in Government Policy	Australian Government
Al Fundamentals Training	Australian Government
AI Ethics Principles	Australian Government
Voluntary Al Safety Standard	Australian Government
Al Impact Navigator	Australian Government
<u>Al Policy</u>	LGA South Australia
Local Government Generative Al Survey – May 2025	LGITSA Incorporated
Local Government Generative Al Guidelines	LGITSA Incorporated
Local Government Data Governance Framework	LGITSA Incorporated
Local Government Cyber Security Framework	LGITSA Incorporated
Generative Al Risk Framework	Local Government Risk Services
Guideline for the use of LLM AI Tools and Utilities	South Australian Government

Research:

A range of publicly available resources informed this document, offering valuable insights, ideas, and supporting materials relevant at the time of its creation. The following is a non-exhaustive list.

Resource Title	Source
Accelerating Al Adoption in the Public Sector	Digital Transformation Agency
Al in Government: A Strategic Framework for Digital	REI Systems
Transformation	
Al in Local Government: How Counties & Cities Are Advancing	Center for Democracy & Technology
Al Governance	
Building a Game-Changing AI Strategy	Al Tech Circle
Climate Change & AI: Recommendations for Government	Global Partnership on Al
Evaluating Your Generative Al Maturity	Al Tech Circle
NSW Artificial Intelligence Assessment Framework	NSW Government
Practical Al Insights for Local Leaders	Urban Institute
GovAl Coalition Templates & Resources	GovAl Coalition (US)
Al Readiness Index	Al Singapore, National University
Responsible Al Maturity Model	GSMA
<u>Human-Centred Al Index</u>	Stanford University
Various Resources	Australian Institute of Company Directors