

Council Policy – Artificial Intelligence

Responsible Directorate	Corporate Services
Responsible Business Unit/s	Information Communication Technology
Responsible Officer	Manager ICT
Affected Business Units	All

Objective

The objective of this policy is to establish mandatory governance, control, and operational requirements for the ethical, transparent, and responsible use of Artificial Intelligence (AI) within the Shire of Serpentine Jarrahdale (Shire).

This policy ensures that the use of AI:

- Supports service delivery and operational efficiency without undermining human accountability
- Complies with privacy, records, information security, and administrative law obligations
- Is implemented in a controlled, consistent, and auditable manner
- Minimises legal, reputational, ethical, and operational risk
- Maintains community trust in the Shire's use of emerging technologies

This Policy supports the Shire's AI Strategy.

Scope

This Policy applies to:

- All employees, contractors, consultants, and temporary staff, and elected members
- All AI systems that are:
 - Developed internally
 - Procured or subscribed to
 - Trialled or piloted
 - Integrated into Shire systems
 - Accessed via Shire devices or accounts
- All third-party AI platforms used for business purposes, including generative AI, automation, analytics, and decision-support tools

This Policy applies regardless of whether the AI capability is embedded within another system or accessed as a standalone service.

Policy

Guiding Principles

The Shire's use of AI must comply with the following principles:

Principle	Mandatory Application
Human-Centred	AI must not make final decisions that affect individuals, rights, services, or regulatory outcomes without human oversight and accountability.
Transparency	Where AI materially informs advice, recommendations, or decisions, this must be identifiable, explainable, and subject to review.
Fairness	AI systems must be assessed for bias, disproportionate impact, and exclusion prior to use and monitored over time.
Privacy & Security	AI must comply with the <i>Privacy and Responsible Sharing of Information Act 2024</i> (PRIS Act), <i>Commonwealth Privacy Act 1988</i> , Council Policy – Privacy, and ICT Acceptable Use.
Accountability	Human oversight will be maintained at all stages of the AI lifecycle. Roles and responsibilities will be clearly defined.
Reliability & Safety	AI systems must be monitored for accuracy, degradation, and unintended outcomes throughout their lifecycle.
Community Benefit	AI use must align with community values, benefit the community, and not erode trust or transparency.

Approved AI Tools

Microsoft Copilot, integrated with the Shire's Microsoft 365 tenant, is currently the only approved AI tool for general business use within the Shire.

Microsoft Copilot is approved on the basis that it:

- Operates within the Shire's Microsoft 365 environment
- Is subject to enterprise security, access, and compliance controls
- Does not use Shire data to train public or external AI models
- Aligns with privacy, and data residency requirements

Use of Microsoft Copilot must comply with this Policy, the ICT Acceptable Use Policy, and all information security and privacy requirements.

AI functionality embedded within approved corporate systems, including TechnologyOne and other enterprise applications, may be approved by ICT following appropriate assessment, implementation, and governance review. Once approved, these capabilities are considered authorised AI tools and must be used in accordance with this Policy.

Human Review and Professional Judgement

The Shire encourages the responsible use of AI to improve productivity, support innovation, and assist staff in performing their roles more effectively.

Staff must not rely on AI-generated content without appropriate review and refinement. While AI can improve productivity, it does not understand the full operational, legislative, financial, strategic, or community context in which the Shire operates. Users must apply critical thinking and professional judgement to ensure outputs are accurate, practical, and aligned with the Shire's policies, processes, and business requirements. Responsibility for decisions and work products remains with the user, not the AI system.

Use of Other AI Tools

All other AI tools, platforms, or services are not approved for processing Shire information unless explicitly authorised by ICT on a case-by-case basis.

Where non-approved AI tools are accessed (for example, public or consumer AI services) no Shire information may be entered, uploaded, or shared.

This includes, but is not limited to:

- Personal information
- Confidential or sensitive information
- Internal documents, emails, reports, or data
- Information relating to Shire operations, staff, contractors, or residents

Non-approved AI tools may only be used in a limited capacity for:

- General research
- Generic drafting
- Brainstorming or learning provided that all content used is generic and non-identifiable, and outputs are independently reviewed.

Staff must not:

- Represent AI-generated content as authoritative without verification
- Circumvent controls or safeguards implemented by ICT in non-approved AI tools

AI Use Case Approval

All AI use cases must be approved through ICT prior to implementation.

ICT will consider:

- Purpose and business value
- Data classification, record obligations and privacy impacts
- Security and hosting arrangements
- Ongoing support and monitoring requirements

ICT may approve, reject, or impose conditions on AI use cases.

Procurement and Third-Party AI

AI-enabled products and services must:

- Be procured in accordance with Council Policy – Procurement of Goods or Services through Public Tendering, Council Policy – Procurement of Goods or Services up to \$250,000, and Business Operating Procedure – ICT – Procurement.
- Include contractual provisions addressing:
 - Data ownership and use
 - Privacy compliance
 - Security controls
 - Audit rights where applicable

Free or consumer AI products must not be used for business purposes without ICT approval.

Records Management

AI is considered a research tool and any documents produced with the assistance of AI must be managed using approved recordkeeping systems in accordance with the *State Records Act 2000*.

Incident Management

AI-related incidents must be reported immediately to the ICT Service Desk, including:

- Privacy breaches
- Incorrect or misleading outputs
- Discriminatory or harmful outcomes
- Security incidents involving AI platforms

Incidents will be managed in accordance with the Shire's:

- Information Security Incident Response procedures
- Information Response Breach Plan

This may include monitoring compliance through methods such as tracking usage, reviewing access logs, accessing cookie history, and undertaking internal and/or external audits.

Roles and Responsibilities

Role	Responsibilities
ICT / AI Steering Group	Provides governance oversight, reviews risks, approves strategic AI direction, and monitors compliance.
ICT AI Representative	Assesses AI use cases, maintains oversight of compliance and risk, coordinates incident response, and maintains registers.

Executive Management Group	Approves strategic direction and funding and ensures alignment with Corporate Business Plan.
All Staff	Comply with this Policy, use AI responsibly, ensure accuracy of anything produced through AI, complete required training, and report any concerns to the ICT Service Desk.

Definitions

Artificial Intelligence (AI) means systems that perform tasks requiring human-like cognitive functions, including learning, pattern recognition, prediction, automation, or content generation.

Related Documents

- WA Government AI Assurance Framework
- Australian Government AI Ethics Principles
- Shire of Serpentine Jarrahdale AI Strategy
- Council Policy – Privacy
- Council Policy – Information Breach Response
- Business Operating Procedure (BOP) – ICT Acceptable Use Policy

Legislation / Local Law Requirements

- *Privacy and Responsible Information Sharing (PRIS) Act 2024*
- *Commonwealth Privacy Act 1988*
- *State Records Act 2000*
- *Freedom of Information Act 1992*

Amendment Record

Relevant Delegations		Nil.
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