Office of the Public Service Commissioner

Commissioner's Spotlight

Use of AI in recruitment

July 2025

NSW GOVERNMENT

The first edition of Commissioner's Spotlight is aimed at helping recruiters and hiring managers in the NSW government sector understand their obligations if they choose to use artificial intelligence (AI) when undertaking recruitment.

Getting recruitment right has never been more important. When done well, attracting and recruiting a diverse range of capable people to the NSW government sector builds trust and creates great outcomes for employees, agencies and the community we serve. While there are benefits in making recruitment processes more efficient and effective, if we choose to use AI to help achieve this, we need to do so in a way that is fair, safe and lawful.

What is Artificial Intelligence (AI)?

The NSW Government AI Policy Statement defines AI as intelligent technology, programs and the use of advanced computing algorithms that can augment decision making by identifying meaningful patterns in data.

The NSW AI Assessment Framework defines AI as the ability of a computer system to perform tasks that would normally require human intelligence, such as learning, reasoning or making decisions.

There has yet to be a universally accepted technical or legal definition of AI. For this reason, it can be difficult to objectively identify and agree that AI is being used within a system. Digital NSW has developed a questionnaire to help determine whether your system or product is using AI.

What do I need to know about recruitment and selection in the NSW government sector?

When we recruit to the NSW government sector, we want to ensure that we are getting the best person for the role, and that we are doing this in a way that demonstrates sound, evidence-based decision-making.

The Ethical framework for the government sector establishes the NSW government sector core values of Integrity, Trust, Accountability and Service. An important principle of the Ethical framework is to recruit and promote based on merit.

You should refer to the Office of the Public Service Commissioner's Recruitment and Selection Guide for more information on how to make ethical, merit based recruitment decisions.

Requirements specific to the NSW Public Service

Rule 16 of the *Government Sector Employment (General) Rules 2014* outlines the merit principles to be applied in employment decisions. Any employment decision relating to a role in the Public Service is to be based on an assessment of the capabilities, experience and knowledge of the person

concerned against the pre-established standards for the role to determine the person best suited to the requirements of the role and the needs of the relevant Public Service agency.

Without limiting this merit requirement, the following principles apply in relation to Public Service employment decisions:

- any recruitment action (whether for ongoing employment, temporary or term employment or casual employment) is to take into account:
    - long and short term capability needs to meet the objectives of the relevant agency, and
    - existing workforce capabilities
- pre-established standards for the capabilities required for a role are to be expressed as levels against each capability or other requirements for the role
- any assessment for a role is to include appropriate methods to assess different requirements
- a person may be employed in a role only if the person meets the pre-established standards for the role (except in the case where a development opportunity is being provided)
- any employment decision is to be made on balance taking into account all the results provided by the assessment process.

Government sector agencies outside the Public Service also have merit-based employment requirements. If relevant to you, you should see relevant requirements in (for example) the *Government Sector Employment (Health Service Senior Executives) Rules 2016* and *Government Sector Employment (NSW Police Force) Rules 2017*.

I am thinking of using AI – where do I start?

The NSW Government's AI Strategy sets the direction for the development and use of AI by NSW Government agencies. This strategy is underpinned by:

- The AI Ethics Policy, that provides a principles-based approach to applying AI in NSW Government. The Policy outlines five key principles — Community Benefit, Fairness, Privacy and Security, Transparency and Accountability — that will ensure that AI is only used where there is a strong case for doing so, generating safe and responsible outcomes.
- The AI Assessment Framework (AIAF), that provides practical guidance for designing, building and using AI technology. The Framework supports agencies in assessing risks, implementing mitigation strategies, and helps establish clear governance and accountability measures. It also requires agencies to detail how their projects align with the five ethical principles contained in the AI Ethics Policy.

The AIAF is mandatory for all NSW Government agencies to use. It should be used when designing, developing, deploying, procuring or using systems containing AI components. The AIAF is to be used across all project stages and the solution lifecycle, emphasising continuous adherence to ethical principles. It calls for ongoing assessments from project inception to operations, highlighting the importance of understanding AI's limitations and risks, especially regarding data security and privacy.

All NSW public servants should understand their responsibilities in using AI safely and responsibly. Agencies can follow the AIAF guidance on roles and responsibilities to structure their approach to responsible use of AI to ensure organisational alignment and clear decision making accountability.

Talking to key internal stakeholders, including your Legal and Governance teams, is also a good idea.

What do I need to know about using AI in recruitment?

Agencies that choose to use AI during recruitment processes must ensure AI use is lawful, clearly and transparently documented, and that risks are appropriately identified and mitigated. **Critically, AI must not replace humans in making decisions.**

AI usage in this context might look like:

- using AI to assist with development of recruitment documentation, assessment materials and communications
- using AI to identify key themes from candidate responses or interviewers' notes (provided you comply with privacy requirements and check for bias)
- using chatbots to manage enquiries from applicants, particularly where there is a high volume of applicants
- scheduling of interviews and other tasks.

AI **should not** be used to filter out applications or make other decisions about candidates.

Any assessments made with the assistance of AI must meet the established standards for hiring and assessment procedures, even if the way that those standards are met or evaluated varies.

What are the implications for privacy?

Candidates are likely to supply personal or even health information throughout a recruitment process. Agencies need to put safeguards in place to ensure that information is handled transparently and ethically. This may include completing a Privacy Impact Assessment. The Information and Privacy Commission NSW provides guidance to support agencies in understanding, assessing and reducing privacy risks in relation to the use of AI.

All NSW public servants should understand their obligations under the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. You can find out more about your legislative obligations from the Information and Privacy Commission NSW.

I have heard there can be problems when using AI. What do I need to know?

When procuring, developing and using AI, we need to ensure it delivers the best outcome for both the candidates and the NSW government sector. AI can improve service delivery and decision-making but must be carefully managed. While AI can help us be more efficient, no product is perfect and we need to be aware of the potential risks. In the context of recruitment this might look like:

- automation bias (where hiring teams can unintentionally rely too heavily on AI outputs without critically interrogating them to make sure they are valid)
- bias flowing from the way the AI tool has been built – these biases may be explicit (i.e. the AI program explicitly is designed to privilege candidates from a certain background) or may be implicit and not articulated by the developer
- video interview tools making inferences based on emotion, personality or image (including skin colour, facial hair or head coverings)
- assessing candidates in a way that is not reliable (producing similar ratings for the same candidate over time) or valid (actually assessing the personal qualities and abilities it claims to assess)
- errors and falsification of information (commonly referred to as 'hallucinations').

One way to maintain accountability is to ensure systems are in place to regularly monitor and review AI outputs, and ensuring there can be human intervention as needed.

As with any recruitment process, candidates should be able to understand the reasons for a decision. The delegate for the recruitment process is accountable for the decisions that are made. Sufficient reasons for decisions must be captured. Agencies should also be able to clearly identify who made the decision, under what authority and how that decision was made.

Agencies should carefully consider data storage, security and record keeping requirements when considering procuring and using AI in recruitment. State Records NSW provides guidance to help agencies understand and meet their record-keeping obligations for AI generated content.

What about diversity, equity and inclusion?

We should not rely on AI to create equity or prevent discrimination. The algorithms that power AI can unintentionally reinforce biases and ableist assumptions, which may lead to discriminatory outcomes. We must actively integrate diversity and inclusion principles and practices throughout the development and deployment of AI to ensure the AI does not mirror social inequalities.

If you are recruiting for a highly specialised role or a targeted or identified role, you should reconsider any planned use of AI. Very niche roles and recruitment processes targeting diversity groups require a lot of human interaction. Introducing AI to these kinds of recruitment processes may make them overly complex, inefficient or even less effective.

Safeguards should be put in place to manage data bias or data quality risks. AI data models should be designed with meaningful inclusion of people with diverse attributes, use a dataset that is representative for the problem being solved and be regularly monitored. This could look like:

- co-designing AI tools with people with lived experience of disability and from culturally diverse backgrounds
- ensuring panel members, assessors and decision-makers check and verify AI outputs for bias or unlawful discrimination before making decisions
- regularly auditing outcomes for patterns of exclusion
- providing candidates with a feedback option to flag any barriers experienced when interacting with AI tools
- building datasets that include names, experiences, qualifications and language patterns common to Aboriginal and Torres Strait Islander applicants, culturally diverse communities, and people from rural and regional areas.

We are procuring an AI product 'off the shelf'. What do we need to know?

AI products are entering the market at a rapid rate and evolving quickly. While these tools can look very attractive, purchasing an 'off the shelf' product does not necessarily mean it is appropriate in your context. While a product might work in one agency, it might create unforeseen risks in another. All users should understand the risks associated with these products, as well as the strategies that have been adopted by their agency to monitor and mitigate them.

When procuring an AI product, it is important to closely review the marketing and contract material to ensure it meets the AIAF requirements. This is particularly important given that suppliers may be reluctant to provide any information on the algorithmic decision-making used by the AI product, and also because the AI product may have only been tested in limited ways.

For those who procure AI products, you should obtain appropriate advice to ensure that close attention is paid to contractual agreements, and that:

- any agreement clearly states that the product complies with the AI ethics principles
- clear accountabilities are established
- there are terms covering transparency of data, access to relevant information assets and proof of performance testing throughout the AI systems lifecycle

- ongoing monitoring processes are established to ensure the product remains reliable, compliant, and fit for purpose.

It is also important to thoroughly review the AI service provider's privacy policy and ensure that both the provider and the AI product comply with the PPIP Act and HRIP Act in managing any personal or health information collected from job applicants. When considering an AI product you should take a 'privacy by design' approach, including through conducting a PIA.

You can find detailed information on key considerations for sourcing and managing AI systems on the buy.nsw AI procurement essentials resource page.

Can candidates use AI to write their resumes, cover letters or responses to selection criteria?

More and more candidates are using AI tools, including tools like ChatGPT, to help them write their cover letters and responses to selection criteria.

Whether or not AI is permitted to be used by candidates is a matter for each agency, and this should be made clear when advertising roles. Regardless of whether AI use is permitted, it is critical that agencies have strong and complementary assessments that clearly assess the capabilities of the role. Using a good range of assessments means that we are more likely to assess candidates based on their capabilities, experience and knowledge, rather than the outputs of AI.

Key messages and future directions

While improving recruitment efficiency is important, using AI in recruitment must be done in a way that is safe, lawful and fair. Remember:

- The Ethical Framework establishes a legal obligation to recruit and promote employees on the basis of merit. Recruitment processes must be designed in a way to select the most suitable candidates for each role, using approaches that reflect robust, evidence-based decision-making.

- All NSW Government agencies must use the AIAF when designing, developing, deploying, procuring or using AI in their recruitment processes to ensure that ethical principles are upheld.

- Be aware of the risks when procuring, developing and using AI recruitment systems to ensure it delivers the best outcome for both your agency and candidates. AI must not replace the role of human decision-makers.

- Understand your obligations as they relate to procurement, diversity and inclusion, record-keeping and privacy.

Where can I go for more information?

- [Digital NSW](#)
- [Digital NSW: AI for public servants: What are your responsibilities](#)
- [Digital NSW: Understanding responsibilities in AI practices](#)
- [The Office of the Public Service Commissioner](#)
- [Information and Privacy Commission](#)
- [Office of the NSW Ombudsman: The new machinery of government – using machine technology in administrative decision making](#)
- [Commonwealth Ombudsman: Automated Decision Making Better Practice Guide](#)
- [Australian Government Department of Finance: National Framework for the assurance of artificial intelligence in government](#)
- [Australian Public Service Commission: How to spot an AI applicant](#)
- [State Records NSW: Artificial intelligence and record-keeping](#)
- [Buy.nsw: AI procurement essentials](#)

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