

A large, light blue gear with the letters 'Ai' in white inside it. The background is a dark blue grid with some faint numbers and lines.

Ai

A horizontal orange banner with a subtle gear pattern, containing the title text.

**Use of Artificial
Intelligence Policy**



Yarriambiack
SHIRE COUNCIL

Use of Artificial Intelligence Policy

Yarriambiack Shire Council encourages a working environment which promotes gender equality and models non-violent and respectful relationships.

1 Objective

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

2 Responsibility

The Chief Operating Officer is responsible for ensuring this policy is implemented, progress is monitored and is regularly reviewed.

3 Policy Statement and Scope

Yarriambiack Shire 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 and applies to all Councillors, Council staff, and contractors engaged by Council.

4 Key Principles

4.1 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 tools to brainstorm ideas or options, or to do initial drafting of content, emails, and reports.

Council must ensure that all uses of AI platforms comply with Council's Information Communication Technology Acceptable Use Policy, Information Management Policy and Information Privacy Policy.

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.
- Use cases where coding outputs will be used in government systems.

4.2 Accountability and Human Centred Decision Making

Council engages in a broad range of activities and delivers many services for the municipal community. AI tools must never be the final decision-maker on Council activities or services. Accountability is 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 tools 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 tools.

4.3 Transparency

It should be clear when generative AI tools 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 Media and Communications Policy even when produced by AI tools.

4.4 Privacy Protection and Security

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

Inputs into AI tools 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 tools should be considered a disclosure of that information and must comply with Council’s Information Privacy Policy, relevant legislation, and the information privacy principles.

Generally, Council information should only be entered into these tools 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.

5 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 Tools	Refers to any generative tools that uses artificial intelligence to produce content. This includes but is not limited to Google AI, ChatGPT, and Microsoft Copilot.
Council	Refers to Yarriambiack Shire Council

6 References

- a) Australian Government – Digital Transformation Agency, Interim guidance on government use of public generative AI tools - November 2023
- b) Information Management Policy – Yarriambiack Shire Council
- c) Information Communication Technology Acceptable Use Policy – Yarriambiack Shire Council
- d) Information Privacy Policy – Yarriambiack Shire Council
- e) Media and Communications Policy – Yarriambiack Shire Council
- f) Data Protection Act 2014 (VIC).

7 Consistency with Governance Principles Local Government Act 2020

Governance Principle	Section of policy where covered
(a) Council decisions are to be made and actions taken in accordance with the relevant law;	Section 6 -References
(b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;	Section 4 Key Principles
(c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;	Section 4 Key Principles
(d) the municipal community is to be engaged in strategic planning and strategic decision making;	Section 4 Key Principles
(e) innovation and continuous improvement is to be pursued;	Section 3 Policy Statement and Scope and Section 4 Key Principles
(f) collaboration with other Councils and Governments and statutory bodies is to be sought;	Section 6 References - Australian Government – Digital Transformation Agency, Interim guidance on government use of public generative AI tools -
(g) the ongoing financial viability of the Council is to be ensured;	Section 4 Key Principles
(h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making;	Section 6 References
(i) the transparency of Council decisions, actions and information is to be ensured.	Section 4 Key Principles

In giving effect to the overarching governance principles, a Council must take into account the following supporting principles—

- (a) the community engagement principles;
- (b) the public transparency principles;
- (c) the strategic planning principles;
- (d) the financial management principles;
- (e) the service performance principles.

8 Policy Review

Given the rapidly changing nature of AI, this policy will be reviewed in conjunction with its associated procedures every year.

9 Legislative Context

When utilising AI Officers should focus on privacy obligations set out in the *Privacy and Data Protection Act 2014 (Vic)*. Councils also have related obligations under other laws such as the *Freedom of Information Act 1982 (Vic)*, *Health Records Act 2001 (Vic)* and the *Victorian Charter of Human Rights and Responsibilities Act*.

10 Council Approved Policy

Policy Adopted:	Ordinary Meeting 22 May 2024	Minute Book Page 37
Policy Reviewed:	Ordinary Meeting [date]	Minute Book Page [number]