

Use of Artificial Intelligence and Generative AI Policy

Tuesday, 17 February 2026
City Finance and Governance Committee

Strategic Alignment - Our Corporation

Public

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EXECUTIVE SUMMARY

The purpose of the report is to present to the City Finance and Governance Committee a final draft “Use of Artificial Intelligence and Generative AI” Policy (**Attachment A**), which reflects the discussion in the City Finance and Governance Committee workshop held on 16 September 2025.

Council Member observations and suggestions have been included in the draft, which with Committee endorsement can be presented to Council for adoption. The changes made to the workshop draft are found in [Link 1](#) (Draft AI Policy – tracked changes).

Council members in the 16 September 2025 workshop observed that policy governance was critical and must be reflected in the policy and associated operating guidelines. Governance and implementation framework is included in the policy, and operational guidance will be reflected in the operating guidelines (yet to be finalised).

RECOMMENDATION

The following recommendation will be presented to Council on 24 February 2026 for consideration

THAT THE CITY FINANCE AND GOVERNANCE COMMITTEE RECOMMENDS TO COUNCIL

THAT COUNCIL

1. Adopts the “Use of Artificial Intelligence and Generative AI” Policy as contained in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.
 2. Authorises the Chief Executive Officer to make any minor editorial and formatting changes as required to finalise the “Use of Artificial Intelligence and Generative AI” Policy as contained in Attachment A to Item 7.1 on the Agenda for the meeting of the City Finance and Governance Committee held on 17 February 2026.
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IMPLICATIONS AND FINANCIALS

City of Adelaide 2024-2028 Strategic Plan	Strategic Alignment – Our Corporation
Policy	The “Use of Artificial Intelligence and Generative AI” Policy provides guidance to administration on the use of new and emerging AI technology. The Policy (and associated guidelines) will operate alongside the City of Adelaide Data Management Policy (Link 4), and Privacy Policy (Link 3).
Consultation	Not as a result of this report
Resource	Not as a result of this report
Risk / Legal / Legislative	It operates in the context of the <i>Local Government Act 1999 (SA)</i> , <i>Copyright Act 1968 (Cth)</i> , <i>Spam Act 2003 (Cth)</i> , State and Commonwealth anti-discrimination legislation, and the South Australian Information Privacy Principles.
Opportunities	Effective implementation of AI-systems provides opportunities for administrative and operational efficiencies.
25/26 Budget Allocation	Not as a result of this report
Proposed 26/27 Budget Allocation	Not as a result of this report
Life of Project, Service, Initiative or (Expectancy of) Asset	Not as a result of this report
25/26 Budget Reconsideration (if applicable)	Not as a result of this report
Ongoing Costs (eg maintenance cost)	Not as a result of this report
Other Funding Sources	Not as a result of this report

DISCUSSION

1. The City Finance and Governance Committee discussed a draft AI Policy in its meeting on 16 September 2025. Council Member feedback on the draft has been incorporated into a final draft (**Attachment A**) for Committee to recommend to Council for adoption.
2. Changes to the 16 September draft are shown in a tracked changes version at [Link 1](#) (Draft AI Policy – tracked changes).
3. Feedback at the 16 September workshop indicated Council considers good governance and risk management around AI Policy is critical. This will be reflected in operating guidelines (yet to be finalised), but a summary of the governance and risk management mechanisms to be applied are summarised below. These have been adapted from the Local Government Information Technology South Australia (LGITSA) AI Adoption toolkit (2025) [Link 2](#).

AI Governance Structure

4. CoA will adopt the following governance structure to oversee AI adoption and ensure ethical and effective use:
 - 4.1. *Council (Elected Body)*: Ensure AI adoption aligns with community values and long-term goals. Allocates resources and undertake training on ethical AI use.
 - 4.2. *Audit and Risk Committee*: Review AI-related risks, complaints, and data incidents. Recommends inclusion of AI-related risks and issues in the internal audit program.
 - 4.3. *Senior Leadership*: Accountable for AI adoption and governance. Actively engages in strategy development and risk management. Implemented through a dedicated AI subcommittee of the existing Business Services Committee.
 - 4.4. *Sponsor*: Appointed by the CEO to lead AI governance, establish policies, and ensure alignment with CoA's objectives.
 - 4.5. *AI Governance Group*: A cross-functional team led by the Sponsor, including subject matter experts in governance, risk, community engagement, IT and supported by external expertise and advice as needed. Reporting through the AI subcommittee.

Risk Management

5. The AI Governance Group and Senior Leadership group will oversee and be responsible for:
 - 5.1. *Risk Assessments*: Conduct regular evaluations of AI systems to identify and mitigate risks, including bias, misuse of AI, privacy breaches, and operational disruptions.
 - 5.2. *Adherence to Laws*: AI use must comply with relevant legislation, including the *Copyright Act 1968* (Cth), *Local Government Act 1999* (SA), and South Australian Information Privacy Principles.
 - 5.3. *Alignment with Frameworks*: AI use will be aligned with local, state and federal frameworks, including the Australian Government's AI Ethics Principles, Australian Cyber Security Centre (ACSC) Essential Eight, state government frameworks (when available) and the LGITSA AI Adoption Toolkit.
 - 5.4. *Risk Management*: CoA must proactively identify and mitigate risks associated with use of AI systems, including ethical, technical, and reputational risks.
 - 5.5. *Stakeholder Management*: Involve stakeholders in the design and implementation of AI solutions to address concerns and build trust.

DATA AND SUPPORTING INFORMATION

Link 1 – Draft AI policy – tracked changes

Link 2 – LGITSA AI Adoption Toolkit

Link 3 – CoA Privacy policy

Link 4 – CoA Data Management policy

ATTACHMENTS

Attachment A – Use of Artificial Intelligence and Generative AI policy

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