

From: [AI in government](#)
To: [Section 47E](#) ; [AI in government](#)
Cc: [Section 47E](#) [Section 22](#)
Subject: RE: Notification of high-risk AI use case in Services Australia [SEC=OFFICIAL]
Date: Friday, 19 December 2025 3:24:04 PM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Good Morning [Section 22](#)

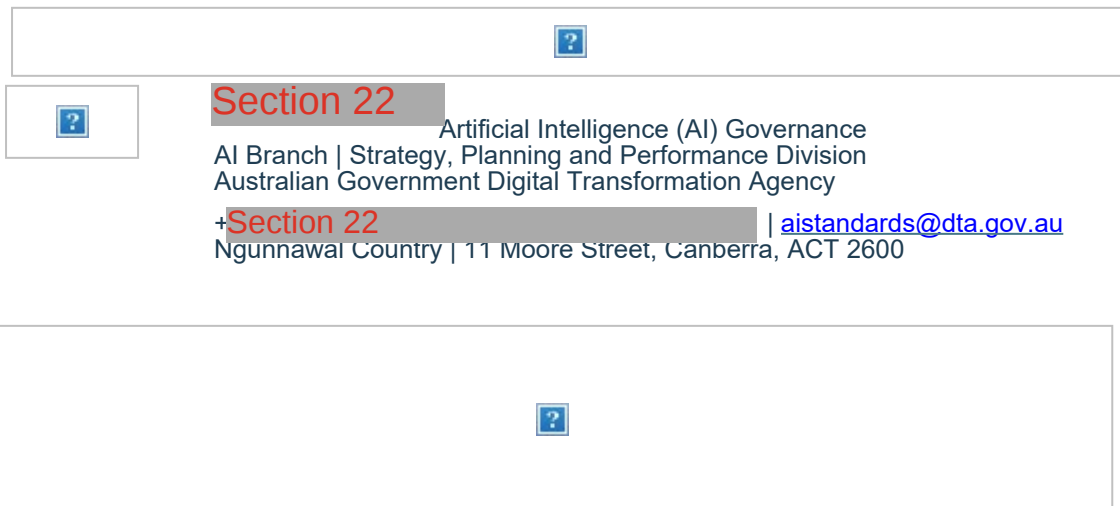
Confirming the DTA has received the below notification, thank you. Please let us know when the use case is deployed.

Thanks also for meeting with us the other day, we look forward to continuing our engagement with your team on AI governance and risk.

Wishing you and your team a lovely weekend.

Kind regards,

[Section 22](#)



From: [Section 22](#) <[@servicesaustralia.gov.au](#)> **On Behalf Of**
[Section 47E](#)
Sent: Wednesday, 17 December 2025 4:28 PM
To: AI in government <[ai@dtg.gov.au](#)>
Cc: [Section 47E](#) <[@servicesaustralia.gov.au](#)>;
[Section 47E](#) <[servicesaustralia.gov.au](#)>; [Section 47E](#)
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<[@servicesaustralia.gov.au](#)>
Subject: Notification of high-risk AI use case in Services Australia [SEC=OFFICIAL]

Good afternoon,

In line with the Policy for the responsible use of AI in government and the Standard for accountability, Services Australia (the agency) is notifying the Digital Transformation Agency (DTA) of a potentially high-risk AI use case.

AGDRP Additional Fraud Controls Model

The type of AI and intended application: A non-generative, supervised machine learning (ML) model that infers a fraud risk score for Australian Government Disaster Recovery Payment (AGDRP) claims. The potentially fraudulent claims are triaged to trained analysts for manual decision (human in the loop). The model does not determine eligibility or fraud. The ML is on-premises and does not use third-party software.

How the agency arrived at a 'high-risk' assessment: This use-case is in-scope and assessed as potentially (inherently) high-risk because it processes personal and sensitive claim data to generate risk scores that materially influence which AGDRP claims are quarantined from automated processing and routed to analysts. In the disaster-recovery context, any model error or bias could delay emergency relief to genuine claimants at scale, meaning the public can be significantly affected by its outputs even with subsequent human review. It should be noted that the model does not introduce delays outside of the agency standards on the issuing of validated payments to genuine customers.

This use case has been through the agency's assurance process for high-risk use cases, which includes consideration and decision to proceed by the agency's Customer Committee (made up of the CEO and Deputies). It has also been subject to advice from a range of external stakeholders including the Independent Advisory Board for Government Services.

Services Australia will continue to work with the DTA to retest the risk rating for this use-case and ensure we comply with the Policy for the responsible use of AI in government, as the operationalisation of the policy matures.

Sensitivities:

- The use of AI in fraud controls, and in particular for vulnerable customers impacted by a disaster, poses an additional element of reputational risk for the agency. This has been considered and mitigated in how the use case will be deployed.
- There is some sensitivity with how agency staff perceive the introduction of AI,

including fears around changes in jobs or job losses. The Agency has undertaken considerable staff and union engagement to understand and address staff concerns.

The agency may begin a controlled soft-launch deployment at the first 2026 AGDRP activation, allowing the agency to validate performance before a full rollout.

Kind regards,

Vanessa Roarty

a/g General Manager, Telecommunications Modernisation Automation and Architecture

a/g Accountable Official for Artificial Intelligence

Phone: **Section 47E**



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