PAX INSTITUTE OF EDUCATION
RTO No. 22207 CRICOS No. 03152D

PAX-T09 Artificial Intelligence and Academic Integrity Policy

Version Number: 1.0
Person Responsible for Implementation: Compliance Manager
Effective Date: 22 Aug 2025
Review Date: 22 Aug 2026

Relevant Standards:

- Outcome Standards for RTOs 2025: Standards 1.1, 1.2, 1.3, 1.4, 1.5
- Standards for NVR Registered Training Organisations: Division 2 Compliance Standards
- Privacy Act 1988 (Commonwealth)
- Copyright Act 1968 (Commonwealth)
- Competition and Consumer Act 2010 (Commonwealth)
- Victorian Education and Training Reform Act 2006

Purpose

This policy establishes clear guidelines for the ethical and responsible use of Artificial Intelligence (AI) tools within PAX Institute of Education. It ensures academic integrity is maintained while supporting innovation in learning and teaching. The policy promotes the SAFE-AI principles:

- Secure Data Practices,
- Accountability,
- Fairness,
- Ethical Integrity,
- Accuracy & Validation, and
- Innovation with Oversight,

while ensuring compliance with Australian education standards and copyright laws.

Scope

This policy applies to all:

- Students (domestic and international) enrolled in PAX Institute courses
- Staff, trainers, assessors, and contractors
- Third-party providers delivering services
- All academic work, assessments, and educational activities
- Use of AI tools across all campuses, delivery sites, and online platforms

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Definitions

- **Artificial Intelligence (AI):** Computer systems that can perform tasks normally requiring human intelligence, including language models, image generators, and analysis tools.

- **AI Hallucination:** When AI systems generate information that appears correct but is factually incorrect or completely made up.
- **Academic Integrity**: Honest and responsible conduct in academic work, including original thinking, proper attribution, and ethical use of sources.
- **Plagiarism**: Using someone else's work, ideas, or AI-generated content without proper acknowledgement.
- **Personally Identifiable Information (PII)**: Information that can identify a specific person, such as names, addresses, phone numbers, or student ID numbers.
- **Intellectual Property (IP):** Legal rights over creations of the mind, including copyrights, trademarks, and trade secrets.
- **Data Leakage**: Unintentional exposure or sharing of information through AI interactions.
- Deep Reasoning Mode Advanced AI features that provide complex, multi-step analysis for research tasks.
- **Knowledge Cutoff**: The date after which AI systems do not have current information, potentially leading to outdated or missing data.

Policy Statements

Commitment to Responsible AI Use

PAX Institute is committed to promoting responsible AI use that enhances learning while maintaining academic integrity. We recognise that AI tools can provide significant benefits including efficiency in completing routine tasks, assistance with brainstorming and creativity, computer code generation, image and video creation, accessibility features for people with disabilities, language translation, information summarisation, and 24/7 availability for support services. However, we also acknowledge the limitations of current AI technologies and the need for careful, ethical implementation.

Academic Integrity and Transparency

All AI assistance must be acknowledged appropriately in academic work. Students and staff are required to use AI tools ethically to support learning, not replace original thinking or assessment requirements. Transparency in AI use builds trust and ensures that human contribution remains valued and recognised. PAX Institute maintains that AI assistance does not diminish individual contribution when used appropriately and disclosed properly.

Data Protection and Privacy Standards

Student and institutional information must be protected when using AI systems. We understand that some AI providers may store user inputs to improve their models, conversations might be reviewed by human AI trainers, and generated content might contain traces of input information. Therefore, strict guidelines govern what information can be shared with AI systems to prevent data leakage and protect privacy.

Quality Assurance and Verification

All AI-generated content must be verified and fact-checked before use. We recognise that AI systems can *confidently present incorrect information as fact*, have *knowledge cutoffs that may be up to 2 years prior leading to factual errors*, and *possess limited ability to understand nuance, sarcasm, or cultural context*.

Copyright Compliance and Intellectual Property Protection

All AI use must respect Australian copyright laws and intellectual property rights. We understand that AI training data considerations may include copyrighted works, the legal status of AI-generated content is evolving, and AI outputs based on copyrighted inputs may be considered derivative works.

Users must be prepared for evolving legal standards as case law develops.

Educational Support and Accessibility

AI tools are used to enhance accessibility and learning opportunities for diverse learners while maintaining educational standards. We support the use of AI for legitimate educational purposes including language support for non-native English speakers, accessibility features, and learning enhancement, provided these uses comply with assessment requirements and academic integrity principles.

Understanding AI Technologies

- **Limitations of Current AI Technologies**
    - **Knowledge Cutoffs:** AI tools only have information up to their training cutoff date, which can be up to 2 years prior, leading to factual errors when seeking current information.
    - **Hallucinations:** AI can confidently present incorrect information as fact, creating plausible but entirely fabricated content including fake statistics, citations, or historical information.
    - **Contextual Understanding:** AI has limited ability to understand nuance, sarcasm, cultural context, or complex emotional situations that require human insight.
    - **Reasoning Abilities:** AI experiences difficulty with complex logical reasoning or novel problem-solving situations. Some newer AI models come with a deep reasoning mode that can be used for more complex, multi-step analysis and research tasks.
    - **Data Biases:** AI systems reflect biases present in their training data and data that they access from the Internet, potentially perpetuating stereotypes or unfair representations.

- **Lack of Real-World Experience:** AI has no actual lived experience to draw upon, limiting its ability to understand practical, emotional, or experiential aspects of human situations.

Benefits of AI Tools

AI technologies offer numerous advantages when used appropriately, including efficiency in completing routine or repetitive tasks, assisting with brainstorming, problem solving and creativity, generating computer code, generating images and videos, providing accessibility features for people with disabilities, translating languages, summarising large amounts of information, and offering 24/7 availability for customer service and information support.

The Human Touch: When to Seek Human Expertise

Human experts remain essential for contextual judgment in evaluating factors specific to unique situations, ethical reasoning when navigating complex moral considerations, creative vision in providing authentic artistic direction, emotional intelligence for understanding and responding to human feelings, professional responsibility in making decisions with legal or professional accountability, specialised expertise in applying deep domain knowledge in niche areas, and cutting-edge knowledge that extends beyond AI training cutoffs.

Information Provided to Students

- **Clear Communication Channels**

Students receive clear, accurate, and accessible information about AI policy through PAX website resources, student handbook guidelines, orientation sessions with practical demonstrations, course materials explaining permitted and prohibited AI use, assessment guidelines specifying AI requirements for each task, regular workshops on responsible AI use and academic integrity, and multilingual resources specifically designed for international students.

- **Assessment-Specific Guidance**

Each course and assessment includes specific instructions about AI use permissions, examples of acceptable AI assistance, declaration requirements and formats, quality standards for AI-assisted work, and consequences for policy violations. This guidance is provided in clear, accessible language suitable for students with IELTS 5.5 level English proficiency.

PAX Institute uses integrated LMS detection tools to monitor AI use and ensure compliance with academic integrity standards. It also employs various methods to ensure authentic competency of the students, including implementing additional assessment requirements by assessors such as verbal questioning following submission of an assessment, or a requirement to re-do the assessment in a controlled environment under direct observation.

Responsible AI Use Guidelines

- **Permitted AI Applications**

Students and staff may use AI tools for research assistance and information gathering with mandatory fact-checking, language support for non-native English speakers, brainstorming and creative idea generation, code debugging and programming assistance, accessibility support for students with disabilities, translation between languages, and summarising large amounts of information for study purposes.

- **Prohibited AI Applications**

Users including students must not:

- submit AI-generated work as their own without disclosure,
- use AI to complete entire assessments without explicit permission,
- generate fake references, citations, or statistical data,
- create content that violates copyright laws,
- share confidential student or institutional information with AI systems,
- use AI for exam answers without authorisation, or
- create content that promotes illegal activities, misinformation, stereotypes, harassment, or dangerous activities.

- **Record-Keeping Requirements**

Best practice requires keeping comprehensive records of AI interactions including the specific prompt used, the date and time of interaction, the AI tool's response, any information uploaded to the system, and subsequent human editing or modification. This documentation supports academic integrity and provides evidence of original human contribution to the work.

PAX Institute requires students to retain these records as proof of authenticity of the work submitted and present them if and when requested. PAX Institute will protect the authenticity and integrity of the assessment processes by refusing to accept/ grant competency to submissions that are suspected to be fully AI generated, where a student is not able to substantiate the content, the ideas, or re-do the task or refuses to provide proof of record keeping. Various methods may be used by assessors to ensure authenticity depending on the nature of the task and assessment.

- **Effective AI Interaction Practices**

AI performs better with detailed guidance. Users should be specific about goals and requirements, provide relevant background information, specify formats, tone, and audience expectations, break complex requests into smaller manageable steps, refine prompts based on initial responses, and maintain politeness as AI can understand tone. For example, instead of asking "Write me a lesson plan," users should try "Write a lesson plan for teaching students about sustainable business practices targeting environmentally conscious learners aged 25-40, emphasising practical industry approaches. The tone should be friendly but professional, and the lesson plan should include notes, slide topics, references, further reading, and examples. Thank you."

Data Protection and Privacy Guidelines

- **Information Security Requirements**

Users must be cautious about what information they share with AI systems. Never share personally identifiable information including student ID numbers, bank account numbers, medical records or health information, financial data and trade secrets, proprietary business information, confidential communications, or information about others without their consent. Always consider whether the information is necessary for the request before sharing any data with AI systems.

- **Privacy Considerations for Data Interactions**

Privacy considerations apply to each type of data interaction with AI systems. Some AI providers may store user inputs to improve their models, conversations might be reviewed by human AI trainers, generated content might contain traces of input information, and different AI tools have different data retention policies. Users must understand these risks before engaging with AI systems.

- **Document and Image Upload Precautions**

When uploading files to AI systems, users must consider whether documents contain hidden or redacted information that might be accessible to the AI, copyright and ownership implications of uploaded materials, privacy implications for individuals pictured in images, and ensure they do not upload any personal or business sensitive information, documents, or institutional intellectual property material.

Copyright and Intellectual Property Compliance

- **Australian Copyright Framework**

Under the Copyright Act 1968 (Commonwealth), copyright protection applies to AI inputs where content users input may be protected by copyright. AI training data considerations recognise that AI systems are trained on vast datasets that may include copyrighted works. The ownership of AI outputs remains legally evolving, and AI outputs based on copyrighted inputs may be considered derivative works under Australian law.

- **Best Practices for Copyright Compliance**

Users should treat AI as a tool that assists human creativity rather than an autonomous creator, provide substantial human input, direction, and editing to all AI-assisted work, understand that legal protection may be stronger for heavily human-edited AI outputs, be prepared for evolving legal standards as case law develops, and maintain detailed records of prompts, dates, responses, and uploaded information. This applies to image creation tools where seemingly simple logos might inadvertently reproduce copyrighted material from major brands.

Recognising and Addressing AI Limitations

- **Understanding AI Hallucinations and Fabrications**

AI 'hallucinations' refer to instances where AI systems generate information that appears plausible but is factually incorrect or entirely fabricated. These occur due to gaps in training data, pattern matching that produces plausible but incorrect information, misunderstanding of

context or ambiguous prompts, limitations in the AI's knowledge base, and the statistical nature of language prediction models.

- **Mandatory Fact-Checking Requirements**

Users must always fact-check information provided by AI, especially for facts and statistics, historical information, technical content, citations and references, and any content resembling medical or legal advice. Verification methods include cross-referencing with trusted sources, consulting subject matter experts, and checking original references when provided.

- **Quality Assurance Processes**

PAX Institute employs integrated LMS detection tools to monitor AI use in student submissions. These systems help identify potential AI-generated content and ensure compliance with academic integrity standards. Students and staff are expected to cooperate with these detection processes and provide explanations when requested about their use of AI tools.

Procedures

1. Academic Work and Assessment Guidelines

- **Student Responsibilities:** Students must check assessment requirements or the latest version of assessment policy, and academic integrity policy for specific AI use permissions before beginning any work.
  AI tools should only be used as specified in course guidelines and within the parameters established by trainers and assessors. All AI assistance must be declared. Students are responsible for fact-checking all AI-generated information using reliable sources and must ensure that submitted work demonstrates their own learning and understanding.

- **Staff Responsibilities:** Academic staff must clearly specify AI use permissions by referring students to this policy and provide concrete examples of acceptable AI assistance. They are required to verify authenticity of student work when required using available detection tools or employment of adequate alternative assessment methods, and report suspected academic misconduct through established procedures.

2. AI Detection and Monitoring Systems

When AI use is detected, students may be required to provide evidence of their work process, explain their use of AI tools, demonstrate their understanding of the submitted content, or revise their work to better reflect original contribution.

3. Quality Assurance and Verification Procedures

All users must implement comprehensive verification processes for AI-generated content upon request. This includes cross-referencing information with multiple trusted sources, consulting subject matter experts when available, checking original references and citations for accuracy, using multiple sources to confirm facts and statistics, and exercising caution with technical, medical, or legal content that may have significant consequences if incorrect.

4. Incident Response and Academic Misconduct

When AI misuse is suspected, staff must document the incident with appropriate evidence and report to Academic Officers immediately. Investigations follow established academic misconduct procedures with due process protections for students. Additional training may be provided where misunderstanding rather than intentional misconduct is identified, and corrective measures are implemented to prevent recurrence.

5. Transparency and Declaration Requirements

All AI assistance must be acknowledged using specific declaration formats. Students must clearly identify which AI tools were used and for what specific purposes, specify the extent of AI assistance received, provide evidence of substantial human input and editing, take full responsibility for the accuracy of final content, and maintain records of AI interactions when required by assessment guidelines.

6. Appeals and Review Processes

Students who disagree with determinations about their AI use may appeal through established academic appeals procedures. These processes ensure fair consideration of individual circumstances while maintaining policy integrity and academic standards.

Monitoring Mechanism Summary Table

What is Monitored	How	Frequency	Responsible
AI use in assessments	detection tools, assessor review and random sampling	Ongoing	Academic Officers
Student AI declarations	Review of submitted work and required declarations	Per assessment	Student
Copyright compliance	Review of AI-generated content use and attribution	Biannually	Compliance & QA Team
Data protection incidents	Analysis of reported breaches and privacy concerns	Monthly	CEO, Compliance & QA Team
Policy effectiveness	Student and staff feedback surveys and focus groups	Annually	Compliance & QA Team
Detection system accuracy	Calibration and validation of AI detection tools and processes	Biannually	Assessors, Academic Officers

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Responsibilities

- **CEO:** Oversee organisational commitment to responsible AI use, approve policy updates, ensure resource allocation for implementation
- **Compliance & QA Team:** Monitor compliance with standards, conduct regular audits, review AI practices, coordinate policy updates

- **Academic Officers:** Support staff in implementing AI guidelines, advise on assessment integrity, oversee detection system use
- **Trainers and Assessors:** Implement AI guidelines in courses, complete mandatory training, monitor student compliance, provide guidance to students
- **Students:** Use AI tools responsibly, maintain academic integrity, declare AI assistance appropriately, verify AI-generated content
- **IT Support:** Maintain AI detection systems, ensure secure AI tool access, monitor data protection, provide technical guidance
- **HR Team:** Coordinate staff training programs, maintain training records, support policy implementation

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Relevant Documents and Records

- Student Code of Conduct
- Assessment Policy
- Assessment Validation Policy
- Privacy Policy and Data Protection Procedures
- Copyright and Intellectual Property Policy
- Student Handbook and Orientation Materials
- Course Information Packages and Assessment Briefs
- AI Detection System Reports and Calibration Records
- Incident Reports and Resolution Documentation
- Complaints and Appeals Policy
