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Deloitte Center *for*
Government Insights

Government Trends 2025

Built to deliver: Nine trends advancing government's capacity to deliver on big things

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Government Trends themes over the years

2020

Cross-cutting government operations and technology trends

2021

COVID-19

- enhance agility
- improve operations
- rebuild trust

2022

Becoming future-ready

- building resilience
- connected for greater value
- government for all the people

2023

Walls coming down

2024

10X government

2025

Government built to deliver

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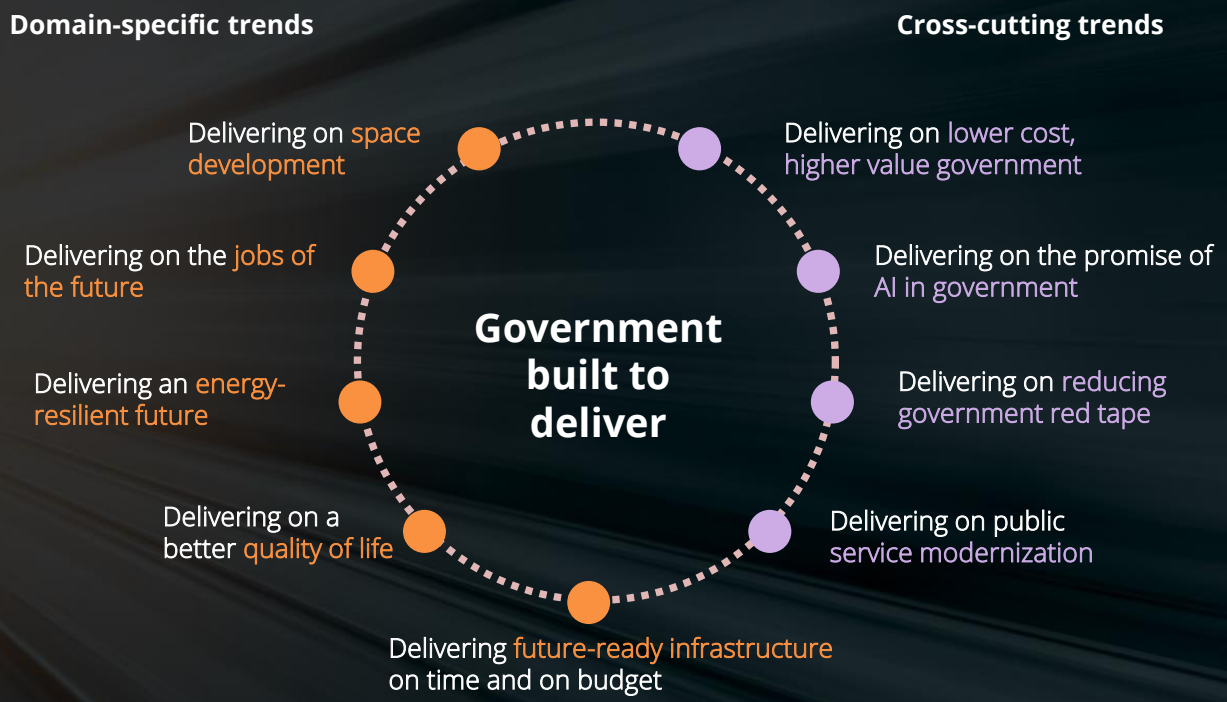
Nine trends advancing government's capacity to deliver on big things



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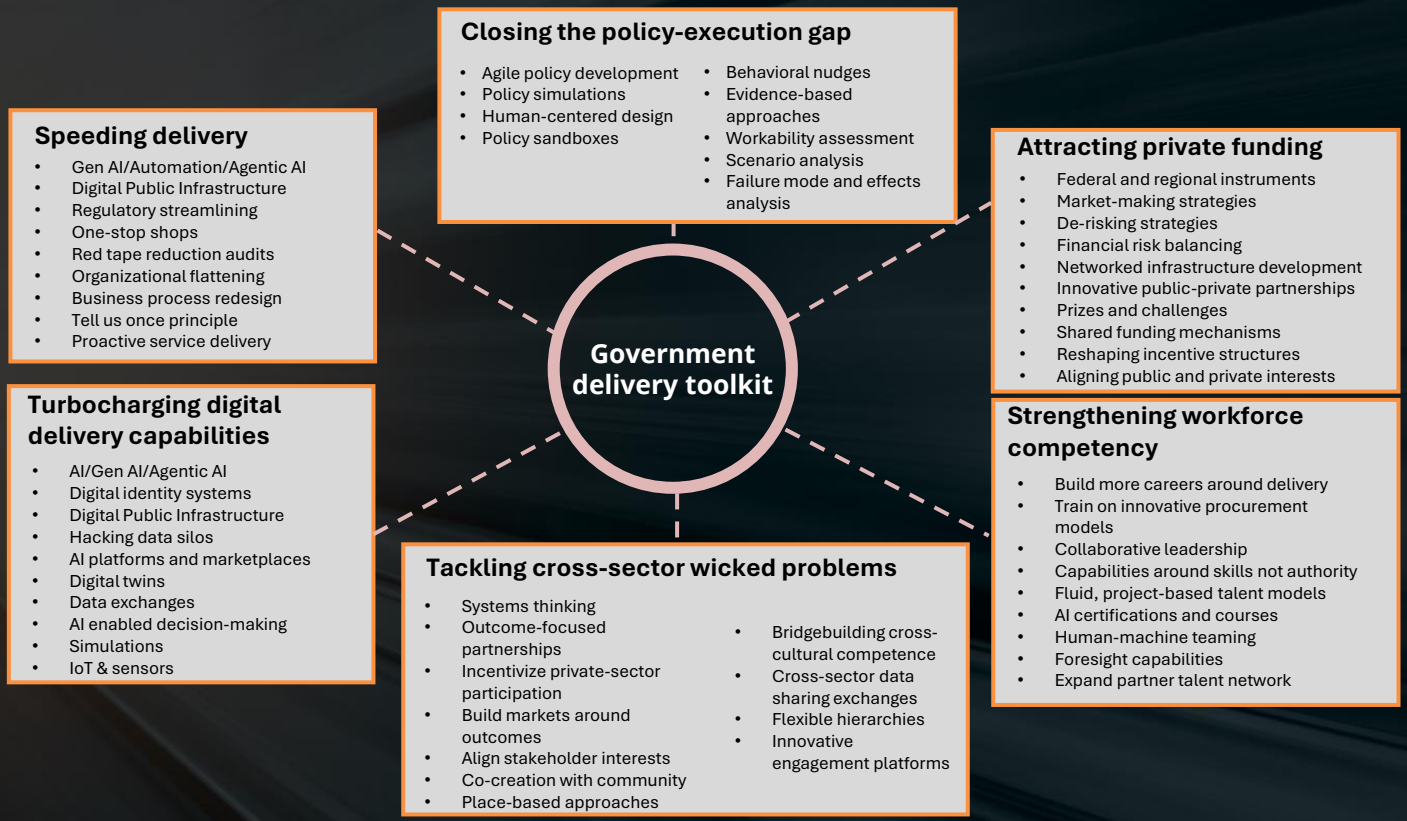
Tools and strategies that can help solve delivery challenges



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Delivering on lower cost, higher value government

Faced with rising budget pressures from slowing tax revenues, increasing healthcare costs, and mounting debt interest payments, governments are transforming the economics of mission delivery to achieve greater efficiencies and enhanced value.

What some governments are doing:

- Streamlining workflows by integrating AI and Gen AI-driven process reengineering.
- Merging and reorganizing public sector institutions
- Implementing preventive health care and early intervention
- Promoting employment to reduce social welfare demand
- Adopting shared services models

Trend in Action

Swindon Borough Council in the UK developed a gen AI application that translates complex government documents into easy-to-read formats for individuals with learning disabilities, covering 75 languages and reducing translation costs from £120 per page to under 10 pence.

Source: UK Authority News

Tools and strategies to help deliver on lower cost and higher value

- AI, cloud and IoT
- Behavioral economics and nudge thinking
- Portfolio optimization
- Operating model redesign
- Organizational structure optimization
- Service delivery model
- Active labor market programs
- Value-based care

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Delivering on the promise of AI in government

Government leaders seem to recognize AI's potential, but scaling it can includes unique strategies, workforce training, and balancing costs against public benefits

What some governments are doing:

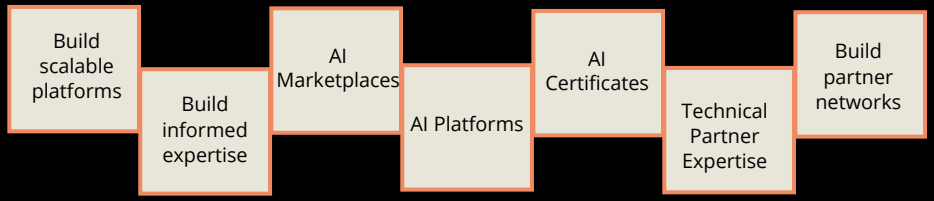
- Employee-driven AI adoption: Provide workers broad access to Gen AI applications to quickly uncover new areas in which AI could help agencies fulfill their mission
- Building AI fluency - Tailor AI fluency to specific roles to help with effective adoption
- Measuring AI's mission impact: Establish a clear understanding of the cost-benefit for AI projects to succeed in budget discussions.
- Selecting AI governance: Select levels of AI governance depending on the public impact of gen AI use cases

Trend in Action

Australia's Digital Transformation Agency deployed a generative AI assistant to 7,600 employees across 60 agencies over six months, saving each employee an average of one hour daily on administrative tasks.

Source: Australian digital transformation agency

Tools and strategies to help deliver on the promise of AI



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Delivering on reducing government red tape

Governments can reduce red tape and enhance efficiency through continuous process improvement, workforce training, stakeholder engagement, and leveraging digital tools

Trend in Action

Ohio leveraged AI to transform their regulatory system, identifying 2 million unnecessary words and 900 redundant rules from their administrative code. They also removed 600,000 words from the state's building code and outdated requirements for paper filing and in-person appearances

Source: City Journal

What some governments are doing:

- **Government to business:** Improving the regulatory experience to drive innovation
- **Government to citizens:** Simplifying services for better access
- **Government to government:** Tackling hidden costs of internal bureaucracy

Tools and strategies to help deliver on reducing red tape

- AI and generative AI
- Norm engineering
- Enhanced data sharing
- Red tape reduction audits
- Organizational flattening
- Human-centered design tools
- Behavioral insights/ science

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Delivering on public service modernization

Government agencies may struggle to meet rising expectations, balancing digital and physical services. Many may resist digital-first transitions due to the human element. Recognizing the need for positive interactions, leaders can consider investing in measuring and improving citizen experiences.

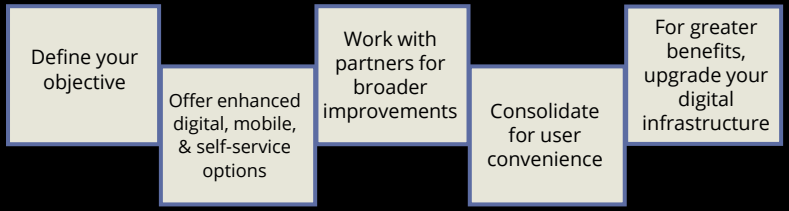
What some governments are doing:

- Blending digital and physical services for improved delivery
- Enhancing citizen satisfaction and trust through positive interactions
- Improving data access and utilization
- Embracing new technologies for faster service delivery
- Reducing costs through modernization tools like AI and digital payments

Trend in Action

Abu Dhabi's TAMM 3.0 uses AI to streamline 800 government services—from licenses to utilities—saving 100,000 work-hours monthly. This integration boosts efficiency and data-driven decisions, improves citizen satisfaction and departmental performance.

Tools and strategies to help deliver on public service



Source: Abu Dhabi Media Office

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Delivering future-ready infrastructure on time and on budget

Despite being a foundation of modern life, infrastructure projects often exceed their budgets, timelines, and fail to meet evolving needs. Forward-thinking leaders are adopting new technologies and processes to help optimize every stage of development.

What some governments are doing:

- Embedding resilience in project scoping and planning stages.
- Streamlining permitting and improving transparency
- Building consensus with a variety of stakeholders
- Incentivizing private-sector participation in infrastructure
- Bridging the talent gap

Trend in Action

Sydney Metro has integrated extreme weather resilience into its core design. Leveraging long-range climate models, it identified high, medium, and low risks for various parts of the system and adjusted the infrastructure design accordingly.

Source: Government of New South Wales

Tools and strategies to help deliver on future-ready infrastructure

- Streamline permitting
- Financial risk rebalancing
- Systemic transparency
- Networked infrastructure development
- Workforce upskilling and reskilling
- Digital twins and AI
- De-risking strategies
- Stakeholder analytics

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Delivering on a better quality of life

Paving the way for improved quality of life by addressing affordability, improving service accessibility, and upgrading infrastructure.

What some governments are doing:

Addressing affordability
- (Re)zoning for housing stock
- Increasing rental supply
- Affordable housing finance
- Affordable public transit
- Partnering for connectivity infrastructure
- Addressing crime and safety perceptions

Expanding access
- Digital identity for government services
- Community-based approaches
- Micro-transit for connectivity

Enhancing social connections
- Building community ties
- Data-driven well-being
- Creating programs to help reduce isolation

Trend in Action

Minneapolis revised zoning rules, allowing more downtown buildings, ending single-family zoning, and removing parking requirements. From 2017 to 2022, housing stock increased 12%, with city rents rising 1% versus 14% statewide.

Source: PewTrusts

Tools and strategies to help deliver on a better quality of life

- Easing housing restrictions
- Improving access to finance
- Strengthening public-private partnerships
- Building the foundation of digital identity systems
- Embracing a place-based approach
- Adopting an evidence-based social investment approach
- Improving micro-community networks

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Delivering an energy resilient future

Focused investments in infrastructure and policies can help with energy resilience and security amid rapidly growing global energy demand and energy alternatives

What some governments are doing:

Expanding energy infrastructure for the future

- Developing infrastructure and ecosystems for new energy sources
- Catalyzing private-sector funding to help modernize grid infrastructure
- Formulating policies to enhance energy storage installations

Building energy-resilient communities

- Empowering communities for energy emergency preparedness
- Mitigating risks to energy infrastructure from extreme weather
- Deploying microgrids in communities

Trend in Action

In 2023, India launched a US$2.3 billion National Green Hydrogen Mission to produce 5 million metric tons of hydrogen annually by 2030, providing financial incentives and technical support for production technologies and infrastructure.

Source: Government of India

Tools and strategies to help deliver on energy resilience

- National and regional energy strategies
- Strategic alliances and partnerships
- Federal and regional financial instruments
- Market-making strategies
- Regulatory sandboxes for energy innovation
- Community-driven energy resiliency

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Delivering on the jobs of the future

Governments worldwide are working to reskill millions of workers to meet the demands of a rapidly evolving job market shaped by emerging technologies.

What some governments are doing:

- Using data to decode the future of work
- Modular credentials for customized upskilling
- Aligning higher education and labor market demands
- Partnering to deliver relevant training
- Bridging workforce transitions

Trend in Action

Germany's Dual Vocational Training System combines theoretical education at publicly funded vocational schools with practical industry training, serving approximately 330 recognized occupations. The program offers experiential learning, reducing recruitment costs

Source: German vocational training system

Tools and strategies to help deliver on jobs of the future

- Real-time labor market intelligence
- Job-centric reskilling initiatives
- Support ecosystems
- Flexible and accessible work models
- Collaborative workforce partnerships
- Standardized skills frameworks
- Digital credentials

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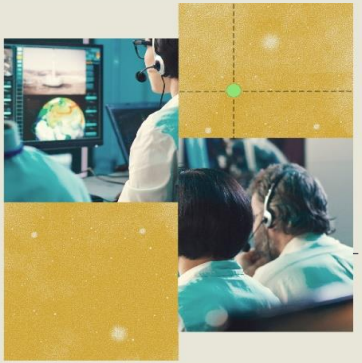

Trend in Action

Emerging areas such as in-orbit servicing, assembly, and manufacturing (ISAM); space traffic management; space debris remediation; new military capabilities; and ambitious civil space programs such as, the Artemis program in the US or the Chandrayaan family of lunar missions in India open entirely new opportunities for industry growth and innovation.

Delivering on space development growth

Surging space innovations could include vast gains, but governments should capture the opportunity by helping small innovations grow and reducing risks of worsening issues, like space debris.

What some governments are doing:

- Driving space innovation through public-private partnerships.
- Moving beyond traditional space activities
- International governance of space

Tools and strategies to help deliver on space development

- Synergistic Investment
- International market collaboration
- International governance to preserve access
- Balancing military and commercial objectives
- Establish norms of behavior and open lines of communication

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