

Introduction: Angela

- **Acknowledgement of Country**

Today we speak to you from Ngunnawal land, the land belonging to the Ngunnawal people. We extend our respects to elders past, present and emerging within the room, the Department, and beyond. We acknowledge the continuing connection of the Ngunnawal people to these lands.

- **Context**

Our Graduate Major Project task was to identify opportunities for the use of AI to create efficiencies in the administration of Commonwealth Legal financial assistance schemes. We were asked to identify opportunities for the use of Artificial Intelligence (AI) to complement existing procedures and systems to increase efficiencies. The purpose of this would be to reallocate staff resources away from the processing of applications and claims to allow staff to focus on assessment and decision-making.

- **Scope**

Through consulting with our sponsor and advisors, we were able to identify a number of areas for review within the current process. As set out in [this slide], we were able to break the topic down into 5 core areas, each of which have been informed and supported by a sixth area, being the overarching departmental considerations and risks.

We also identified 3 core stakeholders in this project:

Firstly, the Applicants themselves, who are generally members of the public that could not otherwise afford to pay for their legal costs,

Secondly, the case officers, approximately 14 staff members, being a range of full and part-time officers, who in the 2024-2025 financial year received 234 applications,

And thirdly, the decision makers, being the case officer staff members all the way through to the Attorney-General, holding responsibilities for approving or refusing these claims.

Area 1: Submission of Application by Applicant (Nic)

The first area we wish to talk about focuses largely on the applicant's experience and the completion of the application form. As my colleague Dana will talk about in the third area, incomplete or erroneous applications cause significant delays in the application process.

Foundational to any AI opportunities, and the easiest and surefire win, is IT and case management system improvements. An improved online application form 1) mitigates opportunities for errors 2) feeds directly into the case management system, and 3) has the capability to be integrated with AI tools.

From this, the first AI opportunity is a Chatbot to assist and guide applicants in completing their application. In the early stages this can be a simple rule-based bot providing general guidance or explaining complex legislative schemes in plain language. A longer-term advanced AI Chatbot may offer specific guidance based on the applicants' inputs and messages.

A secondary AI tool can do a preliminary screening to notify an applicant of incorrect responses or documentation before submission, can eliminate one of the most significant pain points in the existing system.

Such opportunities are not without their risks. A common challenge in all areas is the issue of data and AI training. Building and implementing AI tools requires extensive datasets of sufficient quality and quantity. For reference, the Justice Connect AI Chatbot took 4 years to develop and required 205 lawyers who annotated over 14,000 language samples. Without sufficient data to train our AI tools, they will be susceptible to incorrect responses, which further, are likely biased against vulnerable and underrepresented communities.

Area 2: Receiving and Processing Applications (Izzy)

The issues experienced in processing applications flows directly from the manual application inefficiencies and constraints of the case management system. This section utilises the Legal Assistance Grants Recording System, known by the acronym LAGRS, for case management to assess and administer grants. The inefficiencies in this area stem largely from administrative burdens imposed on case officers within the current process.

Consequently, the case officer is the primary stakeholder in this area. The opportunity to upgrade the LAGRS system to a digital end-to-end application system would allow the reallocation of case officer time and resources to more complex matters. In the meantime, the integration of AI tools to automate administrative processes, such as drafting simple correspondence using Copilot Chat, offers a 'quick win' approach to alleviate burdens on case officers.

Applicants also hold a key interest. In the context of the Robodebt scheme, it is critical we maintain transparency with the Applicants to both manage their expectations and assist them in understanding the benefits of balancing automated technologies and human scrutiny.

Decision makers may also benefit from the use of AI to generate allocations of new cases to the most suitable and available case officers. Whilst this is a longer-term suggestion that requires accurate data to be provided to AI software, it also poses that non-AI tools could be used to perform similar tasks in the meantime with the population of a spreadsheet or OneNote tracker.

The proposed changes to processing applications may also benefit the Department more broadly. Currently, a number of casework teams utilise a variety of platforms such as LAGRS, MAX, Compass and iFam. Adopting a single upgraded casework system across the Department would be beneficial to streamline any training, transition of staff between teams, and to incorporate similar AI strategies to relieve common administrative burdens.

Area 3: Incomplete Applications (Dana)

An additional administrative burden affecting the Legal Assistance Branch is the submission of incomplete applications. The team estimates that roughly 90% of applications submitted to LAB are incomplete, meaning that case officers then need to spend time requesting additional information from applicants, further slowing down the application process. Our survey results indicate that almost 40% of case officers identify incomplete applications and requests for information as a key pressure point or bottleneck in the case work process.

As recommended in (Area 1) by my colleague Nic, improving the application system and introducing an (end-to-end digital application system) will significantly reduce the submission of incomplete applications by applicants. In the interim, AI tools such as Copilot Chat can assist in preparing correspondence requesting further information from applicants and monitoring the progress of incomplete applications.

There is also potential for AI to be used to directly process applications and identify where the applicant has left out required information or documents. However, inputting personal information into an AI system risks compromising the privacy of applicants and breaching AGD's obligations under the Privacy Act.

As a matter of best practice, the Office of the Australian Information Commissioner recommends that organisations do not enter personal information, and particularly sensitive information, into publicly available generative AI tools, due to the significant and complex privacy risks involved. Therefore, as the department adjusts to the use of AI in our day-to-day work, personal and sensitive information should only be used in secure AI systems where data stays within the control of the organisation using these systems.

Area 4: Decision-Making and Determining of Application (Jade)

Now moving to the decision-making and determination stage.

At this stage, AI will be most useful in making discrete changes to improve the efficiency of the decision-making process, rather than automating decision-making to substitute the role of case officers and the decision-maker.

In this area, our key recommendation is the development of an AI program to compare precedents. This program would review a current application's similarities and differences against previously decided applications to improve efficiency and ensure consistency in decision-making. This is a long-term opportunity which would require considerable investment alongside the development of an end-to-end AI system, however, this software could create significant efficiency gains for casework teams across the department.

In the context of the application and case management process, it is foreseen that AI will be less significant in this area and supported by uptake in Areas 1-3 as identified above.

Our identified opportunity seeks to create a program to assist in decision-making rather than substituting the role of decision-maker. In doing so, it learns from the Robodebt scheme and recognises that there is a higher risk in employing automated decision making and relying substantially on AI in the decision-making process because case officers must be able to explain, justify and take ownership of advice and decisions, in line with the '*Policy for the responsible use of AI in government*'.

Area 5: Non-Discretionary / Procedural Processes

AGD administers the payment of costs certificates issued by federal courts. However, this process is challenging because case officers may have years of invoices to categorise and assess for throw away costs. However, with around 90% of applications lodged by legal professionals, documents are usually complete and ready for processing. This presents a strong opportunity: the volume and consistency of this data make it ideal for AI training.

Using machine learning, AI can be trained to recognise specific cost items from the *Family Rules* and compare them against the invoices submitted by lawyers. Any discrepancies or unmatched data can then be flagged for review. Our department's plan to adopt *Copilot* Chat makes this solution viable, given its potential to accurately identify and categorise data, reducing the potential for manual errors and significantly improving efficiency.

Similarly, the ANAO (Australian National Audit Office) reporting process remains highly resource-intensive. Case officers must manually audit all cases each quarter, verifying received and receipted dates—often requiring a team of five officers working several hours per day, over multiple weeks.

An integrated AI system could store and categorise this data as case officers respond to each case.

At its core, streamlining these processes with AI improves the responsiveness of government services. Applicants receive payments faster, and case officers are supported by technology that can identify patterns and detect anomalies in high-volume, low-discretion administrative work.

[IF TIME ALLOWS]

These recommendations are made with a strong emphasis on transparency. As with our broader case management practices, the department has an obligation to disclose any use of AI in processing applicant information. Similarly, the ANAO must be informed about changes to our auditing processes. While AI offers significant benefits, it's critical we ensure its use is appropriate, transparent, and includes safeguards where needed.

Area 6:

Thank you, Angela.

As you've heard from the team, the operational challenges in LFAC are significant. My role is to frame these in their broader strategic context.

Our comprehensive research, detailed in your pre-read papers, confirms that these are not just minor inefficiencies. They represent a single, powerful opportunity for the department to demonstrate leadership and proactively strengthen our alignment with our most critical governance obligations.

(Display the "Strategic Opportunity" slide)

- This is an opportunity to enhance our accountability under the PGPA Act by creating more auditable processes.
 - It's an opportunity to embed the consistency and fairness required by the Legal Services Directions directly into our workflow."
 - It's an opportunity to close the data maturity gap, helping our senior leaders fulfill their SES Data Accountabilities and deliver on our AGD Data Strategy."
 - And most importantly, it is an opportunity to proactively apply the profound lessons on human oversight and responsible automation from the Robodebt Royal Commission."
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(Pause)

Seizing these four strategic opportunities requires a responsible first step. Our work has identified two key opportunities for the department:

(Transition to the "Opportunities" slide)

First, a quick win: We have an immediate opportunity to initiate a 'Safe Start' for our AI pilot. This means conducting a rapid Privacy Impact Assessment and developing clear usage guidelines. This allows us to innovate safely and with confidence from day one.

Second, and most critically, we have the opportunity to do the foundational work. The primary strategic goal here is to systematically create a 'Data Foundation' as the clean, auditable, and high-quality data asset we need to meet our SES Data Accountabilities and to prevent future Robodebt-style failures.

We look forward to working with you and the Justice and Communities Group to take these important first steps on the department's modernization journey

Conclusion: Izzy

We have summarised some of the quick wins and longer term opportunities to increase efficiency in the administration of legal financial assistance schemes. As you can see, there is opportunity to improve efficiency across the case management process.

Some of the quick wins include case officers using Copilot Chat to synthesise applications, draft correspondence, develop templates and categorise information.

In the longer term, it is envisioned that the development of a digital end-to-end application system will streamline the process.

Ultimately, any recommendations utilising AI to optimise scheme administration must be developed in tandem with other foundational developments, such as improving the application form and required IT upgrades to the existing system. Without these improvements, efficiency gains will be inherently constrained by operational and systemic challenges, which will outweigh any investment into AI tools.