

# AI Use Policy

**Date Adopted:** Tuesday, 15<sup>th</sup> April 2025

**Version:** 1.0

## Policy Objectives

This policy outlines Maitland City Council's commitment to using Artificial Intelligence (AI) in a way that benefits the community, respects individual rights, and aligns with ethical standards. The council recognises the transformative potential of AI technologies in enhancing public services and delivering value to residents. This policy provides transparency about how the council uses AI, the safeguards in place to protect personal information, and the accountability mechanisms that ensure its responsible application.

AI technologies are leveraged to enhance service delivery, improve operational efficiency, and meet the diverse needs of our community. However, their use necessitates a strong commitment to principles of privacy, fairness, accountability, and safety. This policy ensures our AI initiatives are grounded in transparency and trust, fostering a collaborative relationship with the community and safeguarding public interests.

*All AI applications will be clearly identified, ensuring that residents understand how their data is being used, stored, and analysed.*

## Policy Scope

This policy applies to all employees, contractors, consultants, and third-party service providers involved in AI-related activities that support the delivery of public services, support decision-making, or enhance operational efficiency for Maitland City Council. It includes AI tools for customer service, urban planning, waste management, environmental monitoring, emergency management, and other council functions.

## Policy Statement

### Principles

The council's use of AI is guided by these principles:

1. **Transparency:** The council will always inform the community when AI is used in its services or decision-making processes.
2. **Privacy Protection:** Personal data will not be used with AI tools unless it is anonymized and complies with legal requirements.
3. **Fairness:** AI systems will be tested and monitored to ensure they are unbiased and inclusive.
4. **Accountability:** Human oversight will always be maintained, and decisions with significant impacts will not be made solely by AI.

5. **Safety and Security:** The council will use secure AI systems and protect community data from unauthorised access or misuse.

## How AI May Be Used

The council is dedicated to ensuring AI technologies are used responsibly and in ways that respect community values. To uphold this commitment; AI applications will be carefully designed to promote inclusivity and safeguard against any potential harm or marginalisation of individuals or groups.

The council may use AI to improve services, solve problems, and enhance its operations. Below are some examples of how AI may be used to benefit the community:

FUNCTION	EXAMPLES OF AI APPLICATIONS	HOW IT BENEFITS THE COMMUNITY
Customer Service	Chatbots to answer questions and analyse feedback.	Makes it easier for residents to get help quickly and identify areas for service improvement.
Urban Planning	Generating 3D models of developments or analysing public feedback.	Improves planning processes and ensures community input is considered.
Waste Management	Optimising garbage collection routes or creating educational materials on recycling.	Reduces costs, lowers emissions, and improves recycling participation.
Emergency Management	Drafting real-time updates during emergencies or summarising post-event reports.	Keeps residents informed and ensures better preparation and response in future emergencies.
Environmental Monitoring	Generating climate impact reports or monitoring parks and biodiversity.	Supports sustainability and protects the local environment.
Recruitment	Screening resumes and drafting job descriptions.	Speeds up hiring and ensures fairer recruitment processes.
Risk, Audit and Compliance	Identifying regulatory risks through pattern analysis, automating compliance documentation, or detecting anomalies in financial data.	Enhances transparency, reduces risk of fraud, and ensures adherence to regulations for the safety and benefit of the community.
Traffic Management	Real-time traffic monitoring, predictive analytics for congestion, and optimization of traffic signal timing.	Reduces traffic congestion, improves commute times, and enhances road safety for residents.

<b>Electric Vehicle (EV) Infrastructure</b>	Predicting energy demand for EV charging stations and optimizing charging schedules.	Supports the growth of EV adoption by ensuring reliable charging infrastructure, reducing range anxiety, and improving energy efficiency.
<b>Reducing Carbon Footprint of Council Vehicles</b>	Analysing fleet data to identify opportunities to transition council vehicles from traditional fuels to EVs.	Reduces council vehicle emissions, lowers operating costs, and sets an example for environmental responsibility in the community.
<b>Marketing and Communications</b>	Generating targeted content for newsletters, social media, and community engagement campaigns.	Ensures timely and relevant communication with residents, improves outreach, and encourages community participation.

## Safeguards to Protect the Community

To ensure the responsible use of AI, the council has established safeguards that prioritise community trust and safety:

### 1. Privacy and Confidentiality:

- The council will never input personal or sensitive data (e.g., customer information, financial records) into AI tools.
- All data used in AI systems is anonymised and encrypted to protect individual privacy.

### 2. Human Oversight:

The council ensures that AI-assisted decisions, particularly those impacting individuals' rights or access to services, will always involve a human review. AI tools will be used to support, but not replace, human decision-making in critical areas. Regular audits will be conducted to assess the accuracy, fairness, and transparency of AI-assisted decisions, and community members can request a review of any AI-driven decision that significantly affects them. Council staff will be trained to verify AI outputs and apply professional judgment to prevent unintended harm.

- Decisions with significant impacts on individuals or groups will always involve human review.
- Council staff are trained to understand and verify AI outputs.

### 3. Bias Monitoring and Fairness:

The council will employ structured bias detection and fairness testing methodologies to ensure AI systems do not produce discriminatory outcomes. This includes conducting pre-deployment bias impact assessments, using diverse and representative datasets for training AI models, and implementing continuous monitoring to detect any disparities in AI outputs. Independent audits may be conducted annually to verify that AI tools remain fair and unbiased, with public reports detailing the outcomes of these assessments. AI fairness benchmarks will be

established and reviewed quarterly to align with evolving ethical standards and community expectations.

- AI systems shall be regularly tested to ensure they do not produce biased or unfair outcomes. Performance benchmarks, such as accuracy, fairness, and community impact, will be monitored quarterly. Independent audits may be conducted annually to ensure compliance with ethical and legal standards.
- The council uses diverse datasets to train AI tools and promote inclusivity.

#### 4. **Transparency:**

- The council will clearly communicate when and how AI is used in its services.
- Public reports on AI usage will be shared annually, highlighting its purposes and outcomes.

#### 5. **Security Measures:**

In the event of AI system failures, unintended consequences, or ethical concerns, the council will include AI as part of our Cyber and Data Incident Response Plan. These plans include a formal process for reporting AI-related errors, an escalation mechanism for affected residents, and a structured remediation framework to correct any issues. Any AI-related incidents will be documented and reviewed by the Privacy and Cyber Security Officers to determine their root cause and prevent recurrence.

- AI systems are secured with strong cybersecurity measures, including encryption and regular audits.
- The council ensures that AI tools comply with relevant privacy and data protection laws.

### **Approved AI Tools & Acceptable Use**

The council has reviewed and approved the following AI platforms for use within its operations:

- ChatGPT
- Microsoft Copilot
- Azure Cognitive Services

These tools have been assessed for security, compliance, and ethical considerations, and their use is permitted only under the following conditions:

- **Disabling Content Sharing:** Staff must disable data-sharing features on AI platforms where applicable.
  - For ChatGPT Enterprise: Ensure "Chat History & Training" is turned off before use.
  - For Microsoft Copilot and Azure Cognitive Services: Follow organisational security policies to restrict data sharing outside the council.
- **No Use of Sensitive Data:** Staff must not input or process personally identifiable information (PII), confidential, financial, or health-related data on these AI tools.
- **Compliance with Data Security Policies:** AI tools must be used only within approved business functions and must align with the council's Privacy, Cyber Security, and Data Breach Policies.

Any new or evolving AI technologies proposed for use within the council must undergo a formal review and approval process conducted by the Architecture Review Group and Data Governance Committee before they can be implemented. This review will assess:

- **Security & Privacy Risks** – Ensuring compliance with privacy laws, cybersecurity policies, and data protection regulations.
- **Ethical & Legal Compliance** – Evaluating AI tools for bias, fairness, and adherence to anti-discrimination laws.
- **Operational Alignment** – Confirming that AI technologies support council objectives, service delivery, and community values.
- **Transparency & Accountability** – Verifying that AI usage is clearly communicated to staff and residents.

## Public Assurance

This policy reassures residents that AI is used responsibly and ethically. Key commitments:

- **No Harmful Use:** AI will not harm individuals, discriminate, or undermine trust..
- **Continuous Improvement:** AI systems will evolve with technology and community needs.
- **Engagement:** Residents are encouraged to share feedback to ensure AI remains fair and effective.

## Governance and Accountability

To uphold the principles of this policy, the council has established strong governance structures:

- **Architecture Review Governance Group:** Oversees AI implementation, ensures compliance with this policy, and reviews high-impact AI projects.
- **Privacy and Cyber Security Officers:** Conducts privacy impact assessments (PIAs) for all new AI systems and investigates any data-related concerns or breaches.
- **Transparency Report:** An annual AI update will be published as part of Maitland City Councils Strategic Planning process, detailing AI applications, their impact, and any challenges encountered.

The council will apply our Enterprise Risk Management Framework as a part of structured AI Risk Management to assess potential risks before deploying AI technologies. This includes conducting impact assessments to evaluate ethical considerations, data protection concerns, and potential biases. AI projects deemed high-risk will undergo a thorough review by the Architecture Review Governance Group to ensure compliance with ethical and legal standards. Additionally, AI-driven initiatives will be assessed for their long-term implications on public services and community trust, ensuring a proactive approach to risk mitigation.

## Compliance with Laws and Regulations

We ensure:

- **Legal Adherence:** All AI initiatives comply with federal and state laws, including the Privacy and Personal Information Protection Act 1998 (NSW) and related legislation.

- **Regulatory Alignment:** Practices align with guidelines from bodies like the NSW Information and Privacy Commission, promoting trust and consistency.

## Privacy and Data Protection

We shall ensure that AI initiatives will adhere to all applicable federal and state laws, including:

- Privacy and Personal Information Protection Act 1998 (NSW)
- Anti-Discrimination Act 1977 (NSW)
- Government Information (Public Access) Act 2009 (NSW)
- Australian Human Rights Act

## Feedback and Questions

The council values community input on its use of AI. Residents with questions, concerns, or feedback about Residents with questions, concerns, or feedback about AI technologies can contact Executive Manager Customer and Digital Services or visit [www.maitland.nsw.gov.au](http://www.maitland.nsw.gov.au). Concerns about decisions made with AI will be reviewed within 30 days. Residents can request an escalation for unresolved issues, which will be assessed by the Public Officer.

## Policy Definitions

<b>Artificial Intelligence (AI)</b>	Artificial Intelligence (AI): Technologies that enable machines to perform tasks typically requiring human intelligence, such as learning, decision-making, and language understanding.
<b>Natural Language Processing (NLP)</b>	A subset of AI focusing on enabling machines to understand, interpret, and respond to human language.
<b>Machine Learning (ML)</b>	Algorithms that allow systems to learn and improve automatically through experience, rather than explicit programming.
<b>Automated Decision-Making (ADM)</b>	The process where decisions are made or supported by AI systems without direct human intervention.
<b>Algorithmic Bias</b>	Systematic and repeatable errors in an AI system resulting in unfair outcomes for certain groups or individuals.
<b>Personal Information</b>	Any data about an identifiable or reasonably identifiable individual.
<b>De-identification</b>	Techniques used to prevent the identification of individuals in a dataset.

## Policy Administration

BUSINESS GROUP:	Customer and Digital Services
RESPONSIBLE OFFICER:	Manager Enterprise Architecture
COUNCIL REFERENCE:	
POLICY REVIEW DATE:	Three (3) years from date of adoption
FILE NUMBER:	
RELEVANT LEGISLATION	<p>NSW Artificial Intelligence Assurance Framework</p> <p>Privacy and Personal Information Protection Act 1998 (NSW)</p> <p>Government Information (Public Access) Act 2009 (NSW)</p> <p>Anti-Discrimination Act 1977 (NSW)</p> <p>NSW Cyber Security Policy</p> <p>Health Records and Information Protection Act 2002 (NSW)</p> <p>Health Records and Information Privacy Regulation 2022</p> <p>(NSW)Privacy and Personal information Protection Regulation 2019 (NSW)</p> <p>Privacy Code of Practice for Local Government</p> <p>IPC-AI Privacy Assessment Guidelines</p>
RELATED POLICIES / PROCEDURES / PROTOCOLS	<p>Privacy Management Plan</p> <p>Records Management Policy</p> <p>Data Breach Policy</p> <p>Code of Conduct</p> <p>Cyber Information Security Policy</p>

Policy History

VERSION	DATE APPROVED	DESCRIPTION OF CHANGES
1.0	TBC	New Policy