Use of Artificial Intelligence Policy 2025

APPROVAL DATE: April 2025
REVIEW DATE: April 2026

DOCUMENT CONTROL

Document Title:	*Use of Artificial Intelligence Policy*
Policy Type:	*Council*
Responsible Branch:	*Governance*
Responsible Officer:	*Manager Governance*
Document Status:	*Adopted*
Approved By:	*Council*
Approved Date:	*April 2025*
Review Date:	*April 2026*

OUR ORGANISATIONAL VALUES

WORKING TOWARDS A BETTER WARRNAMBOOL

ACCOUNTABILITY   COLLABORATION   RESPECTFULNESS   PROGRESSIVENESS   WELLBEING

INTRODUCTION

1.1. Purpose

This policy provides guidance and a set of principles to govern the use of Artificial Intelligence (AI) by Warrnambool City Council (Council), including Councillors, contractors, and staff.

It aims to ensure that Council plays a leadership role in embracing AI for the benefit of Warrnambool while ensuring its safe, ethical and responsible use, in line with community expectations.

1.2. Scope

This policy applies to all Councillors, Council staff, and contractors engaged by Council.

1.3. Definitions

Term	Definition
AI	Refers to Artificial Intelligence - the simulation of human intelligence in machines that are programmed to think and learn like humans. It encompasses a wide range of technologies and techniques that enable machines to perform tasks that typically require human intelligence. These tasks include problem-solving, learning, planning, speech recognition, natural language understanding, perception, and decision-making.
AI System	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.
Council	Refers to Warrnambool City Council.

1.4. References

Australian Government – Digital Transformation Agency, I*nterim guidance on government use of public generative AI tools - November 2023*, 2023.

Warrnambool City Council, *Privacy Policy*.

Warrnambool City Council, *Acceptable Computer Use Policy*.

Warrnambool City Council, *Records Management Policy*.

OUR ORGANISATIONAL VALUES
WORKING TOWARDS A BETTER WARRNAMBOOL

ACCOUNTABILITY   COLLABORATION   RESPECTFULNESS   PROGRESSIVENESS   WELLBEING

Warrnambool City Council, *News & Social Media Policy.*

Data Protection Act 2014 (VIC).

2. POLICY STATEMENT

Warrnambool City Council embraces the potential of positive transformative change presented by the emergence of AI and welcomes its use. However, Council is also committed to ensuring that the utilisation of AI aligns with Council's legal, ethical, and community standards. Only when AI is deployed responsibly can it improve the efficiency, effectiveness and quality of services and advice delivered.

This policy outlines the principles and requirements for the safe and responsible use of AI by Warrnambool City Council.

2.1. AI should be deployed responsibly

Council should only use AI platforms in low-risk situations and take the appropriate risk mitigation strategies described in this policy. Some examples of low-risk use include using AI Systems to brainstorm ideas or options, or to do initial drafting of content, emails, and reports.

Council must ensure that all uses of AI systems comply with Council's Acceptable Computer Use Policy, Privacy Policy, and Records Management Policy.

Council will also explore the trial of AI agents in limited use cases where it can identify significant cost savings, efficiency gains, or service improvements.

Use cases which pose an unacceptable risk to Council include but are not limited to:

- Use cases requiring the input of any amount of Council data considered to be sensitive or confidential information.
- Use cases where services will be directly delivered by AI, or decisions made by AI.

2.2. Accountability and Human Centred Decision Making

Council engages in a broad range of activities and delivers many services for the municipal community. AI systems must never be the final decision-maker on Council activities or services. Accountability is a one of Council's organisational values and as such those who use AI to produce content are responsible for that content and must be able to explain and justify their advice and decisions.

Any responses or outcomes provided by AI systems must be critically analysed for appropriateness and accuracy before being used, as they can provide incorrect answers in a confident way.

Council should consider whether responses or outcomes are factually accurate, meet community expectations, or are coloured by known biases in the training data.

Council should also consider intellectual property rights of third parties as well as broader privacy and copyright issues when using these systems.

2.3. Transparency

It should be clear when generative AI systems are being used by Council to inform activities. Council should consider including markings in briefings and official communications indicating if generative AI was used to generate any of the information. Official communications remain subject to Council's News & Social Media Policy even when produced by AI.

2.4. Privacy Protection and Security

Any data entered into AI systems is likely to be stored externally to Council and Council will have little ability to know who has access to it.

Inputs into AI systems should not include or reveal any classified information, or personal information held by council. All activities and inputs in relation to the use of information with AI systems should be considered a disclosure of that information and must comply with Council's Privacy Policy, relevant legislation, and the information privacy principles.

Generally, Council information should only be entered into these systems if it has already been made public or would be acceptable to be made public.

Council must also not enter information that would allow AI platforms to extrapolate classified or sensitive information based on the aggregation of content you have entered over time. Additionally, Council should avoid sharing any information that could be used for identity theft, fraud, or hacking attempts.

Where available, Council should disable any settings or permissions which save data or use history.

Council will take advice from federal government agencies regarding the use of AI systems and will block systems deemed an unacceptable risk.

2.4.1. Internal AI Systems

Council may develop or utilise internal, closed AI systems that do not upload data externally. Such systems may permit the uploading and processing of classified or sensitive information, provided that doing so is deemed appropriate and necessary for Council operations.

Approval for the use of sensitive information within these internal systems must be obtained from the Manager Information Services, in consultation with the Manager Governance, ensuring compliance with Council's Privacy Policy, relevant legislation, and information privacy principles.

All internal AI systems must be regularly reviewed and monitored to maintain stringent security and privacy protections, preventing unauthorised access or misuse of sensitive data.

OUR ORGANISATIONAL VALUES
WORKING TOWARDS A BETTER WARRNAMBOOL

ACCOUNTABILITY   COLLABORATION   RESPECTFULNESS   PROGRESSIVENESS   WELLBEING

3. GOVERNANCE

3.1. Owner

The Manager Governance is responsible for ensuring this policy is implemented, progress is monitored and is regularly reviewed.

3.2. Review

The Manager Governance will review the policy for any necessary amendments no later than 1 year after its formulation or after the last review.

3.3. Compliance Responsibility

It is considered that this Policy does not impact negatively on any rights identified in the Charter of Human Rights and Responsibilities Act 2006.

OUR ORGANISATIONAL VALUES

WORKING TOWARDS A BETTER WARRNAMBOOL

ACCOUNTABILITY   COLLABORATION   RESPECTFULNESS   PROGRESSIVENESS   WELLBEING