Investigating the use of Artificial Intelligence in the Administration of Legal Financial Assistance Schemes

Summary Paper

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Executive Statement

The Legal Financial Assistance section within the Legal Assistance Branch (LAB) needs a way to increase efficiency in the administration of legal financial assistance schemes. The current process for administering the schemes lacks streamlined processes for both applicants and administrators, resulting in resource inefficiency and an administrative burden on case officers.

The project seeks to identify opportunities for the use of AI to create efficiencies in the administration of Commonwealth legal financial assistance schemes. Artificial Intelligence (AI) may provide opportunities to remedy inefficiencies in the current processes and increase the ease in which applicants, case officers and decision-makers can interact with the application process.

Consultation with project advisors established a number of areas to consider the use of AI for better efficiency in the casework, and the broader work undertaken by LAB. To identify opportune areas for AI development, the scope has been divided into six areas:

1. Submission of Applicant by Application
2. Receiving and Processing Application
3. Remedying Incomplete Applications
4. Decision-Making and Determining Application
5. Non-Discretionary Procedures
6. Intersectional Departmental Considerations and Risks

Areas 1 to 4 operate in conjunction with one another, as contributing elements to the application process. Area 5 is a standalone provision but remains a significant business-as-usual administrative burden for case officers. Area 6 provides the overarching risks and considerations common across each of these areas, including privacy, the requirement for AI training, the need for transparency, and the public distrust in automated systems as a result of the Robodebt scheme.

The interests of a range of stakeholders contribute to recommendations posed within the Scoping Paper. The below table provides an overview as to the role and vested interest each stakeholder has in the respective Areas 1-5, with recommendations coinciding with these stakeholders. Area 6, dealing with overarching departmental considerations and compliance, lends itself less to these stakeholders but more to common governing frameworks, and is addressed on page 3.

Process	Applicant	Case Officer	Decision-Maker
AREA 1: *Submission of Application by Applicant*	An improved online application form mitigating opportunities for error. AI chatbot to provide guidance completing the application form. AI tool completing preliminary screening to notify incorrect responses or documentation before submission.	Digital end-to-end application system would automate application entry direct to the system and remove administrative burdens.	
AREA 2: *Receiving and Processing Applications*	Automation of correspondence with Copilot Chat can assist expectation management of the Applicant.	Copilot Chat comparative tools can eliminate administrative burdens on case officers by identifying repeat applicants and tying them to an 'Applicant Profile'. Digital end-to-end application system referred to in Area 1.	Simplified decision-making in allocating new matters through utilising AI tools to produce an ongoing allocation tracker, considering factors such as complexity, type of scheme, application stage and number of cases allocated to each officer.
AREA 3: *Incomplete Applications*	Use of Copilot Chat to streamline correspondence can ensure prompt and efficient communication between the Applicant and case officers.	AI tools (e.g. Copilot Chat) could be used to process and summarise applications to identify where applications are incomplete, and which documents are missing from the application (subject to privacy constraints).	AI program could assist in flagging when an incomplete application needs to be closed.
AREA 4: *Decision-Making and Determining of Application by Case Officers*		AI Program to compare precedents – AI is used to create a program that reviews current application's similarities and differences against previously decided applications to ensure decision-making is consistent. Case officer uses Copilot Chat to assist in drafting recommendation notes in the short to medium term.	
AREA 5: *Non-Discretionary / Procedural Processes*	Applicants are interested in a responsive government process that quickly responds to applications. Costs certificates can be streamlined with an improved IT system and machine-learning AI.	Case officer uses Copilot Chat machine learning to categorise costs certificates according to the *Family Law Rules 2021* and identify anomalies in application forms, and the auditing process. AI performs the auditing process for case officers – reviewing application data to ANAO's guidelines.	Decision-makers are equally interested in a streamlined IT system and relieving burdensome administrative work. AI will provide assurance that errors from manual input are flagged and reviewed for clearance.

Table 1: Opportunities are identified in conjunction with stakeholder interest. Please see the Scoping paper for further detail.

Area 6 – Departmental Considerations and Compliance

Privacy

The personal and sensitive information of applicants must be collected, used and disclosed in line with AGD's obligations under the *Privacy Act 1988* and in accordance with the Australian Privacy Principles contained within the Act (particularly APPs 3 and 6). Uploading applications containing such information into AI platforms introduces additional privacy considerations and risks in their implementation.

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 14,384 language samples. We face an immediate data challenge, with a lack of quality data - fragmentated over different sources. The lack of sufficient data quality may cause algorithmic biases and incorrect results that impact application**.**

Operationally, all actions must align with the department's core governance and accountability obligations. The proposed tools must have embedded controls to mitigate the risks of fraud and error, in line with the Commonwealth Fraud and Corruption Control Framework. Critically, the entire process must support the AGD Corporate Plan's objectives for risk management and performance, and adhere to the foundational principles of the Public Governance, Performance and Accountability (PGPA) Act. This includes the duty to ensure the efficient, effective, economical, and ethical use of public resources, which requires a process that is both consistent and auditable.

Transparency

Guidance materials provided by the Office of the Australian Information Commissioner state that organisations should clearly signpost the use of public facing AI tools (ie. Chatbots) to users. Further, AI responses and logic must be explainable as a right to procedural fairness identified in the Robodebt Royal Commission. Where personal information is being used in an AI system, Australian Privacy Principle 6 requires organisations to use or disclose information only for the primary purpose for which it was collected. Personal information may only be used for a secondary purpose with consent from the user, or where the secondary purpose is related to the primary purpose.

Public Distrust (in the context of the Robodebt Scheme)

As evidenced by the Robodebt scheme, poor policy design may cause further distrust and inefficiencies in government processes. Thus, public-facing services must employ AI with high discretion. Any use of AI or automated decision-making must not completely remove the human element of decision-making, as decision-makers are accountable for every decision, even those assisted by AI.

Conclusion

The Scoping Paper has identified opportunities to increase efficiency in the administration of legal financial assistance schemes. In the short to medium term, case officers can use Copilot Chat to synthesise applications and draft correspondence. 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, any efficiency gains from AI and automation will be constrained by operational and systemic challenges, which will outweigh any investment in AI.