

# Investigating the use of Artificial Intelligence (AI) in the administration of Legal Financial Assistance Schemes

Graduate Major Project 2025

Sponsored by the Legal Assistance Branch (LAB)

---

Abbey Bulleid, Izzy Hall, Nic Hodson, Angela Liu, Yeu Wen Mak, Dana Pjanic and Jade Tan

Investigating the use of Artificial Intelligence (AI) in the administration of Legal Financial Assistance Schemes .....	1
Definitions .....	3
Timeline for Opportunities .....	3
Executive Summary .....	4
Project Statement .....	4
Objectives and Deliverables.....	4
Summary of Division into Six Areas.....	5
Stakeholder Mapping.....	6
Summary and Overview of Areas .....	7
Area 1: Application Submission .....	9
Area 2: Receiving and Processing an Application .....	12
Area 3: Incomplete Applications.....	16
Area 4: Decision Making and Determination .....	18
Area 5: Non-Discretionary Procedures .....	21
Area 6: Departmental Considerations and Compliance.....	23
Summary of Key Strategic Risks & Governance Considerations .....	23
Bibliography.....	26

## Definitions

<b>Automated Decision-Making (ADM)</b>	ADM refers to the use of automated systems (which may include AI) to carry out administrative actions and decision
<b>Artificial Intelligence (AI)</b>	<p>The Australian Government follows the OECD's definition of AI:</p> <p><i>An AI system is a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment.</i></p>
<b>Closed-loop AI system</b>	Closed AI conceals the AI models, training data and underlying codebase from the public and within the control of the organisation using this system.
<b>End-to-end Digital Application System</b>	Digital application system managing all stages of the process from application submission to populating the case management system.
<b>Generative AI</b>	AI that can generate text, images, and other content based on the prompts given by the user and the data that has been used to train the AI system.
<b>Machine learning AI</b>	AI uses data to identify patterns and codes in an automated manner. The system is self-improving and can generate models using the data provided.

## Timeline for Opportunities

This table sets out the technological opportunities in the short, medium, and long-term. In each area below, we explore opportunities against these technological developments. For ease of reference, this report recommends opportunities in accordance with these timeframes, noting that they are tied to technological developments.

<b>Short-Term Opportunities</b> (1-6 months)	<b>Mid-Term Opportunities</b> (6 months – 18 months)	<b>Long-Term Opportunities</b> (18 months – 5 years)
<ul style="list-style-type: none"> <li>Launch of Copilot Chat prior to end of October</li> <li>Launch of NotebookLM November/December</li> <li>GovAI available but limited to 800 licenses for the department</li> </ul>	<ul style="list-style-type: none"> <li>Transition to new case management system from the Legal Assistance Grants Recording System (LAGRS) (ServiceNow or other) approximated to be within the next 12-18 months</li> <li>Microsoft 365 potentially introduced in the next calendar year</li> </ul>	<ul style="list-style-type: none"> <li>Speculative or aspirational (which the department should be able to achieve in the next five years)</li> <li>Could involve a proprietary AGD AI product</li> </ul>

## Executive Summary

### Project 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 causes a lack of 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 an applicant can interact with the scheme application process.

### Objectives and Deliverables

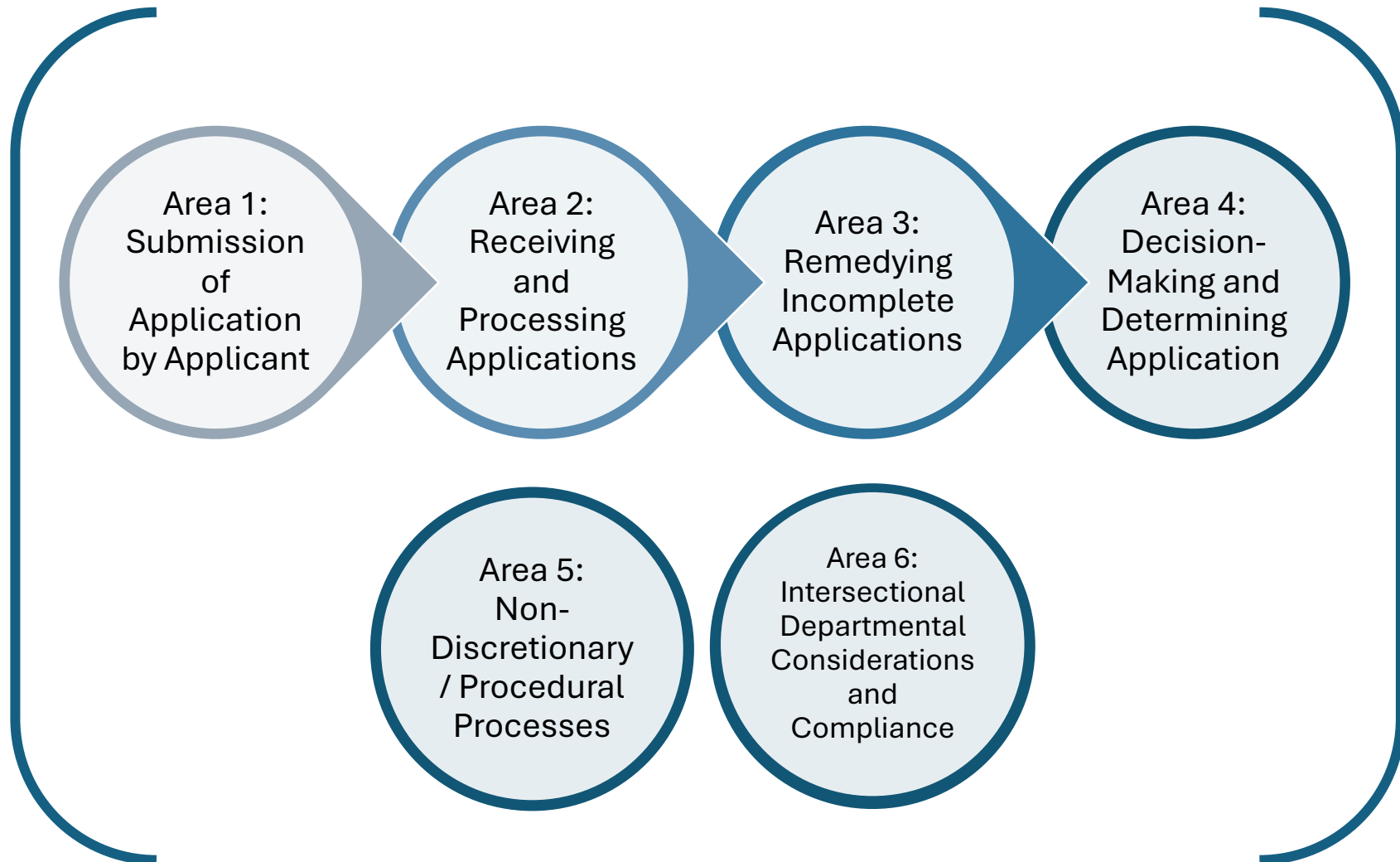
We have identified three main objectives to guide the direction and scope of this Issues Paper. The objectives include:

- Identify **current points** of **inefficiency** and **administrative burden** in the existing procedures and systems.
- Identify **opportunities** to improve the **efficiency of the existing procedures and systems for both applicants and case officers**. This includes exploring opportune uses of AI.
- Identify **risks** and possible **mitigative measures** for the use of AI in the administration of legal financial assistance.

These objectives are to be explored and interrogated to provide our deliverables. This Issues Paper is the key deliverable, to be supplemented with a placemat of the current administrative process, flowcharts to demonstrate the application process, a range of possibilities that present opportunities to use AI, before presenting short-term through to long-term solutions. The other key deliverable includes a presentation to the Executive Board of the research undertaken and the recommendations found.

## Summary of Division into Six Areas

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. To identify opportune areas for AI, the scope has been divided into six areas. Areas 1 to 4 operate as separate sections contributing to the application process, whereas Area 5 and 6 operate as standalone areas. The diagram below sets out these Areas and outlines the structure of this analysis.



## Stakeholder Mapping

Stakeholder	Interests	Concerns
Applicant	<ul style="list-style-type: none"> <li>• A responsive government service - understanding and provides solutions.</li> <li>• Personalised public services.</li> <li>• A fair and consistent process that understands their individual circumstances.</li> <li>• Interest in understanding legal financial assistance schemes.</li> <li>• Interest in knowing the status of the application.</li> </ul>	<ul style="list-style-type: none"> <li>• Their case is not taken seriously or sufficiently addressed.</li> <li>• Personal privacy protection and sensible data management.</li> <li>• Bias in the training and use of AI programs which can produce discriminatory and unfair outcomes.</li> </ul>
Case officer	<ul style="list-style-type: none"> <li>• Streamlining processes (incl. Schemes) and LAGRS for effective case management.</li> <li>• Relieving administrative burden.</li> <li>• Tools that support effective and accurate case management.</li> <li>• Presenting recommendations that account for all relevant circumstances of the individual and considers all legislative and policy requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Possible mistakes from AI-use.</li> <li>• Manual input - higher risk of errors.</li> <li>• The high cognitive load of managing 25+ schemes.</li> </ul>
Decision-maker	<ul style="list-style-type: none"> <li>• Receiving concise, accurate, and evidence-based information that aids their decision-making.</li> <li>• Assurance that the correct process and rules have been followed.</li> <li>• A clear and auditable trail for every decision.</li> </ul>	<ul style="list-style-type: none"> <li>• Deciding based on incomplete or inaccurate information.</li> <li>• The risk of inconsistent recommendations coming up from different case officers.</li> <li>• The lack of a clear, systemic view of risks and priorities across the entire caseload.</li> </ul>
AGD Executive & Governance Bodies (e.g., SES Sponsor, Executive Board, DGC, SRMC)	<ul style="list-style-type: none"> <li>• Ensuring the initiative aligns with the AGD Corporate Plan, Data Strategy, and AI Ethics Principles.</li> <li>• Mitigating the operational, financial, and reputational risks of the current system.</li> <li>• Ensuring the Department meets broader Australian Government frameworks and obligations under the PGPA Act, the Robodebt recommendations, and to the ANAO reporting guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>• The high cost of inaction and the continued inefficiency of a core government service.</li> <li>• The reputational risk of a Robodebt-style failure (e.g. unfair automated decisions, data breaches).</li> <li>• The governance risk of not being compliant with whole-of-government data and AI mandates.</li> <li>• Who is accountable for AI failures in the government.</li> </ul>

## Summary and Overview of Areas

This table provides a high-level overview of the opportunities available to increase efficiency in the administration of legal financial assistance schemes. These opportunities include specific AI developments (ie. full end-to-end online application) and foundational improvements (ie. IT upgrades, revamping the application form).

	Short-Term Opportunities	Mid-Term Opportunities	Long-Term Opportunities
<b>AREA 1:</b> <i>Submission of Application by Applicant</i>	An improved online application form mitigating opportunities for error (mandatory fields) with future ability to connect to the AI tool and chatbot.	Implement rule-based chatbot that can provide guidance in explaining documentation requirements, answer FAQs and translate legislation/ scheme requirements to plain language.	A full end-to-end online application system, where applications feed directly into the case management system. Integrated with an advanced AI chatbot offering guidance to applicants (including scheme eligibility based on the explanation of their circumstances) and an AI tool which does preliminary screening to notify incorrect responses or documentation within the application before submission.
<b>AREA 2:</b> <i>Receiving and Processing Applications</i>	Use of Copilot Chat to generate correspondence to applicants acknowledging receipt of the applications and providing applicants with their case reference numbers.	Development of a Natural Language Processing (NLP) tool to identify the key legal issue relevant to the application to process and allocate it to the relevant schemes.	The implementation of a digital end-to-end application system to automate the entry of applicant details into the IT system removes the burden on case officers of the administrative process of inputting application information into the upgraded IT system.
<b>AREA 3:</b> <i>Incomplete Applications</i>	Use of Copilot Chat to develop RFI templates to allow requests to be instantly developed and completed inputs for 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).	The implementation of a digital application system to prevent or reduce incomplete applications.
<b>AREA 4:</b> <i>Decision-Making and Determining of Application by Case Officers</i>	Case officer uses Copilot Chat to assist in drafting recommendation notes (including a disallowance note if applicable).	No recommended opportunity.	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.

<b>AREA 5:</b> <i>Non-Discretionary Processes</i>	<p>Case officer uses Copilot Chat machine learning to categorise costs certificates according to the <i>Family Law Rules 2021</i> and identify anomalies in application forms.</p>	<p>IT solutions may streamline the costs certificate approval process and provide an allocation tracker for the auditing process.</p>	<p>AI processes costs certificates in an end-to-end system as applications are lodged. AI performs the auditing process for case officers – reviewing application data to ANAO's guidelines.</p>
<b>AREA 6:</b> <i>Overarching Departmental Considerations and Compliance</i>	<p><b>Foundational Augmentation (<i>Pilot &amp; Proof of Value</i>)</b>  <b>Theme: "Calm the Chaos &amp; Build the Foundation"</b>  <b>Strategic Intent:</b> To deliver immediate, high-impact value by solving the most acute "front door" and "back office" problems, while simultaneously beginning the critical work of building a clean, reliable data foundation.  <b>Key Initiatives:</b></p> <ul style="list-style-type: none"> <li>• <b>Automated Claims Assistant (Pilot):</b> Build a rule-based, non-learning "Symbolic Engine" using NotebookLM to automate the assessment of claims against the <i>Assessment of Costs</i></li> <li>• <b>Drafting Assistant (Pilot):</b> Experiment with a generative AI "Latent Engine" using Copilot Chat to assist with drafting complex recommendation notes.</li> <li>• <b>Data Foundation Framework:</b> Establish the core process for capturing all human expert feedback from these pilots as the first input to our clean, structured dataset.</li> <li>• <b>Formal AI Governance:</b> Establish the formal governance framework, aligned with the APS Data Ethics Framework, to oversee the pilots and all future work.</li> </ul>	<p><b>The Emergence of the Learning System (<i>Expansion &amp; Consolidation</i>)</b>  <b>Theme: "Supercharge the Core Engine"</b>  <b>Strategic Intent:</b> To leverage the high-quality dataset and user trust built in the foundational phase to deploy genuinely intelligent, pattern-based capabilities, expanding the exoskeleton's value to more complex and nuanced tasks.  <b>Key Initiatives:</b></p> <ul style="list-style-type: none"> <li>• <b>Build the "Kairos" App on ServiceNow:</b> Consolidate the successful logic from the H1 pilots onto a single, robust, and permanent "AI Exoskeleton" application.</li> <li>• <b>Deploy a "Learning" Intelligent Triage Engine:</b> Retrain the ServiceNow Predictive Intelligence model on the rich data captured in H1 to create a highly accurate and reliable triage tool.</li> <li>• <b>Develop a "Chat with your Guidelines" System:</b> Use ServiceNow's Knowledge Management and Virtual Agent to create a searchable, natural-language interface for all guidelines.</li> <li>• <b>Launch an Automated Submission Portal:</b> Deploy a ServiceNow Self-Service Portal to streamline and validate incoming applications and claims.</li> </ul>	<p><b>The True Expert Partner (<i>Full Integration &amp; Transformation</i>)</b>  <b>Theme: "Achieve the Grand Vision"</b>  <b>Strategic Intent:</b> To achieve the grand vision of a fully integrated socio-technical system that not only handles the full spectrum of casework but also generates strategic insights that improve the entire legal financial assistance program, culminating in the replacement of LAGRS.  <b>Key Initiatives:</b></p> <ul style="list-style-type: none"> <li>• <b>The "LAGRS Replacement" Decision:</b> Make the final, evidence-based decision to either expand the now-proven ServiceNow solution to become the full ICMS (replacing LAGRS) or to integrate it with the new whole-of-government grants system.</li> <li>• <b>AI-Assisted Recommendation Drafter:</b> Deploy the fully mature, integrated AI engines to generate complete first drafts of the most complex recommendation notes for expert review.</li> <li>• <b>Activate the Policy &amp; Process Engine:</b> Use ServiceNow's Process Mining and Performance Analytics to analyse the rich historical data and proactively recommend systemic improvements to policies, guidelines, and processes</li> </ul>



## Area 1: Application Submission

The applicant experience is an important consideration for AI opportunities. The number of incomplete applications, or applications with errors, significantly contributes to the burden faced by the department and case officers. If we can improve the application process for applicants, we will be able to relieve a crucial pain point in the existing system. The more accessible and friendly the forms are for the applicant the more likely they will be completed correctly.

The current system requires applicants to download a word or PDF document, complete the form, and submit it by email or fax. This means that the application is not connected to the case management system and requires case officers to manually examine and input the applications. The additional touch points and manual work increase the risk of errors due to human error. In addition, without mandatory or response validation, as well as general form structure, provides applicants opportunity to submit incomplete or incorrect forms. An improved application process mitigates the risk to both the department and to the applicants. For example, mitigation mechanisms may include mandatory responses, or after selecting schemes, filtering out questions for information and documents not required for the selected schemes.

Many applicants lack the legal knowledge, or ability to afford counsel, to identify relevant facts or determine their eligibility for specific schemes. As a result, vulnerable individuals may be missing out on assistance, and case officers may be receiving frivolous ineligible applications. There is scope for the current applicant system to be more friendly and accessible, improving access to justice and deterring frivolous applications. While there are exciting opportunities for AI to assist in this area, the foremost recommendation are foundational IT and case management system improvements. The development of an end-to-end application system mitigates opportunities for error, feeds directly into the case management system, and has the capability to be integrated with AI tools. Without this foundational work, the efficacy of AI tools will be significantly reduced.

There is also ample scope for AI opportunities, including tools to offer real-time guidance and preliminary screening of responses, which can be achieved through two coinciding models:

- A chatbot that applicants can communicate with directly to provide guidance in how to fill in the application form. In the short-term this can be a simple rule-based both providing general guidance and explaining complex schemes in plain language. In long-term, an advanced AI chatbot which designs its responses and identifies scheme eligibility based on the applicants' inputs and messages.
- An AI Tool operating in the background that completes preliminary screening of responses and documentation to verify completeness and correctness (e.g. if someone uploads the incorrect document in a section).

There are key risks and challenges to these opportunities. Challenges relate to the technical obstacles to building and training an AI model, requiring extensive datasets of sufficient quality and quantity, while avoiding fragmentation. For reference, the Justice Connect AI Chatbot model took 4-years to develop and required 205 lawyers who annotated 14,384 language samples. Without sufficient data to train our AI tools, they will be susceptible to hallucinations and incorrect responses, which further, are likely biased against vulnerable and underrepresented communities.

	Short-Term Opportunities	Mid-Term Opportunities	Long-Term Opportunities	Risks	Mitigation	Other Considerations
<b>1.1 Prerequisite system improvements foundational for AI tools</b>	An improved online application form mitigating opportunities for error (mandatory fields) with future ability to connect to the AI tool and chatbot.	No recommended opportunity.	Fully automated end-to-end digital application system which is integrated with the case management system.	<p>Data piracy and security.</p> <p>Technical failures require the ability to continue the work through manual efforts.</p>	<p>Implement strict data encryption, access controls and compliance with privacy laws.</p> <p>Engage with stakeholders early.</p>	<p>Compliance with data, AI and department standards.</p> <p>Requires an initial and continuing workload by lawyers and case officers to establish and maintain an effective system. This can be achieved through purposeful recruitment of individuals with the required skills.</p>
<b>1.2 AI-powered chatbot for applicants</b>	No recommended opportunity.	<p>Simple rule-based chatbot that can provide guidance in explaining documentation requirements, answer FAQs and translate legislation/ scheme requirements to plain language.</p> <p>Providing 24/7 access to information and guidance.</p>	Advanced AI chatbot to help applicants determine which schemes may apply based on their input.	<p>Generative AI is not a lawyer, is susceptible to hallucinations and incorrect responses.</p> <p>AI may not be able to appropriately account for individual or special circumstances, leading to incorrect advice. Bias in the training and use of AI programs within decision-making which can produce</p>	<p>Requires additional human oversight and review, as well as a commitment to continuous improvement, increasing the quantity and quality of the data set.</p>	<p>An advanced AI which provides guidance based on the applicants' responses and messages requires an extensive data set.</p> <p>Consider partnerships with legal aid</p>

				discriminatory and unfair outcomes. AI can replicate errors on a larger scale.		organisations for outreach and support. Or similar legal justice groups who have begun development on similar AI models.
<b>1.3 AI tool during the application stage</b>	No recommended opportunity.	No recommended opportunity.	<p>AI for preliminary eligibility screening based on responses to application questions or communication with the chatbot.</p> <p>AI to verify completeness and correctness of responses and documentation.</p> <p>AI machine-learning to analyse trends in application errors to assist in future development.</p>	Applicants mistaking AI responses as fact and authoritative and feeling deterred from submitting and application.	Provide full disclaimer to the nature of AI responses and prevent the AI from making conclusive statements during preliminary screening.	

## Area 2: Receiving and Processing an Application

Steps taken to process an application are constrained in achieving greater efficiencies in conjunction with LAGRS. Generative AI tools may be utilised to reduce administrative burdens involved in this area.

The first step is noting the receipt date of the application. The importance of this step is that this establishes the date upon which decision makers must, within 28 days of this date, provide a decision in writing to an applicant per section 5.2(1) of the Guidelines. Whilst this step is smaller in terms of the burden it places on case officers, it does require case officers to input application information on the day it is received, or otherwise as soon as possible. It also provides a level of expectation management to the applicants.

The allocation step involves a review as to any risks, sensitivities and timing considerations. This is essentially a triage step conducted by Executive Level 1 officers on a roster allocation system. Issues identified in this stage are reflective of the absence of an ongoing case allocation tracking system. This step involves a degree of human scrutiny to weigh up considerations against each other, meaning this step does not naturally lend itself to AI tools. Automating information transfer may develop this step when the move to a new system in place of LAGRS is completed.

Entering the application into LAGRS is currently a significant administrative burden put on case officers, partly due to the submission of applications via the word document format. This results in the application not being automatically populated and being input by case officers, also leaving significant room for errors in this process (as explained in Area 1). The issue to be explored here is whether an end-to-end online application form built into the website could be further enhanced by AI tools.

The pre-assessment of the application determines whether it is a complete application that can be progressed, or whether it will need to be referred to a Request for Further Information (RFI) process as explored in Area 3. Common issues experienced in this step involve documents, particularly bank statements and financial documents of the like, are not attached with the application. Area 1 explores mandatory fields in the application process as a possible way to counter this issue.

Acknowledging the receiving of an application is performed by the case officer once the case has been input to the case management system, LAGRS. The burden of this is that despite templates, it is a simple task that could be streamlined as an automated email. The interests of the applicants must be considered in that process however, as it threatens to de-humanise a process which may be highly emotional or individual to the applicant, and automating small steps such as this may be seen as a 'tick-a-box' type automatic response.

Repeat applications create a frustrating burden on case officers, where there are no constraints in place to limit applicants from frivolously applying for each of the 25 schemes, in a hope that their issues fit at least one scheme. This can be mitigated by improvements to the application system that target improving the applicants knowledge and understanding as explored in area 1, but other constraints can be introduced to reallocate case officers time from reviewing repeat applications where no substantive changes have been included, and the same result would inevitably be reached.

	Short-Term Opportunities	Mid-Term Opportunities	Long-Term Opportunities	Risks	Mitigation	Other Considerations
<b>2.1 Receive Date of Application</b>	No recommended opportunity.	With the introduction of a new case management system, there may be scope for automatically populating the receive date from the emails.	The end-to-end digital application system populates the received date and person's name into the case system as learnt from application, establishing new cases with bare (shell) initial details without need for human administration.	Risk of over-complicating technology use for simple tasks in the long-term.	With an online application system, this step may become defunct as it will automatically carry across from an application submission.	Administering change and reviewing scope as a new case management system is introduced, and being flexible to the opportunities presented must be considered. AI does not lend itself in the short-term where Copilot Chat does not have Outlook functions.
<b>2.2 Allocation</b>	Create a case allocation tracker. Initially, this could take the form of an excel spreadsheet or OneNote that requires manual inputting by case officers.	Further developments could utilise AI to assist in automating the case reviews conducted by EL1 officers to check for sensitivities or urgent timelines.	AI tools to populate an ongoing spreadsheet or populate OneNote templates, highlighting risks/ sensitivities, and recommending a level of staff to be allocated the case, i.e. 'suitable for APS5'.	AI may not have the foresight to allocate the cases themselves, noting it cannot rely on numerical allocations per case officers due to varied complexities.	Removing the allocating aspect from the AI functions and relying on it instead for preparation of material for which the allocation can be decided upon by EL1 officers.	To produce automatic allocations, AI tools would require sensitivity and complexity ratings for each case to automate the determination of officers with appropriate case loads to take on new matters.
<b>2.3 Entering Application into LAGRS</b>	Automation of an AI generated checklist to highlight sections	Transition to an upgraded system replacing LAGRS.	Digital end-to-end application system via LFAC website to	Applications include significant personal detail which may not	Use AI to check written information only to limit personal	This section will be significantly improved as a result

	of applications that are fully complete and ready to be entered to save case officer administration time combing through whole application.		automate entry of application details into the IT system.	be suitable to open-end AI sources.	information prior to an end-to-end departmental AI system, i.e. AI not required to view attachments such as financial documents.	of IT systems and the application process are upgraded. The ability to transfer applicant information directly to the IT system should be a core consideration in the integration of the system upgrade.
<b>2.4 Pre-Assessment of Application</b>	Automation of an AI generated checklist demonstrating areas which would deem applications as incomplete. This would then progress the matter to follow the RFI process outlined in Area 3.	Development of a Natural Language Processing (NLP) tool to identify the key legal issue relevant to the application. Similar models have been developed by Justice Connect Victoria and are being considered by Legal Aid NSW following significant evidence of applicants not being confident in identifying the legal issues which apply to them.	AI programming may be taught to perform pattern detection or identify anomalies on documents submitted to closed-loop AI such as financial records. Examples of pattern detection may include transactions or claims within statements that indicate gaps in the applicant's disclosed material.	Submitting personal records to any AI systems prior to the establishment of a closed-loop Departmental AI system would not be possible due to the privacy concerns associated.	Financial and personal records not be uploaded to AI systems until a closed-loop AI product is developed for the Department to reduce privacy concerns.	Human Scrutiny may reveal cases can be progressed without all documentation or may have further reasoning for documents not being included that the AI programming may fail to consider due to the discretionary nature.
<b>2.5 Acknowledge Receiving of Application</b>	Generative AI tools with Copilot Chat may be used to assist in drafting	Application details to be uploaded into Copilot Chat to generate specific	Upon establishing IT system upgrades, this tool may be trained to	Automation without oversight could result in public-facing errors.	Copilot Chat is being designed to not release material outside of the	This is important for expectation management of the Applicant. Oversight

	emails to the Applicant with application reference number.	correspondence including application reference numbers.	automatically generate an email to the applicant upon a received date being recorded in the IT system.		Department. Reviews and tests have shown that AI inconsistently applies the APS Style Guide and Manual to written documents.	to ensure initial engagement is made appropriately will protect from public distrust in automated system use.
<b>2.6 Repeat Applicants</b>	Copilot / Microsoft compare could be used to filter whether there are any substantive differences in applications (where applicant has submitted repeat applications for the same scheme). Copilot may be able to identify the previous case officers on the same applicants' case.	The platform can be developed to flag when there are repeat applicants and prevent duplicate applications being accepted by the system. This may be aided by applications being tied to an 'applicant profile' within the system that can link multiple applications to a single applicant.	Automated Decision Making is used to process unchanged repeat applications from repeat applicants.	Using AI to reject repeated applicants may lead to algorithmic bias. AI may be unable to distinguish changed or special circumstances from vexatious repeat applicants.	Pathway for human review – embedded in any AI driven processes or ADM could be an obligation for a human to review the decision, where the decision is adverse to the applicant. This may still require case officers to manually review adverse decisions against repeated applicants to determine whether any special circumstances exist, which may undermine efficiency improvements from AI.	Minimising the burden of repeat applicants at the application processing stage must be enhanced by substantive improvements to the application form. This could be complemented by the development of an AI chatbot that guides applicants on their scheme eligibility.

## Area 3: Incomplete Applications

The vast majority of applications that are submitted to LFAC are incomplete, creating significant delays in the administration and processing of applications. Case officers are required to send a request for information (RFI) to applicants in order to progress their applications. Remedying incomplete applications is a time-consuming process which reduces efficiency of administration. Survey results from the LFAC team indicate that almost 40% of case officers identify incomplete applications and RFIs as a key pressure point or bottleneck in the case work process.

This problem likely stems from difficulties for applicants in navigating lengthy application forms and providing the necessary personal information, which can often include complicated financial valuations of assets and liabilities. 'Area 1: Application Submission' addresses these issues by recommending that applications be submitted via an online portal in the short-term, with an eventual shift to a fully automated end-to-end digital application system in the long-term. These new online forms and application systems will prevent incomplete applications from being submitted by requiring applicants to complete all mandatory fields.

In addition to these recommendations, AI can be utilised at this stage to simplify the drafting of RFIs for case officers and to track the progress of incomplete applications. AI could also be used to generate guidance materials for case officers when making decisions regarding applications.

	Short-Term Opportunities	Mid-Term Opportunities	Long-Term Opportunities	Risks	Mitigation	Other Considerations
<b>3.1 Identifying incomplete applications</b> Compiling lists of missing information and/or documents	No recommended opportunity due to identified risks and available AI products.	If available to department, AI tools (e.g. Copilot Chat) could be used to process and summarise applications (dependent on availability of proprietary AI or closed-loop AI) to identify where applications are incomplete, and which documents	The implementation of a digital application system to prevent or reduce incomplete applications.	Security of sensitive and personal information of applicants and the transparency of use for applicants.  Risk to departmental compliance and obligations under the <i>Privacy Act 1988</i> including the Australian Privacy Principles.	Undertake a Privacy Impact Assessment. Ensure building and designing of program considers APP obligations.  Human oversight and limiting reliance on AI to discrete areas.	Transparency and the need for applicants to know that AI could be used to process their personal information



		are missing from the application.				
<b>3.2 Sending Requests for Information (RFIs)</b> A case officer will send a request for information to the applicant or applicant's lawyer to remedy the incomplete application.	Use of Copilot Chat to develop RFI templates to allow requests to be instantly developed and completed inputs for case officers.	No recommended opportunity.	As complementary to the above identification sub-stage, RFIs could be sent automatically.	Without oversight incorrect RFIs could be sent out.	Review and proofing of RFIs by case officers. If automated process, a delay in when the automatic reply is sent.	AGD has no power to compel applicants to respond or impose timelines for RFIs.
<b>3.3 Decisions on incomplete applications</b> The department can accept an incomplete application in limited 3.4 circumstances (e.g. emergency)	Creation of document with of AI containing guidelines and steps for how a case officer is to proceed when they think a determination should be made on an incomplete application.	New case management system can alert case officers when an incomplete application might warrant further progression.	No recommended opportunity.	Over-reliance on the system to identify applications can lead to further error.  Guideline and steps document could become outdated.	Human oversight and limiting reliance on AI to discrete areas.  Update document regularly with use of AI program with new inputs as required.	
<b>3.4 Closing an Incomplete Application</b>	AI could assist in drafting and populating email to send to applicant.	AI program could assist in flagging when an incomplete application needs to be closed.	No recommended opportunity.	Errors in closing applications when they should not be closed.	Case officer review of any application before it closes.	

## Area 4: Decision Making and Determination

### Context and Current Process

At the decision-making and determination stage, current processes involve both case officers and decision-makers. The case officer processes the application and drafts a recommendation note which is then peer-reviewed by another case officer at the appropriate level. The recommendation note is sent to the decision-maker who makes a final determination on the application.

In the context of the application and case management process identified in this report, it is foreseen that AI will be less significant in this area and supported by uptake in Areas 1-3 as identified above. This recommendation is in line with the policy principles developed in the '*Policy for the responsible use of AI in government*' document which affirms that 'APS officers need to be able to explain, justify and take ownership of advice and decisions when utilising AI'.

### Risks and Opportunities

Accordingly, at this stage, AI will be most useful in making discrete changes to processes to improve the efficiency of the decision-making process, rather than utilising automated decision-making (ADM) to substitute the role of case officers and decision-makers in determining the final outcome of the application. Whilst utilising AI for some discrete processes such as using AI to assist the case officer in drafting / editing recommendation notes and synthesising information will improve the efficiency of the process, it is not advised that AI replaces the role of the case officer making a recommendation note or the decision-maker in the determination of the application. At the decision-making stage there are limited opportunities for AI to play a meaningful role due to underdeveloped technology, privacy considerations, the risks of algorithmic bias and inaccuracy, and risks of increased number of reviews required, which outweigh the efficiency gains that could be made.

There are no recommended opportunities in relation to the internal review stage as risks at this stage are more acute. As this stage is the final point of internal process (where review is requested) and there is an obligation to consider application afresh, the decision at the review stage requires human assessment – noting that AI may be able to support in very limited capacities (e.g. tools to help in editing draft document but no substantive assistance in decision making).

### Key Recommendation

A key recommendation once a new end-to-end AI system is developed, is the development of an AI program to compare precedents. It is envisioned that AI could be used to create a program that reviews a current application's similarities and differences against previously decided applications to improve efficiency and ensure decision-making is consistent. This can be informed by and initially supported by the framework created and information gathered by a case allocation tracker (recommended at 2.2).

	Short-Term Opportunities	Mid-Term Opportunities	Long-Term Opportunities	Risks	Mitigation	Other Considerations
<b>4,1 Determination of Decision-Maker</b> Determining who the appropriate decision maker is for an application under the Secretary's Instructions Delegations.	No recommended opportunity.	Assistance in drafting correspondence and necessary engagement with Attorney-General's Office where Attorney-General is decision-maker.	Triage tools: (i) Program to assist in triaging who the decision-maker for each application should be. (ii) Assist decision maker to prioritise and flag deadlines for decisions.	Inaccuracy of draft correspondence or triaging tools to direct towards correct decision-maker.	Adequate training of AI system to ensure there are not inaccuracies in products or triaging.	Overarching privacy considerations in relation to the use and disclosure of personal and/or sensitive information.  Information involved, depending on the scheme, national security considerations that might need to be carved out or excluded from AI processes.
<b>4.2 Recommendation Note</b>  (a) <b>Drafting the Recommendation Note</b> (b) <b>If applicable, drafting a disallowance notice</b> (c) <b>Peer review of recommendation</b>	Case officer uses AI (i.e. Copilot) to assist in drafting recommendation notes (including a disallowance note if applicable). Copilot to support review of recommendation note in the first instance.	No recommended opportunity.	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 AI Assistance in Substantive	(i) <u>Bias</u> in the training and use of AI programs within decision-making detailed at 1.2  (ii) <u>Lack of transparency</u> in decision-making. Reducing access to reasoning reduces trust and understanding of decisions and impacts any review processes.  (iii) <u>Accuracy</u> of Decision-Making.	(i) Address data quality issues Regular reviews of program operation to check for, remedy or prevent bias.  (ii) Ensure AI program involved in decision-making provides adequate reasons, human review embedded in the process. Applicants should also be notified of the role of AI in making a specific decision and	Willingness and Capability of Case Officers and Decision-Makers to

			Decision-Making Process – AI program completes draft recommendation which is then peer reviewed (by a case officer) prior to going to delegate. Could operate in tandem with / combined with a comparison of precedents program.	Risk that a program can, and will continue to, produce accurate recommendation notes in relation to all legal financial assistance schemes especially where there is broad discretion.  (iv) the use of AI in the decision-making process may increase the need or desire for review.	have the opportunity to review.  (iii) Ensure there is always an avenue for human review. Appropriately train AI. Ensure there is regular internal review of overarching outputs.  (iv) reduce the use of AI in substantive part of decision-making and/or ensure reasons are provided even with use of AI.	Utilise AI Technologies and the necessity of adequate training and technology support.  Possibility of Automated Decision-making which is not a recommended opportunity.
<b>4.3 Delegate Making Final Decision</b>	No recommended opportunity.					
<b>4.4 Notification of Applicant</b>	Assistance in drafting email correspondence to the applicant.	Once approved by delegate, automatic notification provided by case management system with no need for case officer to action.	No recommended opportunity.	Correspondence will be sent erroneously.	A buffer period for automatic notification in case of error in content or sending of correspondence where one or both of these is automatic (i.e. does not need to be actioned by case officer).	
<b>4.5 Internal Review</b>	No recommended opportunity.					

## Area 5: Non-Discretionary Procedures

The LAB administers several procedures that are non-discretionary, consequentially lending these areas to benefit from the integration of AI tools. Given that 90% of applications are lodged by lawyers, documents are received completed and ready to be processed, presenting an opportunity to train AI with sufficient data quality. Cost certificates have been identified as the most burdensome high volume, low discretion process – invoices can span years of billing and the LAGRS slows the grant process because of the 2-stages of approval needed (impacting case officer workload and when applicants can receive their payment).

During the reporting period, which operates on a quarterly basis, Australian National Audit Office (ANAO) audits and reporting constitute the bulk of case officer workload. The manual auditing process takes 5 case officers several hours a day, over weeks, to manually check the cases' received and receipted dates. This effort reduces the time available for high-discretionary, complex cases that case officers manage.

In repetitive service-delivery processes such as the ones below, both applicants (of cost certificates) and case officers may find streamlined processes with the use of AI. As such, non-discretionary procedural processes may be the 'quick wins' to provide faster service-delivery and test AI use in the department without huge user impacts. AI should improve the efficiency and quality of work produced by strengthening internal manual processes.

	Short-term Opportunities	Medium-term Opportunities	Long-term Opportunities	Risks	Mitigation	Other Considerations
<b>5.1 Costs certificates</b> <i>Costs certificates are non-discretionary 'grants' processed by LAB and manually submitted in LAGRS.</i>	<p>Case officers train AI according to Schedule 3 of the <i>Federal Circuit and Family Court of Australia (Family Law) Rules 2021</i>. AI will have to be trained across several rules and re-trained every year.</p> <p>Using machine learning, invoices and costs are</p>	<p>Streamline LAGRS for cost certificates – process the application and claim in a single stage, removing the two-step approval process.</p> <p>Create a separate process for costs certificates – changing the timeframe for</p>	<p>Reliable AI may automatically process costs certificates for LAB with adequate training and sufficient data quality.</p>	<p>Lack of human oversight, especially in systems that process financial information. Costs certificates may be processed automatically but incorrectly.</p>	<p>A human-in-the-loop – oversight of AI input into the form for approval and lodging.</p> <p>Any incomplete or sensitive forms will be</p>	<p>Training and re-training AI models according to the new <i>Family Law Rules</i> every couple years – is it worthwhile and beneficial?</p> <p>An assessment of the duration</p>

	analysed and categorised by AI into <i>refused</i> , <i>grey area</i> , and <i>approved</i> costs according to the <i>Family Law Rules 2021</i> .	payment from 28 days to 21 days.		Personal privacy and data security concerns for applicants' uploading personal financial records and bank statements.	flagged for human review.	required for the training process.  There may be an initial upfront expense to train AI but this may become more cost-efficient over time.
<b>5.2 ANAO reporting</b> <i>Quarterly engagement with ANAO to confirm LAB's financial assistance process – date received and date receipted checked.</i>	Machine learning may be used for anomaly detection in information (key dates) and identifies cases for further human investigation (eg. mismatched dates).	No recommended opportunity.	AI could utilise existing procedures (in an end-to-end system) to pre-fill and audit information independently. An integrated system would improve data quality and efficiency.	Any incorrect information provided by AI may result in mistakes in the audit process, causing errors to be accounted for to the ANAO.  If data quality is insufficient, AI may make false conclusions and provide inaccurate answers.	Case officers' due diligence in training the AI and picking up on mistakes.  Assess and consider existing data quality (eg. Incomplete applications).	Reporting the changed processes to ANAO – depends on ANAO guidelines on AI use in the auditing and reporting process.

## Area 6: Departmental Considerations and Compliance

### **The Opportunity: A State of "Structured Inefficiency"**

A deep-dive analysis confirms that the Legal Financial Assistance Casework (LFAC) team operates in a state of "structured inefficiency." The team's expert staff are forced to navigate a complex portfolio of over 25 distinct schemes using an outdated and inflexible core system, LAGRS. This necessitates a series of high-effort manual workarounds, particularly for repetitive, rule-based tasks, which impacts timeliness and represents a significant opportunity cost for the department.

### **The Strategic Context: A New Generation of Tools**

The introduction of secure, enterprise-wide AI tools like Microsoft Copilot provides the department with a new and immediate opportunity. As directed by the AGD Data Strategy, our challenge is to "safely trial" these new technologies to "increase efficiency and improve decision making." The key is to do so in a way that is pragmatic, delivers tangible benefits, and provides the evidence needed for future, more strategic investments.

## Summary of Key Strategic Risks & Governance Considerations

This section provides a consolidated summary of the evidence-based strategic risks identified during our two-week analysis. These findings inform our recommendation for a pragmatic, phased approach to modernisation. The proposed initiative is designed to systematically mitigate these inherent risks over time.

### **Risk to Legal & Compliance Obligations**

- The reliance on manual, case-by-case interpretation of over 25 unique scheme rulebooks creates a significant, inherent risk of inconsistent decision-making.
  - 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.
- The workflow requires manual workarounds like creating "duplicate applications" to manage multiple payees, which "distorts" system reports
  - This represents a risk to the integrity and auditability of financial records under the Public Governance, Performance and Accountability (PGPA) Act.

### **Risk of Repeating Key Governance Failures**

- The current workflow has no formal, systemic triage process for risk, forcing staff into undocumented, informal workarounds for urgent and sensitive cases
  - This mirrors a core governance failure highlighted in the Robodebt Royal Commission Report concerning the lack of adequate human oversight for high-impact decisions.
- The applicant experience is confusing, evidenced by a 50-89% refusal rate for key discretionary schemes
  - This places a high administrative burden on vulnerable applicants, echoing the Robodebt lesson on the severe human impact of impenetrable government processes.

### **Risk to Data Quality & Executive Accountability**

- The LFAC operational reality is a "Baseline" level of data maturity. The core LAGRS system has a documented "inability to update data to correct errors".
  - This creates a significant "accountability gap" for senior leaders under the formal SES Accountabilities for Data mandate, which requires them to "value data as an asset and invest in good management and use".
- The department's own reporting identifies timeliness and responsiveness in Legal Assistance as a publicly reported performance failure.
  - The poor data quality and manual processes make it difficult to measure, manage, and improve performance, a key accountability under the AGD Corporate Plan.

### **Risk to Privacy & Responsible AI Adoption**

- Case officers have expressed valid and sophisticated concerns about the privacy and accuracy of AI tools, especially given the sensitive personal and financial data they handle.
  - These concerns directly align with the principles of the APS Data Ethics Framework and the future-state requirements of the Government Response to the Privacy Act Review.
- The technology landscape is becoming increasingly complex with the ad-hoc introduction of multiple AI tools.
  - Without a formal governance framework, the department risks a chaotic adoption of AI that could lead to inconsistent security practices, data silos, and a failure to deliver strategic value for the department.



	Short-Term Opportunities	Mid-Term Opportunities	Long-Term Opportunities	Risks	Mitigation	Other Considerations
<b>6.1 Fragmented &amp; Inconsistent Administration</b>	Standardise user-facing materials.	Develop Centralised Knowledge Base.	A new, single Integrated Case Management System (ICMS).	Inconsistent application of rules across 25+ schemes.	Centralised Knowledge Base as a single source of truth; Human-in-the-loop validation for AI.	Aligns with "One AGD" principle; ensures consistent service delivery across all schemes.
<b>6.2 Outdated Systems &amp; Excessive Manual Work</b>	Establish a Data Foundation Framework.	Prioritise critical fixes for LAGRS integration.	ICMS to replace LAGRS and eliminate manual load.	Expenses from building workarounds.	Phased roadmap avoids failure; Human-centric design with mandatory validation.	Core Strategy: Augmentation over replacement.
<b>6.3 Reactive Management</b>	Pilot the Intelligent Triage Engine (Data Foundation).	Deploy a Learning Triage Engine.	Proactive risk flagging and analytics within ICMS.	AI misclassification of complex cases.	Initial AI recommendations are advisory only; senior officers make the final allocation/risk decision.	Moves risk management from being reactive to proactive in design.
<b>6.4 Strict Record-Keeping &amp; Poor Data Quality</b>	Establish Data Foundation Framework via Triage Tool's feedback loop.	AI Document Pre-Screening to extract clean data.	New ICMS with built-in data validation and immutable audit trails.	AI trained on flawed historical data.	The Data Foundation is the mitigation. We create a new, clean dataset from human feedback, rather than relying solely on messy legacy data.	Builds a valuable, high-quality strategic data asset for the department over time.
<b>6.5 Non-Standard Paths for Urgent/ Sensitive Cases</b>	The Intelligent Triage Engine to formally identify and flag high-risk cases (e.g., SOCM DP, OCAM).	Learning Triage Engine to identify emerging risk patterns.	Configurable, automated workflows for high-risk cases within ICMS.	Failure to correctly identify a high-risk case.	All AI-flagged cases are subject to mandatory senior human review; the AI assists, it does not decide the path.	Formalises and de-risks the current informal, high-risk process of relying on individual staff to spot sensitive cases.
<b>6.6 Organisational &amp; Strategic Barriers</b>	Establish an AI Governance Framework with a Phased Investment Strategy.	Develop internal AI skills and capabilities.	A holistic departmental AI strategy.	Project seen as exciting and new without real value; lack of staff trust.	AI Governance Framework with a phased approach builds trust by starting with a low-risk, high-value pilot for core pain points.	Demonstrates a responsible approach to AI that is aligned with staff concerns and strategic realities.

## Bibliography

- Attorney-General's Department. (2023). *Government Response to the Privacy Act Review*. Available at: <https://www.ag.gov.au/rights-and-protections/publications/government-response-privacy-act-review-report>
- Attorney-General's Department. (2024). *Attorney-General's Department Annual Report 2023-24*. Available at: <https://www.ag.gov.au/about-us/publications/attorney-generals-department-annual-report-2023-24>
- Attorney-General's Department. (2024). *Use of automated decision-making by government: Consultation Paper*, Australia.
- Attorney-General's Department. (2025) *Attorney-General's Department Corporate Plan 2024-25*. Available at: <https://www.ag.gov.au/about-us/publications/attorney-generals-department-corporate-plan-2025-26>
- Attorney-General's Department. (2025) *Attorney-General's Department Data Strategy 2025-2027*. Available at: <https://www.ag.gov.au/about-us/publications/data-strategy>
- Attorney-General's Department (Intranet). *AI and the Style Manual*.
- Chakraborty, A. and Sharma, S. (2020). *Machine Learning in Artificial Intelligence*. Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3656899](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3656899).
- Commonwealth Fraud Prevention Centre. (2024) *Commonwealth Fraud and Corruption Control Framework 2024*. *The Attorney-General's Department*. <https://www.counterfraud.gov.au/library/framework-2024>
- Commonwealth Ombudsman. (2025). *Better Practice Guide: Automated Decision Making*, Australia.
- Commonwealth Ombudsman. (2025) *Automation in the Targeted Compliance Framework: when the law is changed but the system isn't*, Australia.
- Department of Finance. (2024). *Australian Public Service Data Maturity Report 2024*. Available at: [https://www.finance.gov.au/sites/default/files/2025-03/2024\\_Data-Maturity-Report.pdf](https://www.finance.gov.au/sites/default/files/2025-03/2024_Data-Maturity-Report.pdf)
- Department of Finance. (2024). *Data Maturity Assessment Tool & Guide*. Available at: <https://www.finance.gov.au/government/public-data/public-data-policy/data-maturity-assessment-tool>
- Department of Finance. (2024). *APS Data Ethics Framework*. Available at: <https://www.finance.gov.au/government/public-data/public-data-policy/data-ethics-framework>
- Department of Finance. (2024). *APS Data Ethics Use Cases*. Available at: <https://www.finance.gov.au/government/public-data/public-data-policy/data-ethics-framework>
- Department of Finance. (2024). *SES Accountabilities for Data*. Available at: <https://www.finance.gov.au/government/public-data/public-data-policy/ses-accountabilities-data>
- Department of Prime Minister and Cabinet. (2023). *Robodebt Royal Commission Report*. The Commonwealth of Australia. Available at: <https://robodebt.royalcommission.gov.au/publications/report>

Digital Transformation Agency. (2024). *Policy for the responsible use of AI in government*, Australia.

Gajawada, S. and Mustafa, H. (2021). The Interesting and Complete Artificial Intelligence (ICAI). *SSRN Electronic Journal*.

Graduate Major Project Team. (2025). *Case Officer Survey - Full Results and Qualitative Analysis*. [Unpublished raw data]. The Attorney-Generals Department Justice Connect. (2024). *Our AI Model*. Available at: <https://justiceconnect.org.au/about/innovation/legal-help-experience/ai-project/>

Karliuk, M. (2018). *Ethical and Legal Issues in Artificial Intelligence*. Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3460095](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3460095).

Law Society of New South Wales. (2024). *A Solicitor's Guide to Responsible Use of Artificial Intelligence*, Australia.

*Legal Services Directions 2017 (Cth)*

Mannes, A. (2020). *Governance, Risk, and Artificial Intelligence*. Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3608328](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3608328)

Ozili, P.K. (2021). *Big Data and Artificial Intelligence for Financial Inclusion: Benefits and Issues*. Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3766097](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3766097).

Parliament of Australia. (2024). *Select Committee on Adopting Artificial Intelligence Report*, Australia.

*Royal Commission into the Robodebt Scheme: Report*. (2023).

Sfetcu, N. (2024). *Intelligence, from Natural Origins to Artificial Frontiers - Human Intelligence vs. Artificial Intelligence*.

Supreme Court of Victoria. (2024). *Guidelines for Litigants: Responsible Use of Artificial Intelligence in Litigation*, Australia.

Supreme Court of New South Wales. (2025). *Practice Note SC GEN 23: Use of Generative Artificial Intelligence (Gen AI)*, Australia.

The Australian National Audit Office. (2025). *Governance of Data*. Available at: <https://www.anao.gov.au/work/insights/governance-of-data>

#### **Internal documents consulted**

LFAC Standard Operating Procedures (SOP) Manual

LFAC Efficiencies Paper

Grants Approved and Refused 2024-25