

31 July 2024

Senator Tony Sheldon  
Chair  
Select Committee on Adopting Artificial Intelligence

Via email: [aicommitee.sen@aph.gov.au](mailto:aicommitee.sen@aph.gov.au)

Dear Mr Sheldon

### **Select Committee on Adopting Artificial Intelligence (AI)**

I am writing to advise that the NSW Ombudsman has tabled reports in the NSW Parliament and published other material relating to use of automated decision-making (ADM) systems (including AI). These publications may be useful to the committee as it inquires into the use of AI technologies in Australia.

#### ***Revenue NSW – The lawfulness of its garnishee order process***

This [report](#) tabled in April 2024 was our investigation of Revenue NSW's garnishee order system which it uses to recover unpaid fines and other debts due to the State. Revenue NSW is the NSW Government's taxation and debt recovery agency and utilises automation for the administration of garnishee orders (under which funds are taken from a person's bank account and redirected to Revenue NSW).

We made findings that Revenue NSW's conduct in using the garnishee order system amounted to maladministration. Recommendations were made to Revenue NSW to provide better information to debtors and improve safeguards.

#### ***A map of automated decision-making in the NSW Public Sector***

This [report](#) tabled in March 2024 was about our project to map how the public sector is using or planning to use ADM systems in the performance of their functions. With research undertaken by the ARC Centre of Excellence on Automated Decision-Making and Society (ADM+S), the report represented the first such attempt to 'map' ADM in NSW and included a list of 275 ADM systems and AI tools reported to be in use or planned.

The report incorporated four documents. The following documents were authored by the Ombudsman:

- [Introduction and brief observations](#) – setting out the background to, and context for the research, as well as brief observations concerning its process and outcomes.

- [Compendium of ADM systems](#) – a tabular compilation of the ADM systems reported by NSW public sector agencies and local councils as being currently in use or in development with planned use within 3 years.

The following documents were authored by the ADM+S research team:

- [Executive Report](#) – an overview of the scope of the research, the research teams’ observations and key insights from the project, and considerations for public servants and policy-makers.
- [Research Report](#) – setting out the research in full and providing more detailed data and analysis.

***The new machinery of government – using machine technology in administrative decision-making***

This [report](#) tabled in November 2021 analysed how administrative law requirements relate to the use of ADM and AI systems by public sector agencies as well as a range of design and implementation considerations for agencies when introducing or reviewing their use of such systems. A number of case studies about how NSW public sector agencies were using technologies in the performance of administration functions were included in the report.

Annexed to the report was a detailed case study about Revenue NSW’s use of an automated system for the administration of garnishee orders ([Annexure A](#)).

***Other publications***

We have also published the following that may be of use:

- **Avoiding (and investigating) automated maladministration** – this [paper](#) published in July 2023 considered what has not changed when the Ombudsman investigates possible maladministration related to ADM or AI usage by looking through the lens of the Ombudsman investigation into police use of sniffer dogs or ‘non-human intelligence tools’ for drug detection. We noted that questions relating to lawful authority, accuracy, bias and discrimination and unintended harms will always be at the core of an Ombudsman investigation.
- **Generative AI – Use by NSW Ombudsman officers** – this [policy](#) governs when and how NSW Ombudsman staff may (or must not) use generative AI technologies.

I trust the above is useful information and thank the committee for its interest in our work.

Yours sincerely



Paul Miller  
**NSW Ombudsman**