

Policy No. PP047

# Artificial Intelligence (AI) Policy

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## 1 INFORMATION ABOUT THIS POLICY

### POLICY INFORMATION

<b>Date Adopted by Board</b> 23/10/2025	<b>Board Resolution No.</b> 25/106
<b>Policy Responsibility</b> ICT Coordinator	
<b>Review Timeframe</b> 4 Year	
<b>Last Review</b> 28/10/2025	<b>Next Scheduled Review</b> 27/10/2029

### DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
0.1	08/09/2025	Initial draft
1.0	28/10/2025	Adopted version
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	

### FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

<b>Related Legislation</b>	<p>NSW Artificial Intelligence Assurance Framework</p> <p><i>Privacy and Personal Information Protection Act 1998 (NSW)</i></p> <p><i>Government Information (Public Access) Act 2009 (NSW)</i></p> <p><i>Anti-Discrimination Act 1977 (NSW)</i></p> <p>NSW Cyber Security Policy</p> <p><i>Health Records and Information Protection Act 2002 (NSW)</i></p> <p>Health Records and Information Privacy Regulation 2022 (NSW)</p> <p>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>
<b>Related Policies</b>	<p>Privacy Management Plan</p> <p>Privacy Management Policy</p> <p>Acceptable Use of Council Resources</p> <p>Records Management Policy</p> <p>Data Breach Policy</p> <p>Code of Conduct</p>



## **Artificial Intelligence (AI) Policy**

<b>Related Procedures, Protocols, Statements and Documents</b>	
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## Artificial Intelligence (AI) Policy

### 3 PURPOSE

This policy provides a framework for the safe, ethical, and responsible use of Artificial Intelligence (AI) within Goldenfields Water. It outlines how AI may be applied to support Council operations, improve service delivery, and assist with data-informed decision-making, while ensuring alignment with community expectations.

### 4 SCOPE

This policy applies to all Goldenfields Water staff, contractors, and councillors. It covers the appropriate use of all Artificial Intelligence (AI) technologies, such as Generative AI (Gen AI), Machine Learning (ML), Deep Learning (DL), Conversational AI and Chatbots, Natural Language Processing (NLP), Predictive Analytics, Computer Vision, and AI-Enhanced Productivity Tools.

### 5 DEFINITIONS

- **Artificial Intelligence (AI)** - When a computer system can do things that usually require human intelligence, for example, understanding language, recognising patterns, making decisions, or creating content.
- **Generative AI (Gen AI)** - Creates new content like text, images, or code using learned patterns.
- **Machine Learning (ML)** - Enables systems to learn from data and improve without explicit programming.
- **Deep Learning (DL)** - A subset of ML using neural networks to model complex patterns in data.
- **Conversational AI & Chatbots** - AI systems that simulate human-like dialogue via text or voice.
- **Natural Language Processing (NLP)** - Enables machines to understand, interpret, and generate human language.
- **Predictive Analytics** - Uses data, ML, and statistics to forecast future outcomes.
- **Computer Vision** - Enables machines to interpret and understand visual information.
- **AI-Enhanced Productivity Tools** - Software that uses AI to automate tasks and boost efficiency.

### 6 POLICY

#### 6.1 Policy Statement

Goldenfields Water is committed to adopting AI in a responsible, ethical, and transparent manner to improve service delivery, support informed decision-making, and deliver better outcomes for our community. AI will only be implemented where it provides clear public benefit and aligns with the Council's strategic priorities, with human oversight remaining central to all decisions.

## Artificial Intelligence (AI) Policy

When developing and deploying AI solutions, Goldenfields Water will adhere to the **Australian AI Ethics Framework**<sup>1</sup>, the **NSW AI Assurance Framework**<sup>2</sup>, and all relevant privacy, data protection, and information access laws. These measures ensure that AI systems are safe, ethical, and aligned with Council's strategic objectives, while maintaining community trust.

When using publicly available AI tools such as Gen AI, Council will provide staff with clear guidance on responsible and ethical use. Staff are expected to apply these tools in line with Council values, ensuring human oversight, safeguarding sensitive information, and minimising risks such as bias or misuse.

### 6.2 Implementation

#### 6.2.1 Developing and deploying AI solutions

At such a time that Goldenfields Water develops and deploys AI solutions, the following principals will be adhered to.

- **Community Benefit** - AI should only be used when it is the most effective solution for a service delivery or policy challenge, offering clear benefits to both the community and council. Situations in which it is used must demonstrate alignment with strategic priorities, a tangible public benefit, and that alternative approaches were considered but found less effective.
- **Fairness** - AI use must be underpinned by high-quality, representative data and safeguards to manage bias, with projects demonstrating inclusive data models, appropriate datasets, and regular monitoring to ensure fair and accurate outcomes.
- **Privacy and Security** - AI projects must use data safely, securely, and in line with privacy, data sharing, and information access requirements to maintain public trust. Projects must demonstrate privacy-by-design, clear consent for data use, mitigation of reidentification and cybersecurity risks, and compliance with the five Ethical Policy Principles.
- **Transparency** - AI projects and use must be technically, legally, and ethically robust, with transparent objectives and public engagement. Our community should have access to project information, the ability to question AI-informed decisions, and be informed of any changes to AI use unless there is a clear public interest not to disclose.
- **Accountability** - AI can support complex analysis and routine tasks, but all AI-informed decisions must remain subject to human oversight and accountability. Projects must show clear responsibility, expert oversight, and robust review processes throughout development and implementation.

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<sup>1</sup> [Mandatory Ethical Principles for the use of AI | Digital NSW](#)

<sup>2</sup> [NSW Artificial Intelligence Assessment Framework | Digital NSW](#)

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### 6.2.2 Using existing AI tools including Generative AI

To both foster the adoption of approved Gen AI tools and ensure its responsible use, Goldenfields Water will provide guidance and training to staff, in line with that of **Digital NSW AI Guidelines**<sup>3</sup> below:

1. **Never put sensitive information or personal data into these tools** - Refraining from inputting sensitive or personal data into web-based Gen AI tools is essential. This action can result in privacy law violations, legal complications, or potential harm to individuals, groups, organisations, or government entities. Do not enter information that could have adverse consequences.
2. **Understand usage impact** - Be mindful of how your questions and instructions contribute to the learning process of these systems. You may provide inaccurate, biased, or sensitive information that the AI might learn from and generate content that reflects those inaccuracies.
3. **Be aware of prompt sensitivity** - Even minor variations in how you phrase, and sequence questions and instructions can yield different responses. Minor deviations like grammatical errors or typos might lead to inaccurate or subpar output. Pay attention to wording and sequencing to ensure the desired results.
4. **Know that the information generated may not be accurate or correct** - Recognise that the data generated by Gen AI may only sometimes be accurate or correct. Fact-check all information against a verifiable source. GenAI can sometimes exhibit a phenomenon called "flattery," where it might provide a response that aligns with your opinion, even if it is an incorrect answer. Additionally, these systems offer varying reactions to the same question, and their answers may come from sources you wouldn't rely on in other situations.
5. **Be aware of bias and context** - Remember that the information provided by Gen AI tools can be biased or taken out of context. These tools generate responses by selecting words from a set of options it deems plausible. However, they need help understanding the context or detecting bias. Please exercise caution when relying on these tools' outputs and use your judgment and knowledge to assess the information they produce critically.
6. **Appropriately attribute Gen AI tool usage** - Whenever you use data or outputs from Gen AI, whether directly or with slight modifications, it's essential to provide a reference. Indicate that a Gen AI tool was utilised by citing it in footnotes, references, or watermarks.
7. **Know the content complies with intellectual property rights** - When generating images, videos, or voice content, ensure that the solution provider provides legal coverage, including fair treatment of artists and respect for intellectual property rights. If you are sourcing voice or images to clone or generate voice, images, or videos, you must obtain the artist's approval for the intended use case.

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<sup>3</sup> [Generative AI: basic guidance | Digital NSW](#)

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8. **Ensure you can explain your content** - Gen AI provides limited explanation and transparency in its content generation process. When using generated content, conducting extra research to explain the underlying content logic and reasoning is crucial. You are responsible for the content you use, for example, if the content leads to negative consequences not covered by professional indemnity.
9. **Follow Cyber Security NSW Gen AI use guidance** - Gen AI introduces new cyber risks. Always follow the cyber security advice provided by **Cyber Security NSW**<sup>4</sup>.
10. **Apply the NSW AI Assessment Framework** - Never use Gen AI for any part of an administrative decision-making process until you have applied the NSW AI Assessment Framework.

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<sup>4</sup> [Using-public-generative-artificial-intelligence-AI-tools-safely.pdf](#)