

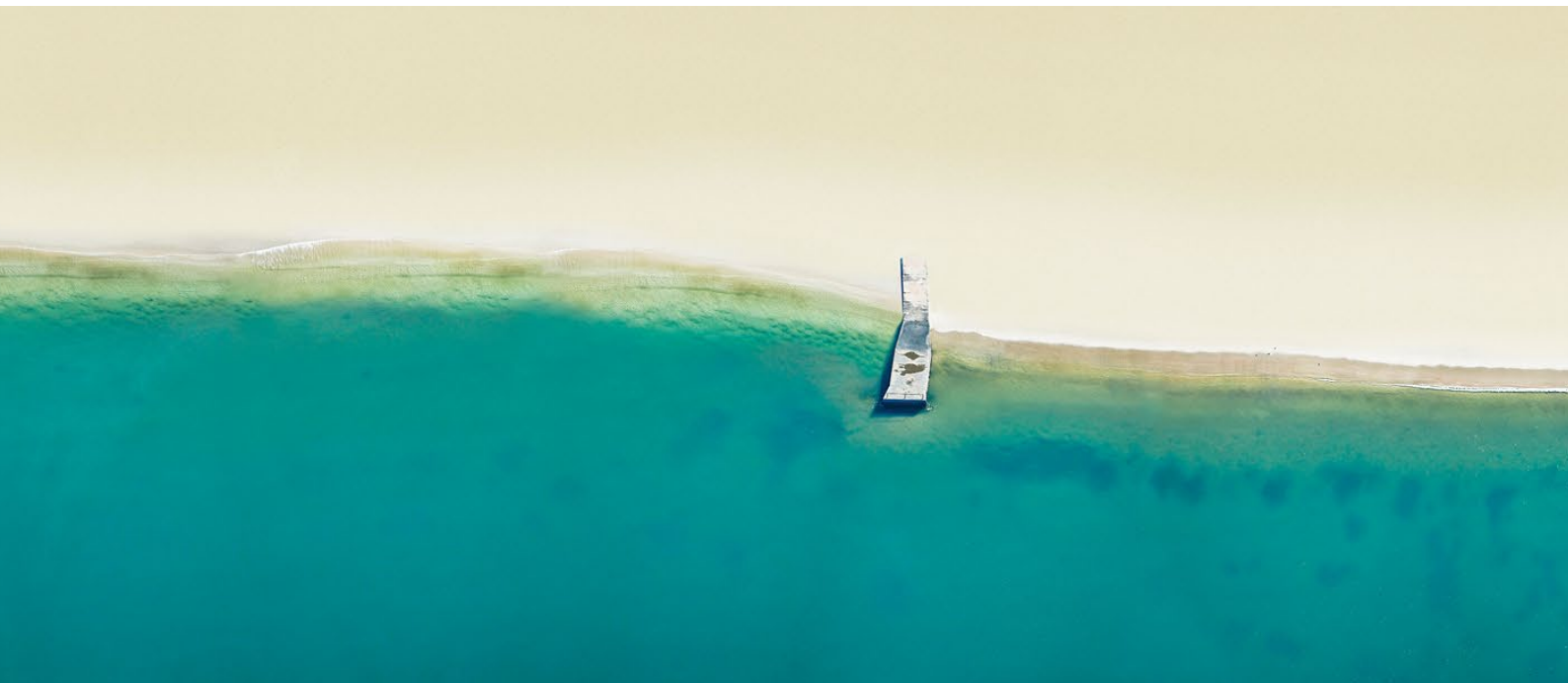


Bayside Council

Serving Our Community

Artificial Intelligence (AI) Policy

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1 Introduction

1.1 Policy Statement

Council recognises the transformative potential of AI to enhance its operations and services to the Community. Council will leverage the significant potential of AI to deliver better customer outcomes, and make better decisions, for the Community.

1.2 Definitions

TERM	DEFINITION
Council	Bayside Council
Community	Bayside Council NSW residents and visitors that interact with Council services.
Employee	All temporary, casual and permanent staff, students or any other person who provides services on a paid or voluntary basis to Council.
User	All people who access or use Council IT Systems.
IT System	Any information technology or telephony service, system or device owned or used for any Council purposes or otherwise managed by Council. This includes office Wi-Fi and cabled networks, cloud applications, and those not managed by Council Information Technology Department.
Artificial Intelligence (AI)	AI is the ability of a computer system to perform tasks that would normally require human intelligence, such as learning, reasoning, and making decisions. AI systems are designed to operate with varying levels of autonomy.
AI System	Any IT system, software, hardware, application, tool, or utility that operates in whole or in part using AI.
Acceptable Use	Computer systems, equipment, devices, networks and communications systems are used responsibly, effectively, safely, ethically and lawfully for the purposes of performing business activities on behalf of and for the benefit of the Council and community.
NSW AI Assessment Framework (Digital NSW)	Developed by Digital NSW, the framework assists agencies in designing, building and using AI-enabled products. The framework ensures safe and responsible use of AI including AI governance and oversight, risk management and mitigation, ethics, capability and capacity building, and continuous improvement.
Council Official	Councillors, Contractors, Council committee members, volunteers and others who fulfil responsibilities on behalf of Council.

1.3 Purpose

This Policy outlines Council's commitment to responsible AI use to ensure ethical considerations are upheld, AI risks are managed, and compliance to best practice and emerging regulation is achieved.

The Artificial Intelligence (AI) Policy is designed to:

- demystify AI for Bayside Council technical project managers, AI system users and AI System owners
- authorise the use of AI while providing guidance on best practice and risks
- encourage innovative approaches to service delivery and decision-making
- build understanding and capability across Council

1.4 Scope of Policy

This policy applies to all Bayside Council employees and Council Officials.

1.5 Risk Management

Council's Artificial Intelligence Risk Management Procedure (AIRMP) (currently under development) will be informed by the Digital NSW AI Assessment Framework (AIAF) and designed to ensure that AI systems are developed and deployed responsibly and ethically, meeting predetermined standards and achieving their intended goals.

The AIRMP will identify, evaluate and mitigate AI System risks against the following five Mandatory Ethical Principles:

- **Community benefit:** AI will deliver the best outcome for the citizen, and key insights into decision-making
- **Fairness:** Use of AI will include safeguards to manage data bias or data quality risks
- **Privacy and Security:** Data used for all AI solutions will be used safely and securely, and in a way that is consistent with privacy, data sharing and information access requirements.
- **Transparency:** Council will ensure appropriate disclosure of AI use. A public facing review mechanism is available to ensure the Community can question and challenge AI-based outcomes.
- **Accountability:** AI-based functions and decisions will always be subject to human review and intervention.

The AIRMP will be applied proactively throughout the lifecycle of every AI system that is used by Council to ensure appropriate levels of characteristics of the five ethical principles has been achieved and maintained.

1.6 Continuous Learning

As the technological and regulatory environment around AI rapidly evolves, Council aims to foster a culture of openness, flexibility, and ongoing dialogue. Engagement with

partners, stakeholders, and the community will support the development of shared understanding and a collective approach to responsible AI.

1.7 Acceptable Use & Approved AI Tools

Council is dedicated to ensuring AI technologies are used responsibly and in ways that respect community values.

To uphold this commitment, the AI Resources Hub, a centralised AI knowledge base, will be available to all employees and will provide:

- A register of approved and banned AI Tools
- A register of acceptable and unacceptable AI use cases
- A register of available AI Training
- The AI Risk Management Procedure (AIRMP) and Guide
- AI reporting and support mechanisms

Relevant AI resources and training will be available to Council Officials through the Councillor Portal

Once launched, the AI Resources Hub will continue to be developed and improve as AI evolves, laws and regulations emerge, and more use cases and risks are identified.

1.8 Policy Responsibilities

- The General Manager has the overall responsibility for the Policy
- The Manager Business Transformation is responsible for the administration of the Policy
- All Council Employees and Council Officials are responsible for ensuring personal compliance with this policy and related standards and procedures

2 Related Resources

2.1 Policies:

- Data Breach Policy
- Cyber Security Policy
- Procurement Policy and Procedure
- Technology Acceptable Use Policy
- Workplace Surveillance Policy
- Statement of Business Ethics

2.2 Legislation & Frameworks:

- Local Government Act 1993
- Government Information (Public Access) Act 2009
- Privacy and Personal Information Protection Act 1998
- State Records Act 1988
- NSW AI Assessment Framework (Digital NSW)

3 Document Control

3.1 Review

This policy will be reviewed every 12 months or more frequently in the event of any material changes in circumstances.

The General Manager may approve non-significant and/or minor editorial amendments to this document that do not change the policy substance.

3.2 Version history

Version	Release Date	Author	Reason for Change
1.0	27/05/2026	Manager Business Transformation	New document