KING ISLAND COUNCIL

Policy

Artificial Intelligence (AI) Use Policy

Responsible Officer: GENERAL MANAGER

Date: 21 October 2025

Review Date: 20 October 2027

Summary of Key Requirements

This policy ensures the safe, ethical, and effective use of Artificial Intelligence (AI) at King Island Council (KIC).
Staff must:

- Use only AI tools listed in the **KIC Approved AI Tool Register**.
- Verify all AI outputs for accuracy before use.
- Never enter personal or sensitive data into unapproved AI tools.
- Disclose AI use when it significantly shapes public-facing content (approximately 50% or more of the final output).
- Report any breaches or concerns to the General Manager immediately.
- Prioritise community benefit, sustainability, and cost-effectiveness in all AI use.

1. Purpose and Scope

This policy outlines how Artificial Intelligence (AI) tools are to be used safely, ethically, and effectively at KIC. It ensures AI aligns with:

- KIC's community-focused values
- Privacy obligations
- Australian laws, including the **Privacy Act 1988** and **Australian Privacy Principles**

This policy applies to all **KIC employees, contractors, consultants, vendors, and authorised third parties** using AI tools for Council-related work. It covers both internally hosted and external AI tools.
Refer to the **Appendix: Definitions** for key terms.

2. Principles for Responsible AI Use

KIC is committed to using AI in ways that benefit the King Island community, protect public trust, and align with Council values. The following principles apply:

1. **Transparency and Accountability**
    - AI tools must be used in ways that can be explained.
    - Staff remain accountable for all AI-assisted work.

2. **Fairness and Inclusion**
    - AI outputs must avoid bias and support equitable outcomes for the King Island community.
3. **Human Oversight**
    - Staff must review and verify all AI outputs for accuracy and appropriateness.
    - If accuracy cannot be confirmed, the output must not be used.
4. **Privacy and Confidentiality**
    - All AI use must comply with the Privacy Act 1988, Australian Privacy Principles, and KIC's Privacy Policy.
    - Personal or sensitive data must only be entered into approved AI tools.
5. **Community Benefit**
    - AI use should enhance community well-being, economic resilience, and sustainability, while remaining relevant to local needs.
6. **Sustainability and Efficiency**
    - AI must deliver clear value and support sustainable practices.
    - Non-essential or trivial use is prohibited.
7. **Security and Resilience**
    - AI tools must protect KIC's systems and data, taking into account King Island's connectivity challenges.
    - Vendors must comply with Australian data protection laws and provide transparent handling practices.
8. **Resource Efficiency**
    - AI use must be cost-effective and scalable, providing value without imposing significant infrastructure or ongoing costs.

3. Permitted AI Use

3.1 Permitted Uses

AI tools may be used for:

- Drafting internal reports (e.g., Infrastructure, tourism summaries).
- Assisting with coding or automating routine tasks (e.g., waste management planning).
- Analysing data (e.g., coastal erosion, land use, resource allocation).
- Supporting research or idea generation to improve Council services.

Conditions for Use:

- Use only tools listed in the **Approved AI Tool Register**.
- Verify outputs for accuracy.
- Do not enter personal or sensitive data.
- Comply with privacy, legal, and security obligations.

3.2 Disclosure Requirements

Disclosure Required When:

- AI-generated content makes up ~50% or more of the final output.
- AI significantly influences public-facing decisions, reports, or recommendations.
- AI is used to respond to public inquiries (e.g., chatbots).

No Disclosure Required When:

- AI is used for internal brainstorming.
- Minor edits such as spelling or grammar are applied.
- Drafts are substantially rewritten and reviewed by staff.

Example Disclosure:

"This report was developed with AI assistance and reviewed by KIC staff for accuracy."

3.3 Permitted vs. Prohibited AI Uses

Permitted Use	Prohibited Use
Drafting internal reports	Entering sensitive data into public AI tools
Analysing coastal erosion data	Council decisions or approvals will not be undertaken by AI
Automating waste management tasks	Using unapproved AI tools

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4. Governance and Risk Management

4.1 Risk Assessment

Before using AI tools, staff must assess potential risks, including:

- Bias or unfair outcomes
- Inaccurate or misleading outputs
- Legal or reputational damage
- Privacy or cybersecurity breaches

Unmitigated risks must be escalated to the General Manager or delegated authority. High-risk uses (e.g., automated decisions affecting community services) require formal approval.

4.2 Approval Process

1. Staff submit a summary of the tool or use case (purpose, data inputs, outputs, risks, mitigation).
2. The General Manager (or delegated authority) reviews compliance, risks, and alignment with Council priorities.
3. If approved, the tool is added to the **AI Tool Register**.
4. All approved tools are monitored and reviewed quarterly.

4.3 AI Tool Register

KIC maintains an AI Tool Register containing:

- Tool name, provider, and purpose
- Risk level, hosting location, and conditions of use
- Responsible owner/sponsor

Only registered or approved tools may be used. The Register is reviewed quarterly.

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5. User Responsibilities and Compliance

Responsibilities

All users must:

- Verify AI outputs before use.
- Use only approved AI tools.
- Complete mandatory training (introductory for all staff, role-specific for high-risk users).

- Respect copyright and intellectual property rights.
- Escalate concerns or breaches immediately to the General Manager or manager.

Prohibited Practices

- Entering personal or sensitive data into unapproved tools.
- Relying solely on AI for legal, financial, or public decisions.
- Using AI to mislead the public or bypass Council policies.

Breaches

Examples include:

- Using unapproved AI tools
- Publishing unverified AI content
- Entering sensitive data into public AI platforms

Consequences:

- Internal investigation and mitigation
- Notification to affected parties or regulators (e.g., OAIC)
- Disciplinary action under KIC's Performance Management Policy

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6. Community Engagement

KIC will communicate openly with the King Island community about AI use. We will explain its purpose, benefits, and safeguards in plain language. Significant AI-driven outputs or decisions affecting the public will always be disclosed to maintain trust.

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7. Monitoring and Review

This policy will be reviewed every two years, or sooner if required. It remains in force even if the review date passes.

- **Next Review Date:** October 2027
- The AI Tool Register will be reviewed quarterly.
- Staff will be notified of updates, and consultation may occur before changes are finalised.

Appendix: Definitions

- **Artificial Intelligence (AI):** Systems that perform tasks like analysis or content generation without explicit programming.

- **AI Output:** Content (text, images, code, etc.) produced by AI tools.
- **Approved AI Tool Register:** KIC's list of approved AI tools, including usage conditions and risk levels.
- **Bias (AI):** Errors in AI outputs reflecting unfair assumptions, often from biased data.
- **Deepfake:** AI-generated media (e.g., video, audio) that mimics real people or events.
- **Delegated Authority:** Staff designated by the General Manager to approve AI tools or assess risks.
- **Generative AI:** AI that creates content such as text or images (e.g., ChatGPT, DALL·E).
- **High-Risk Use:** AI use affecting rights, finances, or public trust, requiring oversight.
- **Large Language Models (LLMs):** AI trained on text to generate human-like language.
- **Sensitive Information:** Confidential or personal data, including operational or privileged information.

King Island Council – AI Quick Guide

✅ Do's

- Use only AI tools listed in the **Approved AI Tool Register**
- Verify all AI outputs before using them
- Disclose AI use if it makes up ~50% or more of public-facing content, or influences key decisions
- Report concerns or breaches to the **General Manager immediately**
- Use AI to add value: efficiency, sustainability, and community benefit

❌ Don'ts

- Don't enter **personal or sensitive data** into unapproved AI tools
- Don't rely on AI alone for legal, financial, or public decisions
- Don't use AI to mislead, bypass Council policies, or for trivial tasks
- Don't use **unapproved AI tools** under any circumstances

📢 When to Disclose AI Use

Yes – Disclosure Required:

- Public reports where AI content is ~50% or more
- AI significantly shapes recommendations
- AI (e.g., chatbot) responds directly to the public

No – Disclosure Not Required:

- Internal brainstorming
- Minor edits (e.g., spelling/grammar)
- Drafts substantially rewritten and reviewed by staff

Example Disclosure:
"This report was developed with AI assistance and reviewed by KIC staff for accuracy."

⚖️ Risk Checks Before Using AI

Ask yourself:

- Could this create bias or unfair outcomes?

- Is the output factually accurate and verified?
- Could it cause legal, reputational, or privacy issues?
- Is the tool approved and on the Register?

👉 If unsure → Escalate to the **General Manager**

🚨 **Consequences of Breaches**

- Investigation and corrective action
- Notification of affected parties or regulators
- Disciplinary action under Council policy

⚡ **Remember:** AI is here to support your work — not replace judgment, accountability, or community trust.

AMENDMENT

Council retains the sole discretion to vary, terminate or replace this Policy from time to time. Council will consult before amendments are made and will notify and train those the amendments apply to.

4. Legislation, Terminology and References

Applicable legislation:

All laws in connection with Artificial Intelligence including but not limited to:

- *Privacy Act 1988*

Definitions	
Term	**Meaning**
Council	King Island Council
Councillor	An elected member of Council known as a Councillor or Alderman or otherwise meeting the definition of a 'councillor' as defined under section 3 of the *Local Government Act 1993* (TAS)
Employee	A person who carries out work for Council as an employee of Council.
General Manager	The general manager of Council as appointed under section 61 of the *Local Government Act 1993* (TAS).
Manager/Supervisor	A person at the Workplace who is appointed to a position that has management/supervisory responsibilities for others or their appropriately nominated or authorised delegate.
Other Persons at the Workplace	A person, other than a Councillor, who carries out work in any capacity for Council, including work as: (a) a contractor or subcontractor. (b) an employee of a contractor or subcontractor. (c) an employee of a labour hire company who has been assigned to work at Council. (d) an apprentice or trainee. (e) a student gaining work experience; or (f) a volunteer.
Policy	Artificial Intelligence
Workplace	A place where work is carried out for Council.

References:

Approved AI Tools Register

King Island Council AI Quick Guide

History:

Not Applicable

POLICY VERSION AND REVISION INFORMATION

Title: Artificial Intelligence (AI) Use Policy

Policy Maintained by: General Manager

Policy Commencement: 21 October 2025

Policy Review: 20 October 2027

Version No	Date	Resolution No	Responsible Officer
1.0	21/10/2025	208/25	General Manager