# 2025 ALPMA
# DYE & DURHAM CHANGING LEGAL LANDSCAPE
## LEGAL INDUSTRY REPORT

Trailblazing Tomorrow: People, Technology and Law on the New Frontier

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# INTRODUCTION

Dye & Durham and ALPMA are proud to present to you the results of the Australasian Legal Industry Trends Report, a national research project which has involved 181 law firms across Australia, New Zealand and Singapore.

On behalf of Carl Olson, Managing Director, Dye & Durham APAC and Emma Elliott, CEO of ALPMA, we look forward to presenting the results of the report.

We hope you find this report an insightful and useful tool to assist in understanding legal industry trends and strategies to ensure your firm's sustainability into the future.

## About ALPMA

The Australasian Legal Practice Management Association (ALPMA) is the peak body representing managers and lawyers with a legal practice management role. ALPMA provides an authoritative voice on issues relevant to legal practice management. Members of ALPMA provide professional management services to legal practices in areas of financial management, strategic management, technology, human resources, facilities and operational management, marketing and information services and technology.

ALPMA offers members a wide range of learning and development resources which include webinars, in-person events, on-demand resources, formal training programs and a network of like-minded legal business professionals. The Association is focused on meeting the ongoing learning and development needs of the industry and also offers formal programs such as Mental Health First Aid Training courses for ALPMA Members and the wider community.

Memberships to ALPMA are available on either an individual basis or, if firms prefer, the firm can subscribe as a corporate subscriber, providing access to all employees.

**alpma.com.au**

## About Dye & Durham

Dye & Durham is one of the world's largest providers of cloud-based legal due diligence and practice management solutions. We are a global technology company that specialises in providing legal, financial and government service professionals with solutions focused on improving the precision, confidence, and efficiency of our customers. We provide the software and support so you can work with certainty.

You may know us by one of our previous Australian brands of SAI Global Property or Global X. As Dye & Durham APAC, we have over 7,000 customers and 250 employees across six offices in Perth, Hobart, Melbourne, Sydney, and Brisbane, providing legal technology solutions to make running a law firm easier, more efficient and more profitable.

**For further information visit dyedurham.com.au**

# Methodology

The 2025 ALPMA and Dye & Durham Survey was available for all Australian, New Zealand and Singapore law firms to complete between 22 July and 6 August 2025 (inclusive). A total of 181 individuals participated, each representing their wider organisation.

Respondents were made up of ALPMA members and subscribers, including 144 law firms with operations in Australia, 39 with operations in New Zealand, and 2 with operations in both countries. The survey collected data on topics around the themes of people, technology and business strategies.

A multitude of channels were used to promote participation, with all data and results collected and reported on a confidential basis. The results of the survey provided in this report maintain the confidentiality of all participants.

The claims made within this report are based on the data received and sample size should be considered when evaluating the results of this report.

Respondents were advised before starting the survey that participation was voluntary, individual responses would not be identifiable in the final report, and that data collected would be used for research purposes only and not be shared with third-parties or partners, outside of the report analysis and writing. Participants were also advised that no personally identifiable information was recorded unless voluntarily offered in text comment fields or provided in the participant contact details section, which were optional; these contact details were only used to contact participants with regards to the survey incentives or as they explicitly opted in.

For certain questions about use of technology, comparisons have been made with data collected on the general population for context. These results are based on a survey of 1,800 Australian adults (and a sub-set of working people) independently conducted between 11 and 17 August 2025 by Resolve Strategic.

# Opening Statement

It is undeniable that the legal industry is rapidly transforming to respond to the challenges of digitisation, competitive markets, time scarcity and the need to upskill our human resources. But how prepared are Australasian law firms for these challenges, and how can the industry move forward with confidence?

These questions have brought together two industry leaders: Dye & Durham and the Australasian Legal Practice Management Association (ALPMA). This partnership has delved deep into this topic to gain important insights through an Australasian-wide research project involving 181 law firms.

Now in its fifth year, the survey explores how firms are responding to pressures in strategy, people, technology, AI, and well-being.

The claims made within this report are based on the data received and the sample size should be considered when evaluating the results of this report.

# Executive Summary

The 2025 Changing Legal Landscape Report, produced by ALPMA and Dye & Durham, draws on the experiences of nearly 200 law firms across Australia and New Zealand. What emerges is a picture of a profession at a crossroads: optimistic about the future, yet navigating fundamental shifts in technology, client expectations, and the needs of its people.

**Technology as the Foundation**

Firms are doubling down on the basics of IT and cybersecurity. With rising threats of data breaches, these investments are no longer optional; they are table stakes. Yet, alongside these essentials, generative AI is moving from novelty to necessity. Over half of firms are now developing AI strategies, but with widely varying levels of sophistication. AI is seen as a transformative force, but the industry is still learning how to wield it. The challenge for leaders will be striking a balance between foundational security and forward-looking innovation.

**The Talent Conundrum**

Many firms are seeking to grow by increasing solicitor headcount, but talent attraction and retention strategies have not kept pace. Firms are increasing remuneration and offering well-being initiatives, but many stop short of addressing the cultural and structural changes that employees say would make the most significant difference: shorter working weeks, reduced billable targets, and equal access to flexible work arrangements. Here lies a hidden risk. While firms believe their own employees enjoy a work-life balance, there is consensus that the profession as a whole does not. Closing this perception gap is critical to preventing burnout and attrition.

**Clients Redefining Value**

The way firms win and retain clients is also changing. Traditional differentiators such as personalised service, specialist expertise, and access to senior lawyers remain powerful, but tomorrow's clients expect more. Technology-enabled efficiencies and even advice on AI adoption are emerging as the next frontiers of value. Firms that continue to rely solely on human touch risk falling behind, while those that blend expertise with innovation will position themselves as trusted partners in an increasingly complex environment.

### Well-being Beyond Programs

When it comes to mental health, firms are making visible progress. More are offering Employee Assistance Programs, appointing Mental Health First Aid officers, and running workshops. Yet employees are asking for something different: strategies that touch the core of how work is structured. Mental health days, cultural change, and easing billable targets are seen as having a far more significant impact than traditional programs. The story here is clear: well-being cannot be reduced to add-ons; it must be embedded in how firms operate.

### AI: Adoption Outpacing Policy

Perhaps the most striking finding is the rapid uptake of AI. Ninety percent of legal professionals have now tried generative AI, and seventy percent use it regularly — far ahead of the general workforce. This groundswell of experimentation is happening even as many firms hesitate to formally authorise its use. Professionals are moving faster than their organisations, creating both opportunities and risks. Excitement outweighs concern, but without thoughtful governance, firms risk being left behind by their own people.

### Looking Ahead

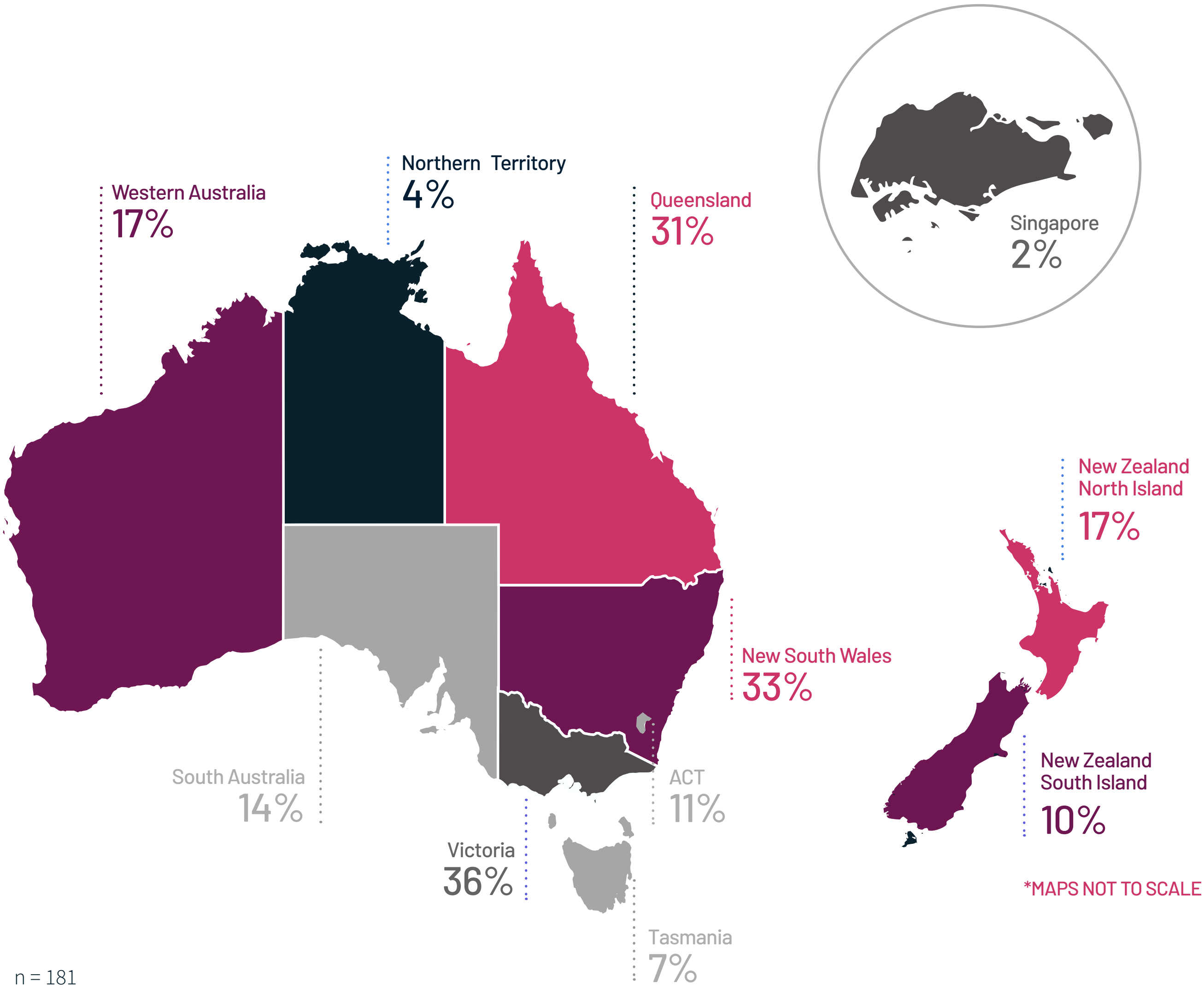
Taken together, the findings reveal a profession in transition. Technology investment is reshaping how firms operate, employees are demanding more sustainable work models, and clients are redefining what they value. The most successful firms will be those that can integrate these forces — marrying digital capability with human expertise, and strategy with culture. The future of law will not be defined by technology alone, but by the adaptability of firms to reimagine what it means to deliver value, support their people, and build trust in a rapidly changing world.

# DEMOGRAPHICS

## Where does your organisation currently operate?

Survey respondents are representative of firms operating across Australia only (77%), New Zealand only (20%), and 3% from multinational firms operating across Australia, New Zealand and/or Singapore.

Consistent with population size, the highest number of responses were from firms with offices in Queensland, Victoria, New South Wales and Western Australia. Of these firms many had more than one office with the split of office locations shown in the graphic below.




n = 181

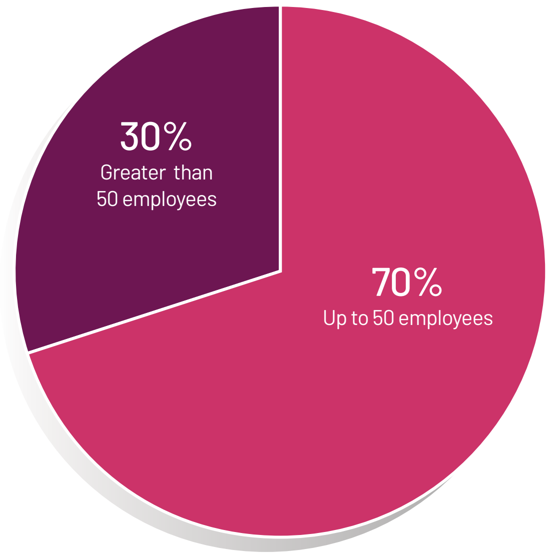
## How many total staff are currently employed at your organisation?

These responses include all full-time, part-time, permanent, casual and contracted staff, including partners, for all roles at the firm as of 1 July 2025.

Over three-quarters (82%) of all survey respondents were from small to medium-sized firms with between 1 and 75 employees. This is reflective of the legal industry given that there are many more smaller to medium-sized firms, than larger firms in the Australian and New Zealand markets. The remaining 18% of respondents were from firms of 75 employees or more.

Half (50%) of respondents were from small firms of 1 to 25 employees or were sole practitioners. Sole practitioners represented 5% of the survey respondents which is representative of a very small proportion of this market segment.

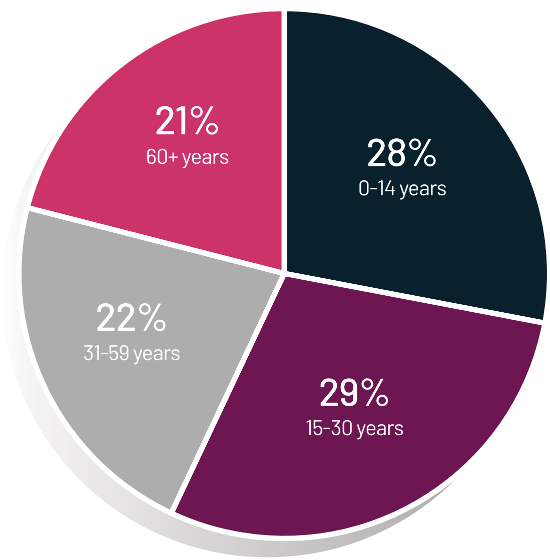
Overall, 70% of firms had up to 50 employees and 30% had greater than 50 employees. Whilst the overall average firm size was 47 employees in Australia and 57 employees in New Zealand, for firms with less than 50 employees the average firm size in Australia was 19 and it was 25 in New Zealand. For firms with more than 50 employees the average firm size in Australia was 119 and 113 in New Zealand .




## How many years has your organisation offered legal services?

Just over half (57%) of law firms have been in business for 30-years or less. Firms that are younger than 31 years of age were typically smaller (81% were Sole Practitioners or up to 50 staff) and firms that were older than 31 years of age were typically larger (44% had 51 or more staff). The greatest differences were seen in firms less than 15 years of age, with 83% having only up to 25 staff, and those operating for over 60 years, with 53% reporting over 50 staff.

The average age of the participating firms with Australia-only operations was 31 and the average age of firms with New Zealand-only operations was 39.

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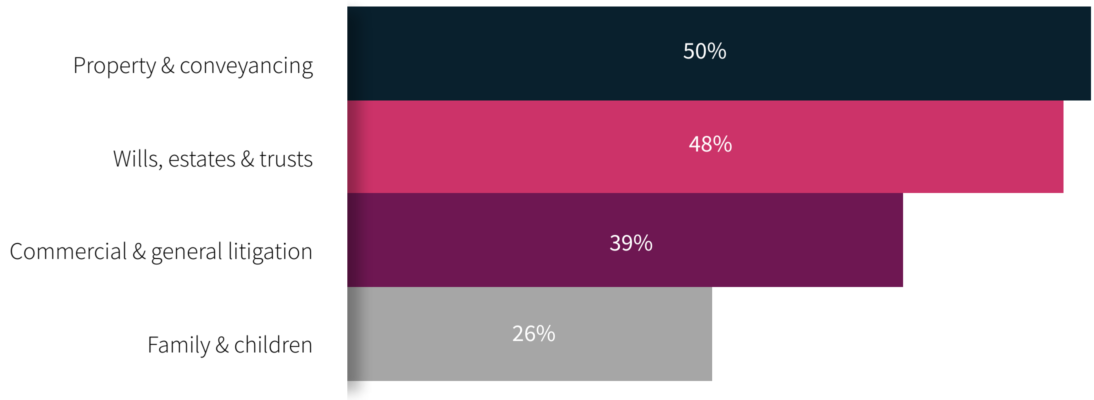
## What are the three largest areas of law that your organisation practices?

The majority of firms surveyed are multidisciplinary with the majority selecting three different areas of law to represent their firm.

The top-most-practiced areas of law from respondents included Property & Conveyancing (50%), Commercial (39%), Wills, Estates & Trusts (48%) and Family Law (26%). These are the same top practice areas as surveyed in 2023 and 2024, though Wills, Estates & Trusts has risen by 10-points in the last year.

The least represented areas of practice included International law; Disability, Discrimination, Indigenous Rights and Native Title; Human Rights, Refugee, & Immigration; Consumer & Competition; Insolvency & Restructuring; and Public & administrative.

### TOP AREAS OF LAW

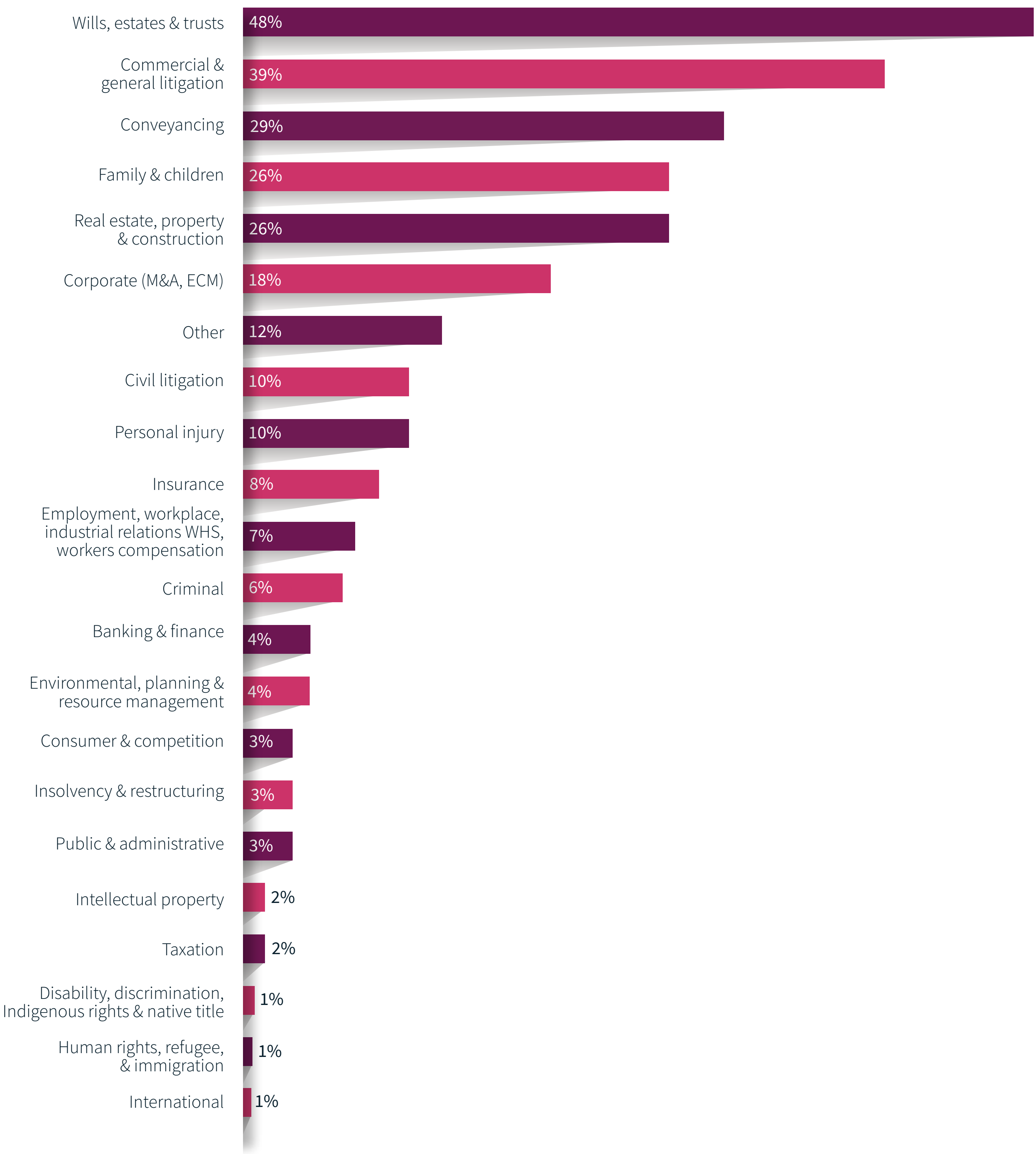



Typically these practice areas have a high suitability for legal tech adoption due to:

- **Repetition & standardisation:** Wills, estates, conveyancing, property law often involve repetitive document generation, form-filling, checklists, and predictable workflows → ripe for automation/document assembly.
- **High volume:** Litigation, family law, and general disputes generate a lot of forms, procedural filings, and case tracking → case management and e-discovery tools are valuable.
- **Transactional complexity:** Corporate/M&A work involves managing large volumes of documents and due diligence → areas where AI-driven document review excels.

## What are the three largest areas of law that your organisation practices?

**ALL PRACTICE AREAS**

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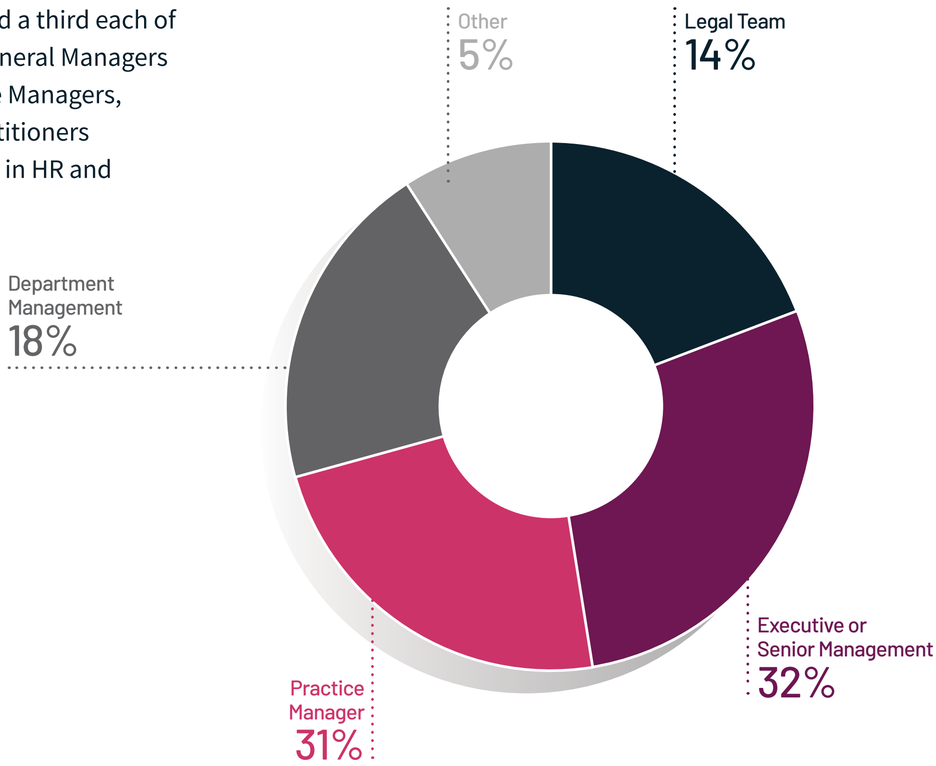
## What is your role or position area within your organisation?

The sample in 2025 contained around a third each of senior management (CEO / COO / General Managers and Managing Partners) and Practice Managers, plus around a fifth each of legal practitioners and department managers (typically in HR and Operations).

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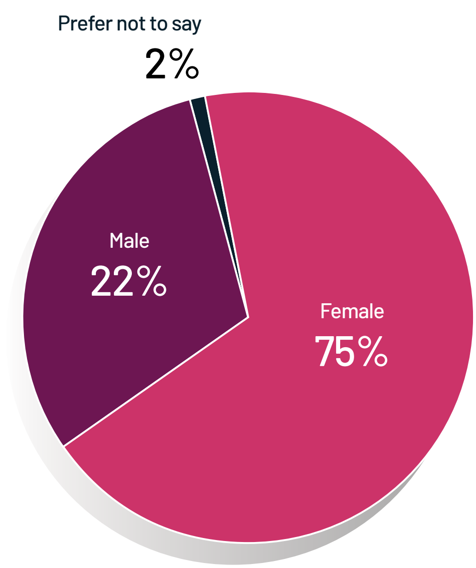
## Gender

Of the participants, the majority identified as female (75%). Females typically occupied roles such as Practice Manager, CEO / COO / General Manager roles or operations roles, whilst males typically occupied roles such as Partner, Sole Practitioner or Managing Partner. These findings match the general makeup of the Australasian legal sector, in that females dominate office management, administration and business executive roles, as well as lawyers/solicitors and salaried partner positions.



# BUSINESS STRATEGY & INVESTMENT

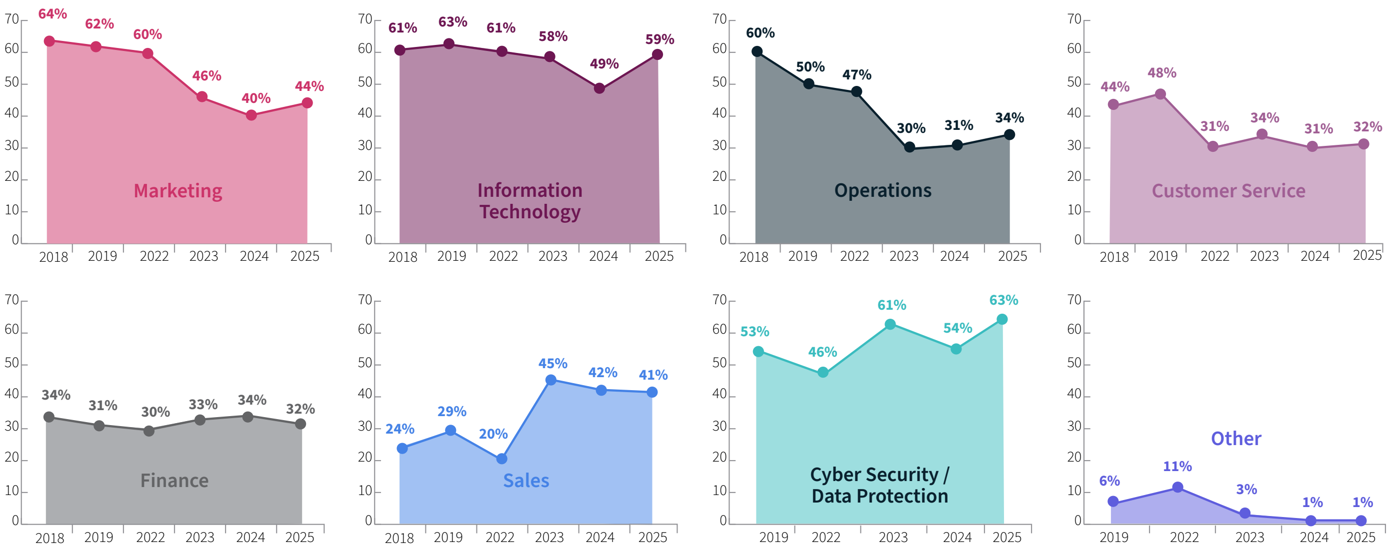
## Evolving Strategies

## In which areas has your organisation developed a strategy for the future?

Many law firms have developed, or are continuing to develop, strategies for marketing, operations, customers service, finances, sales and talent acquisition.  Compliance is also a common area for planning, asked for the first time this year.

However, the largest increases this year have been in IT (up 10-points to 59% and cyber security up 9-points to 63%).  This would seem to suggest that technology is a significant area of interest to the sector, a hypothesis confirmed when we see that 51% are developing plans around the use of AI.

**CURRENT BUSINESS STRATEGIES 2018 TO 2025**




**KEY STRATEGIC SHIFTS FOR LAW FIRMS (2018–2025)**

1. **From Marketing-Dominant → Tech & Risk-Driven**
   - **2018–2019:** Marketing, communications, and brand visibility were top priorities (~62–64%). IT and operations also scored strongly (~60%).
   - **2025:** Marketing has slipped significantly (44%) while technology (59%), cyber security (63%), compliance (47%), and AI (51%) dominate - reflecting an industry pivot towards digital transformation, security, and innovation challenges. Compliance likely taking more of a front seat in 2025 due to the incoming anti-money laundering (AML) regulations soon to be applicable to Australian law firms.

2. **Technology Adoption Moves from Background to Centre Stage**
   - IT has been relatively consistent since 2018 (~61–63%), dipped in 2024 (49%), but rebounded in 2025 (59%).
   - By 2025, Generative AI explicitly enters strategic priorities at 51%, signalling recognition of AI as a distinct transformation force, not just generic "IT".

- Firms now consider tech strategy (automation, AI, integrations) as a core competitive pillar rather than a back-office enabler.

3. **Cyber Security & Compliance Surge in Importance**
   - Absent in 2018 data but by 2019 cyber security is already significant (53%).
   - Peaks in 2025 at 63%, the highest of any category - showing the profession views cyber risk, data protection, and regulatory compliance as existential strategic issues (especially with rising client data sensitivity and regulator scrutiny).
   - Compliance first appears in 2025, immediately at 47% - suggesting rising regulatory pressure, including incoming AML Regulations and/or firms acknowledging the importance of risk & compliance.

4. **Operations & Customer Service in Decline**
   - **Operations:** Strong in 2018 (60%), sharp decline by 2023 (30%), and weak since (~34%). Suggests firms have already advanced this area of operations, have consolidated resources or outsourcing routine functions, shifting focus to higher-value strategy.
   - **Client Service:** Fell from 44% (2018) to only 32% (2025). Client experience strategies appear deprioritised compared to tech, risk, and compliance - though arguably many tech initiatives (AI chatbots, portals, analytics) indirectly enhance client service.

5. **Sales/Business Development Growing in Strategic Weight**
   - Historically low (20–30% between 2018–2022).
   - Post-COVID era (2023 onward) a jump to 45%, stabilising around 41% in 2025.
   - Growing recognition that firms need proactive client acquisition, cross-selling, and brand positioning to remain competitive, especially as alternative legal service providers expand.

6. **Talent & Culture Gain Attention, but modest**
   - Employee-focused categories like talent attraction and retention appear only from 2023 onwards (32% → 28% → 32%).
   - Not a leading concern yet but likely should be given the high expectations by firms to recruit in the year ahead and the known industry challenges around talent attraction and retention. Couple this with broader professional services trends: younger lawyers demanding flexibility, tech-enabled work, and culture improvements post-pandemic it should be a high priority.

7. **Emerging Trend: Strategic Fragmentation**
   - "Other" strategies and "no strategies / unsure" remain very low (<10%), showing firms recognise the need to have articulated, forward-thinking plans. However, the spread across categories indicates divergent priorities based on market position/firm type.

### STRATEGIC IMPLICATIONS FOR LAW FIRMS

1. **2025 & Beyond Priority Stack:** Cybersecurity, AI, IT integration, and compliance have overtaken traditional marketing/ops as the backbone of legal strategy.
2. **Competitive Edge Requires Tech + Risk Mastery:** Future-proof law firms will differentiate on cyber resilience, smart AI adoption, and pricing innovation rather than brand visibility alone.
3. **Client Service Risks Being Underemphasised:** While tech and AI adoption may indirectly address this, firms must ensure client experience doesn't get lost under operational/tech priorities.
4. **Sales and Business Development Now Mainstream:** The spike signals firms are becoming more commercially aggressive. Expect a shift toward sales enablement tech, pipeline analytics, and dedicated BD teams.
5. **People Still Undervalued:** With talent retention hovering ~70%, firms that marry AI adoption with meaningful culture/talent strategies may stand out in the next wave of competition.

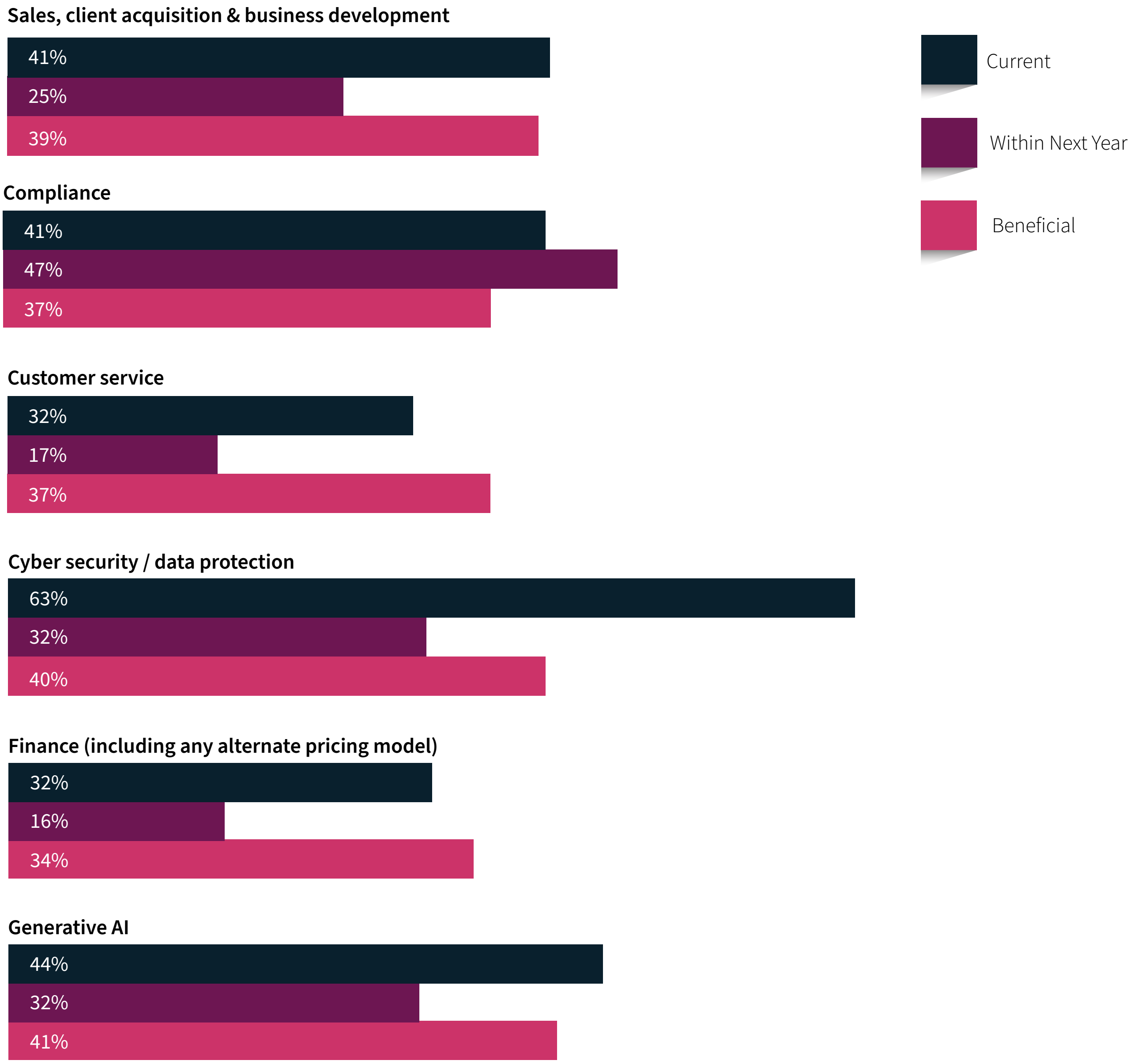
### FIRM SIZE AND STRATEGY PRIORITIES

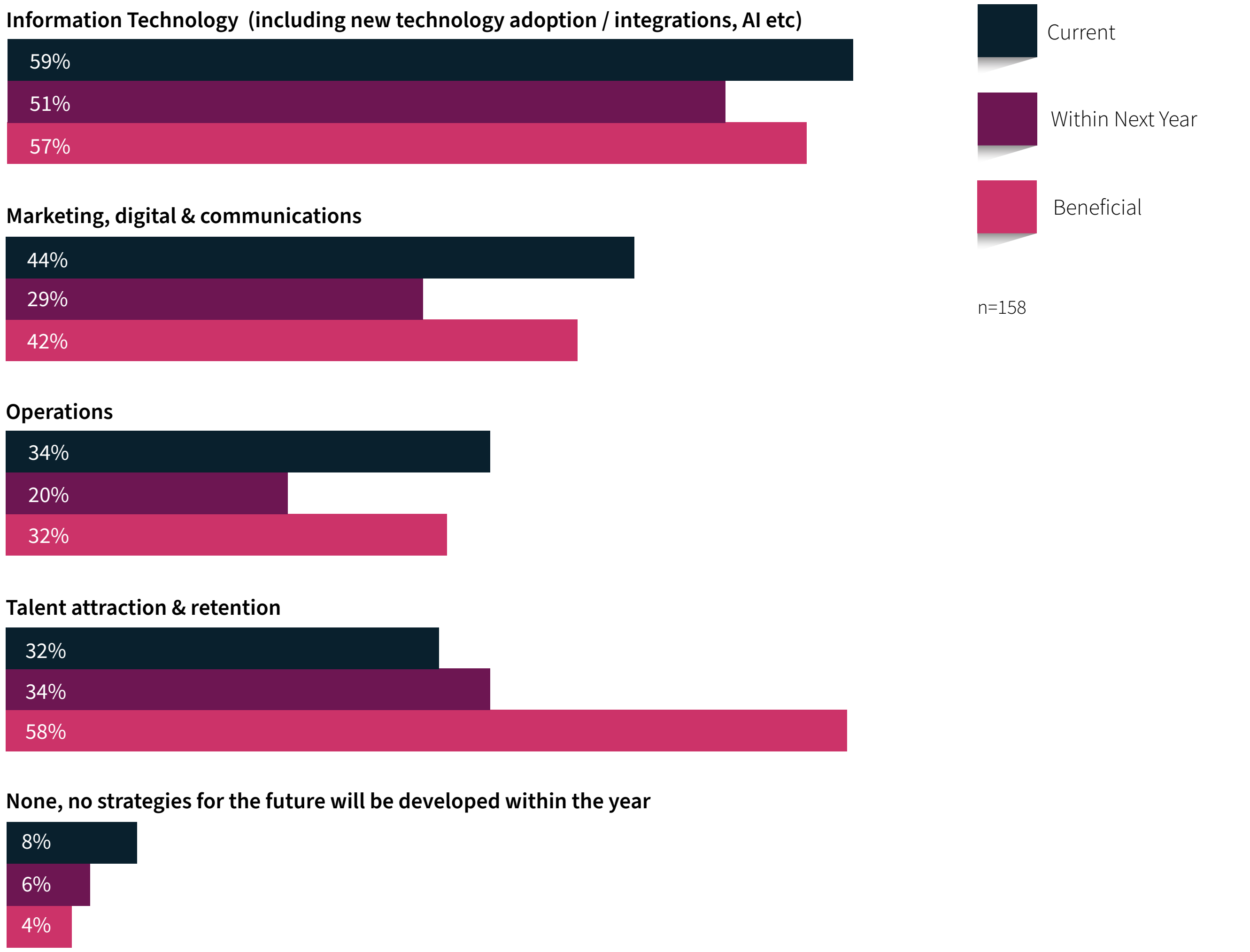
**Small firms:** Likely heavier focus on marketing, client service, and sales (to stay visible and grow pipeline) with slower adoption of AI/cyber compliance due to cost.

**Mid-size firms:** More balanced across tech adoption & BD, often drivers of early-stage AI experimentation.

**Large firms:** Heaviest concern with cybersecurity, compliance, AI, and talent retention, since risks and costs scale with size and complexity.

## In which areas do you believe your organisation will have developed a strategy for the future within the next year and what areas do you believe a strategy for the future would be beneficial for your organisation?






1. **Talent Attraction & Retention – The "Future Gap"**
   - **Current:** 32% → Beneficial: 58% (the biggest gap).
   - Firms know talent investment (culture, retention, flexible work, AI upskilling) would deliver huge benefit but aren't yet prioritising it adequately.
   - **Implication:** The war for talent (especially AI-savvy, hybrid-working lawyers) will define the next decade. Those who fail to invest will struggle with capacity and succession.

2. **Generative AI – Ready but Needs Governance**
   - **Current:** 44% → Beneficial: 41% (strong alignment).
   - This suggests firms already investing heavily in AI, and broadly agree it's beneficial.
   - **Within next year:** 32% → steady pipeline, but indicates uncertainty (some firms are holding back until governance/ compliance frameworks mature).
   - **Implication:** The value is clear, but adoption pace will depend on responsible, risk-managed use.

3. **IT / Technology (general) – The Foundational Investment**
   - **Current:** 59%, Beneficial: 57%, Next year: 51%.
   - One of the most consistently rated high across all columns.
   - Seen not just as "innovation," but as infrastructure (document systems, workflow, integrations, platforms).
   - **Implication:** Firms must treat IT as the bedrock of strategy - all other areas (AI, cyber, compliance, BD) depend on a strong technology foundation.

4. **Cybersecurity / Compliance – Trust & Risk Management**
   - **Cybersecurity Current:** 63% (highest overall), Beneficial: 40%.
   - **Compliance Current:** 41%, Next year 47%, Beneficial: 37%.
   - **Insight:** These are critical hygiene factors → firms must address them, but may not see them as "growth drivers," hence beneficial scores are lower.
   - **Implication:** Clients demand proof of cybersecurity/compliance. Firms that master this can turn "defensive investment" into a market differentiator.

5. **Sales, Client Acquisition & BD – Growth Engine**
   - **Current:** 41%, Beneficial: 39%, Next year: 25%.
   - Stable recognition of importance, but relatively low near-term prioritisation, suggesting firms feel stretched between "keeping clients" vs "finding new ones".
   - **Implication:** With fee pressure and ALSP competition rising, growth-focused BD strategies (digital platforms, data-driven cross-selling) are high-benefit but under-executed.

6. **Client Service & Operations – Declining as Differentiators**
   - **Customer Service:** Current: 32%, Beneficial: 37%, but Next year just 17%.
   - **Operations:** Current 34% → Next year 20% → Beneficial 32%.
   - **Insight:** Firms aren't prioritising these as flashy strategy areas. They may view them as "business as usual".
   - **Risk:** Firms that downplay service may miss client expectations around experience, accessibility, and pricing transparency.
   - Those that link operations + AI + client service (e.g., portals, automation, predictive analytics) could win ground.

7. **Marketing & Finance – Solid but Not Differentiators**
   - Marketing (Current: 44%, Beneficial: 42%).
   - Finance (Current: 32%, Beneficial: 34%).
   - These remain important - especially as alternate pricing models mature - but aren't frontrunners. Most firms see them as supporting layers, not core strategic drivers.

8. **Other Observations**
   - **Uncertainty:** "Unsure" rises to 12% under next year planning → indicates decision paralysis around emerging issues (esp. AI).
   - **"None":** 8% of firms doing no strategy is still notable → these firms risk being left behind quickly if they sit still while AI/compliance advance.
   - **Other = 1% consistently:** Suggests strategy is consolidating around the major known pain points (not fringe issues).

## Which Areas Would Be Most Beneficial Long-Term?

**Based on biggest benefit uplifts vs current investment, the top three "future benefit levers" are:**

1. Talent (58% beneficial vs 32% current) - under-addressed, but critical; success depends on blending AI adoption with people strategy.
2. Generative AI (41% beneficial, already strong adoption) - transformative force, but requires firm-wide innovation frameworks.
3. Sales/BD + Client Service (37–39% beneficial) - clients increasingly expect solutions beyond legal advice; AI-enabled BD/client experience will set leaders apart.

**Strategic Takeaway**
**The future law firm strategy stack looks like this:**

**Foundation Layer:** IT integration + Cybersecurity + Compliance (baseline expectations, table stakes for clients).

**Growth Layer**: Generative AI + Marketing/BD + Client Experience (differentiators that win new markets).

**Sustainability Layer:** Talent attraction/retention (the biggest long-term pay-off, but currently under prioritised).

# Adding Value

## Pitching for work: 2019 to 2025

## What value-adds is your organisation currently offering potential clients when pitching for work?

1. **Personalised Service – Still #1, But Slight Decline from 2019 Peak**
   - **2019: 90% → 2025:** 75%.
   - Customisation and client-first service has consistently been the top offering, though it dropped from its 2019 peak.
   - **Interpretation:** Personalisation is considered baseline expected by clients - still critical, but no longer a unique differentiator (a "hygiene factor" versus a true "value-add").

2. **Specialised Experience – Stable differentiator**
   - **Flat over time:** 67–70% across all years.
   - Clients clearly continue to see sector/subject expertise as a value-add, but the lack of growth shows it's more of a minimum requirement than a differentiator.
   - **Implication:** "Experience" alone won't win work unless bundled with other innovations (AI, pricing, partnerships).

3. **Access to Senior Lawyers – Rising as a Differentiator**
   - **2019:** 50% → **2025:** 72%.
   - **Strong upward trend:** clients value direct senior involvement as opposed to being handed to juniors after the pitch.
   - **Implication:** In an AI/automation era, human expertise, judgment, and trusted relationships are regaining importance as a premium selling point.

4. **Pricing Innovation – Rapidly Rising**
   - Introduced in 2022 (45%) → 64% by 2025.
   - Alternate pricing and fixed fee arrangements are now mainstream selling points.
   - **Implication:** Clients demand predictability, transparency, and value-based pricing. Firms not offering flexible models will risk losing tenders.

5. **Technology as Value-Add – Weak (and Declining)**
   - **Client communication tech/portals:** 48% in 2019 → collapsed to 27% in 2025.
   - **"Technology advancements / streamlined delivery":** only 13–14% by 2024–25.
   - **Interpretation:** Clients don't view "tech in itself" as a differentiator anymore.
   - **Implication:** Firms should shift focus from "we have portals" to "here's how AI/tech improves speed, accuracy, insights, or collaboration for you/your business".

6. **Newer Value-Adds Emerging**
   - **Access to other professional experts:** ~45–53% since 2022. Clients value cross-disciplinary advice (tax, finance, consulting), showing convergence law-with-other-services.
   - **Industry/network introductions:** low but growing to 34% in 2025 → clients see law firms as connectors, not just lawyers.
   - **Ongoing L&D for clients:** steady around 27–31% → firms sharing knowledge (webinars, training) is a modest differentiator.
   - **Advice on Gen AI:** Early days (5% in 2025), but represents a new frontier. This will likely grow rapidly as clients look for legal guidance on AI adoption/risks.

**Strategic Takeaway for firms**

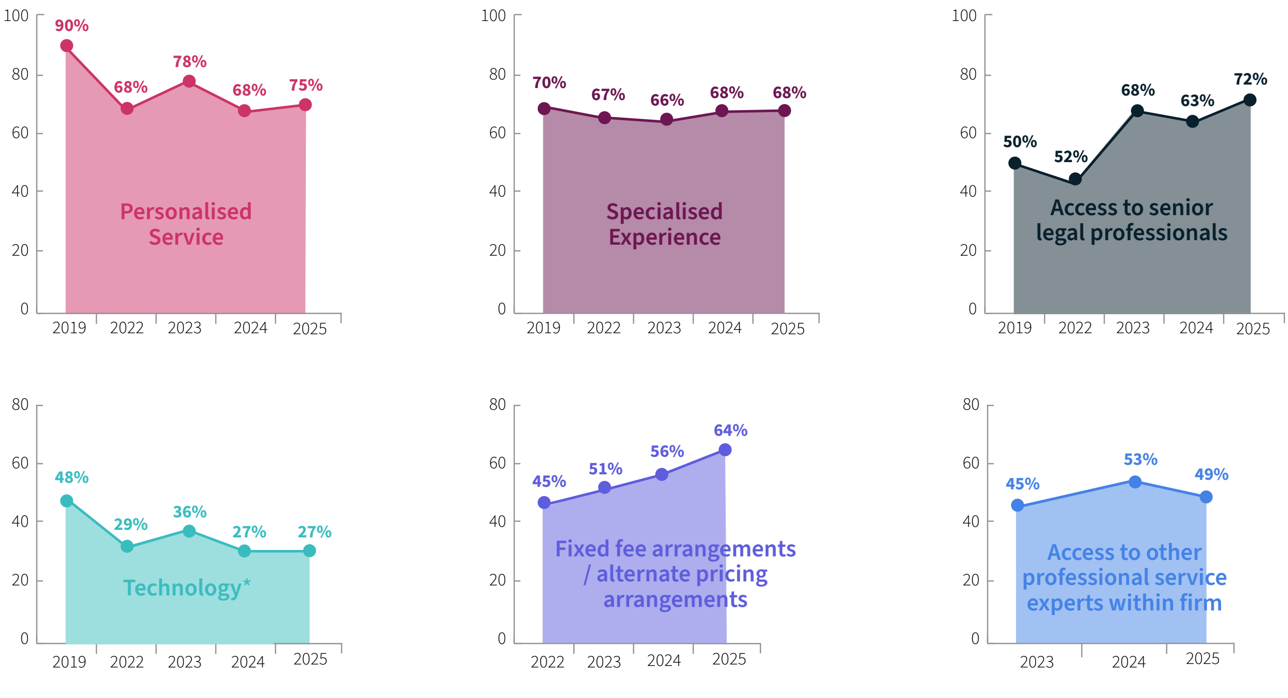
1. **Shift from Hygiene Factors → True Differentiators**
   - Personalised service, expertise, and portals are expected. They no longer win pitches on their own.
   - Differentiation now comes from pricing transparency, senior access, and cross-industry connections.
2. **Client Trust + Predictability Are Key**
   - Rising demand for senior involvement and alternate pricing shows clients want certainty and confidence over innovation gimmicks.

3. **Technology Isn't the Differentiator — Outcomes Are**
   - Barely 27% see "client tech portals" as valuable. Firms must frame tech in terms of client benefit: faster outcomes, reduced risk, predictive insights.
4. **New Growth Opportunities**
   - **Cross-disciplinary access:** Being more than "just lawyers" strengthens ties with clients.
   - **Industry networks:** Position firms as connectors and facilitators, not just service providers.
   - **Gen AI advisory:** Emerging area; can position firms as thought leaders if they move fast and responsibly.

## Where Firms Should Focus Their Value-Adds Going Forward

- **Must-have baseline:** Personalisation, expertise, portals/tech basics.
- **High-value differentiators:** Senior lawyer access, alternate pricing, interdisciplinary expertise.
- **Next-wave opportunities:** Client education (L&D), networking introductions, and especially AI advisory services.

VALUE-ADDS 2019 TO 2025




*Client communication portal, digital verification of identity options

# Future offers for clients

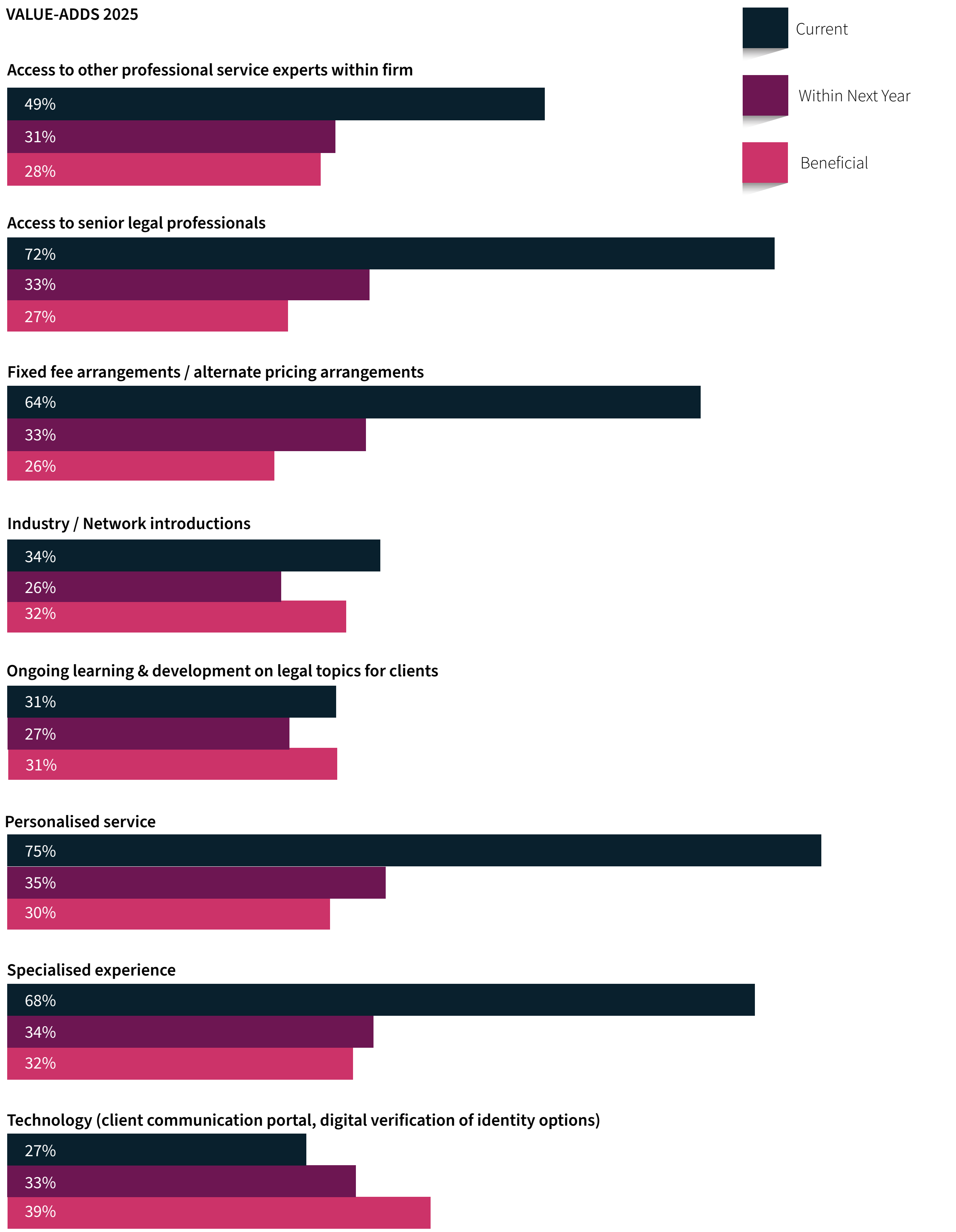
1. **Traditional Value-Adds Are Peaking (and Declining in Relative Importance)**
    - Access to senior lawyers (72%), fixed fees (64%), personalised service (75%), specialised experience (68%) are currently very common.
    - But when asked what would be most beneficial in the future, they score much lower (26–32%).
    - **Takeaway:** These have shifted from differentiators → table-stakes. Clients now expect them as standard, so firms need to find new levers to stand out.

2. **Technology & Innovation Are Emerging as the Future Differentiators**
    - Client-facing tech (39%), streamlined service delivery (39%), Gen AI advice (34%) show a strong rise in "beneficial" scores compared to current adoption levels.
    - **Takeaway:** Firms see tech-enabled value-adds (AI, automation, secure portals) as the true differentiators moving forward - less about "we're experienced" and more about "we deliver smarter, faster, safer".

3. **Clients Want More Than Legal Advice – Ecosystem Value Will Matter**
    - Industry/network introductions (32%) and ongoing client learning (31%) are modest now, but predicted to remain valuable.
    - This shows a shift toward firms acting as connectors, educators, and strategic partners - not just legal technicians.
    - **Takeaway:** Future competitive advantage comes from being a knowledge + network hub, blending traditional law with broader client support ecosystems.

**Summary:**

1. Old value-adds (senior access, fixed fees, personalisation) will soon be baseline expectations.
2. Technology, AI, and innovation-driven delivery are becoming the next real differentiators.
3. Firms will win by offering ecosystem value (connections, knowledge-sharing, multi-disciplinary access) that goes beyond legal work.


VALUE-ADDS 2025
Current
Within Next Year
Beneficial
Access to other professional service experts within firm
49%
31%
28%
Access to senior legal professionals
72%
33%
27%
Fixed fee arrangements / alternate pricing arrangements
64%
33%
26%
Industry / Network introductions
34%
26%
32%
Ongoing learning & development on legal topics for clients
31%
27%
31%
Personalised service
75%
35%
30%
Specialised experience
68%
34%
32%
Technology (client communication portal, digital verification of identity options)
27%
33%
39%

n=148

**VALUE-ADDS 2025**


n=148

n=148

# PEOPLE & PRODUCTIVITY

Within this section, survey respondents were asked a series of questions relating to employment (attraction & retention), their real and perceived work-life balance, the influence of technology on their work-life balance and work practices adopted by firms for various sub-employee groups.

## People Investment

### Going forward through FY26, is your organisation looking to increase your employment headcount for the following roles?

The data shows an interesting tension between firms' aspirations to grow headcount - especially legal professionals -and their apparent lack of prioritization of talent management strategies year on year.

**Talent Management Gap vs. Headcount Aspirations**

1. **Demand vs. Reality Gap**
   - Firms *want* to increase solicitors and paralegals significantly (73% and 37%, respectively), reflecting real resourcing and capacity pressures to meet client demand and maintain competitive service levels.
   - However, consistent under-prioritization of talent attraction, retention, and development strategies (~30–34%) suggests firms may struggle to actually fill these roles. This is especially critical given reported market shortages of qualified legal professionals and increasing competition for talent (including between law firms, ALSPs, and corporate legal departments).

2. **Risk of Attrition and Recruitment Failure**
   - Without strong talent strategies addressing career paths, culture, flexible work, upskilling - firms risk higher attrition rates, longer vacancies, and increased reliance on contract lawyers.
   - This disconnect means many firms' headcount growth plans may only be partially realized, potentially leading to burnout among existing staff and client-service risks.

**Low IT Recruitment Expectations (6%) in 2025**

1. **Stable or Lean IT Staffing Model**
   - The very low planned IT headcount growth contrasts with tech's primacy in firm strategies (59% prioritize IT/tech overall). This suggests firms are focusing on optimizing existing IT resources, outsourcing, and vendor partnerships rather than large internal IT department expansions.

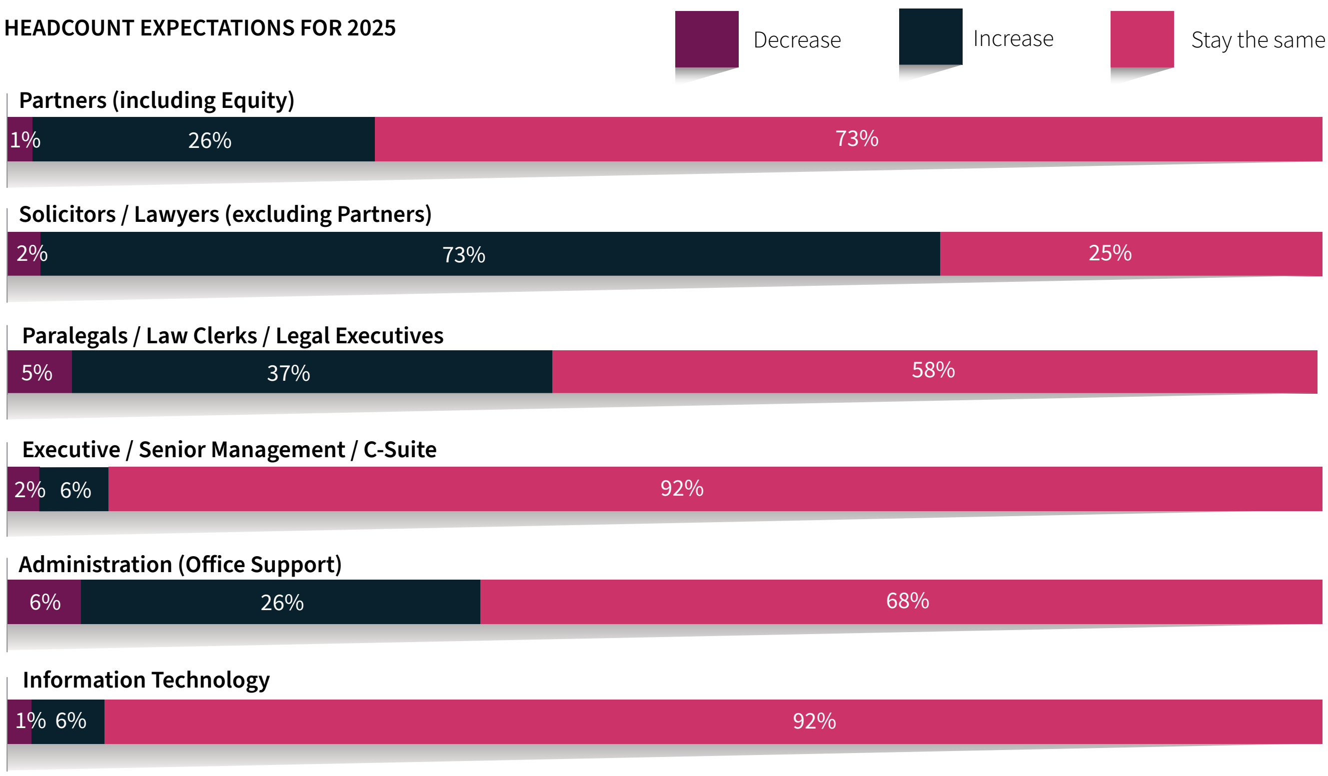
2. **Reliance on Legal Staff to Fill Tech Gaps?**
   - The strong legal hiring push may be partly intended to mitigate tech/training gaps - expecting lawyers and paralegals to leverage existing tools effectively without extensive tech staff support.
   - However, this creates pressure on lawyers to be "hybrid professionals" who combine legal skills with tech proficiency, project management, and process improvement capabilities - sometimes without formal IT infrastructure or help desk support.

**3. Potential Risks**

- Without sufficient specialized IT/support staffing, firms may face tech rollout delays, underused systems, or cybersecurity vulnerabilities.
- Moving fast on AI and new tech demands requires dedicated IT and project resources; skimping there could undermine expected productivity and innovation benefits.

**Summary:**

- There is a mismatch between firms' hiring ambitions and their talent management readiness, exacerbated by tight external labor markets. This likely means many firms will struggle to meet capacity goals without investing more in culture, retention, and training.
- The low planned IT recruitment suggests a lean-footprint approach relying on optimization, outsourcing, or multifunctional legal staff to support tech adoption.
- For sustainable success, firms should reconsider bolstering talent strategies and carefully balancing IT staffing to ensure technology investments can fully pay off - and that legal teams are adequately supported to embrace new tools and workflows.




'* 2025 Australian HR Issues & Salary Survey Report was released in May 2025
'* 2025 New Zealand HR Issues & Salary Survey Report was released in March/April 2025

## What key strategies has your organisation implemented that are specifically targeted to attracting and retaining employees?

Law firms have clearly recognised that flexibility is at the heart of attracting and retaining talent in today's legal landscape. Over the past few years, there has been a remarkable shift towards offering flexible work arrangements, with about two-thirds of firms embracing it to accommodate the evolving work-life balance expectations of their people. Alongside this, many firms are also tailoring individually negotiated employment contracts, showing awareness that a one-size-fits-all approach no longer works for a diverse workforce. These personalized options help create a more supportive environment where employees feel valued as individuals.

Compensation remains a powerful motivator, and firms are responding by enhancing remuneration packages and expanding the use of sign-on bonuses and bonus structures. While shorter working weeks are still relatively rare, firms seem to be striking a balance by focusing on pay and flexibility rather than reduced hours alone. This financial competitiveness is essential in an increasingly tight labour market, helping firms attract and secure top legal talent.

Beyond pay and flexibility, there's growing emphasis on well-being initiatives, which have seen a sharp rise in adoption. Mental health and fostering a positive workplace culture are becoming key priorities, especially as firms acknowledge the pressures lawyers face. Investment in learning and development is also accelerating, signaling that firms want their people to continuously upskill and prepare for a future where AI and technology play an even bigger role. This focus on professional growth and offering advanced technology platforms not only boosts productivity but also enriches the overall employee experience.

Finally, while progress in areas like diversity and inclusion and progressive leave policies has been more gradual, these cultural shifts are steadily gaining ground. It's encouraging to see fewer firms with no formal talent strategies, reflecting an industry-wide move towards proactive and thoughtful workforce management. Some firms are even experimenting with alternative performance measures by removing traditional billable hour targets, indicating a willingness to rethink how success is defined in legal careers.

| Strategy | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Individually negotiated employment arrangements to suit individual | | 55% | 56% | 60% |
| Increased use of sign-on bonuses for new employees | | | 8% | 12% |
| Flexible work arrangements | 11% | 68% | 64% | 64% |
| Shorter working weeks | 4% | 9% | 6% | 10% |
| Increased remuneration packages | | 43% | 40% | 54% |
| Access to individual or team bonus structures | | | 21% | 30% |
| Well-being initiatives (gym membership, lunches, snacks, etc)* | 13% | 20% | 29% | 45% |
| Market-leading leave policies (annual leave/personal/carers leave/ generational & parental leave) | | 6% | 13% | 11% |
| Reviewed Diversity & Inclusion policies and offer a range of above market inclusions | | 8% | 9% | 12% |
| Removed billable targets | | 7% | 7% | 12% |
| Investment in technology platforms utilized by the firm | | | 24% | 35% |
| Investment in learning & development programs to reskill and upskill employees | | | 35% | 40% |
| None | | 10% | 9% | 5% |

But the most beneficial selling point is not seen to be technology. Instead, pay, flexible work arrangements and shorter working weeks are rated most highly in attracting and retaining staff.

*Freebies such as gym membership, lunches, snacks, etc

Firms currently emphasize flexible work arrangements (64%) and individually negotiated employment contracts (60%), but these are expected to decline somewhat in future strategy plans to 49% and 47%, respectively. This suggests that as these practices become established or normalized, firms may shift focus to other emerging employee needs. Meanwhile, shorter working weeks - currently low at 10% - show a significant anticipated rise to 14% in future strategies and notably to 40% in perceived benefit. This reflects growing awareness that greater work-life balance through reduced hours could be a powerful retention and attraction tool in coming years. How to balance this with client demands, workload pressures will be interesting and where AI and technology can have the most impact.

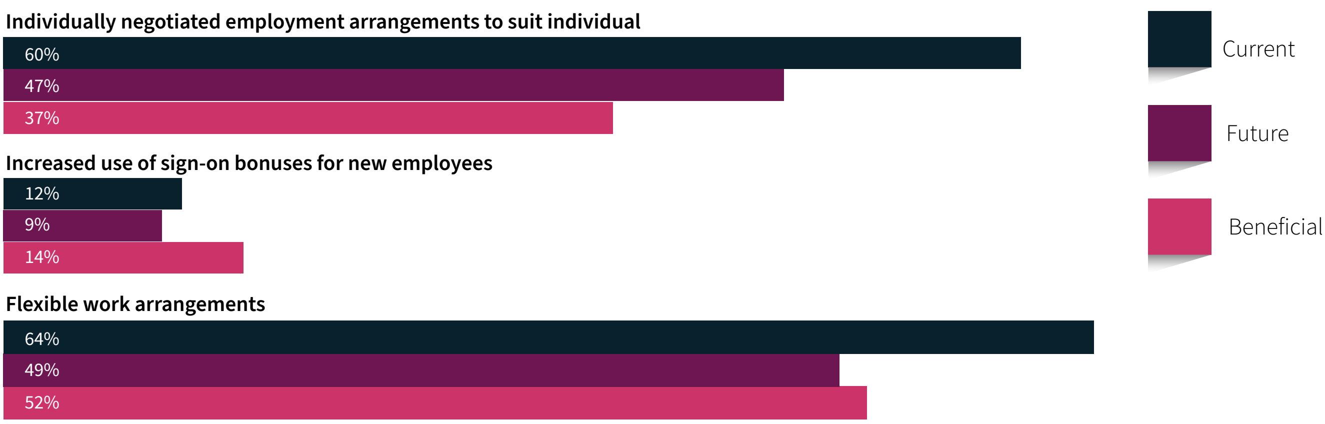
Financial incentives such as increased remuneration (54% current, 44% future) and bonus structures (30% current, 29% future) are expected to remain steady priorities but not dramatically increase, indicating that monetary rewards continue to be important but may not be the main strategic lever firms focus on expanding. Meanwhile, use of sign-on bonuses, although currently modest (12%), is projected to stay relatively stable with a slight increase on perceived benefit (14%), showing that targeted financial incentives to attract talent remain relevant.

Well-being initiatives show a marked decline in future strategy plans - from 45% currently to 30% projected - and similar modest declines are seen in market-leading leave policies and diversity & inclusion measures. This may indicate that many firms have either established baseline offerings in these areas or consider them less variable as competitive differentiators moving forward. On the other hand, removing billable targets appears poised to grow modestly (12% current to 17% beneficial), reflecting evolving views on workload management and career sustainability.

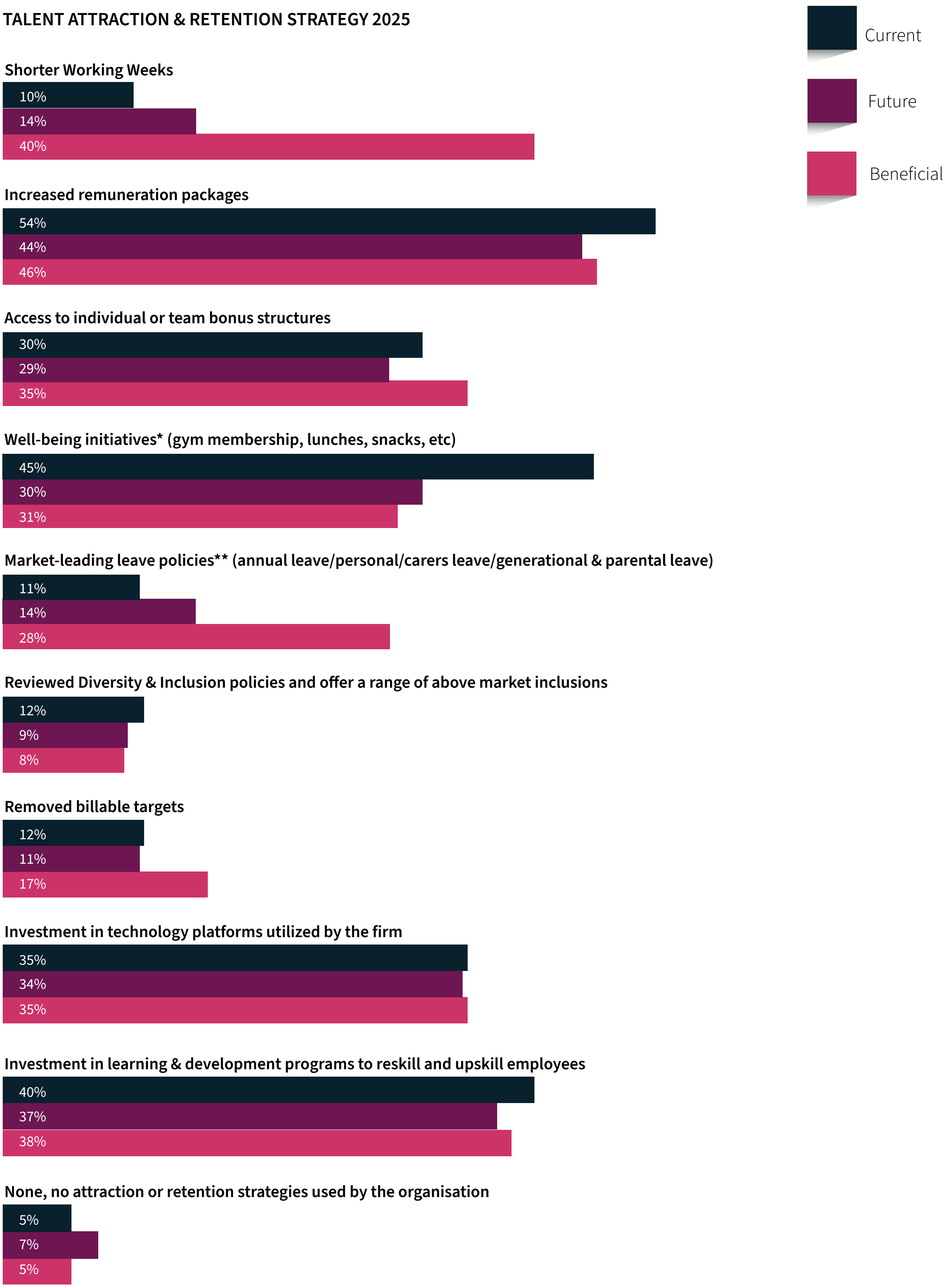
Finally, investments in technology platforms (35% current, 34% future) and learning & development programs (40% current, 37% future) are expected to maintain stable focus, underscoring their role as foundational to enabling staff productivity and career growth in an increasingly AI-augmented legal environment. The relatively steady ratings here suggest firms view these areas as ongoing priorities rather than emerging frontiers.

The future of talent strategies appears to be shifting towards promoting more sustainable work models (like shorter weeks), stable but targeted financial incentives, and continued investment in technology and skills development - while some well-established initiatives such as flexible work and well-being may see normalization or plateauing. This evolving mix reflects efforts to balance employee expectations for flexibility, reward, and career growth with operational realities and competitive pressures.

**TALENT ATTRACTION & RETENTION STRATEGY 2025**



## TALENT ATTRACTION & RETENTION STRATEGY 2025




*Gym membership, lunches, snacks, etc  **Annual leave/personal/carers leave generational & parental leave  n = 183

# Work-Life Balance

## Do you generally believe the following currently have a healthy work-life balance?

This data reveals a striking contrast between perceptions of work-life balance at the industry level, within firms, and at the individual level, shedding light on some interesting dynamics and possible biases around how work-life balance challenges are experienced and attributed.

### Industry vs Firm Perceptions

Across recent years, only around 28–38% of respondents believe legal professionals in Australasia have a healthy work-life balance, while a large majority (62–72%) say they do not. This points to a general industry perception that legal work is demanding and imbalanced - a widely recognised challenge. However, when asked about employees in their own organisation, a strikingly different picture emerges: about 82–97% of respondents report their own firms' employees do have a healthy work-life balance.

This discrepancy may reflect a cognitive bias or social desirability effect where respondents externalize the problem to "others" in the broader legal industry while maintaining a more positive view of their own workplace. It suggests a belief that "work-life balance issues are someone else's problem, not ours."

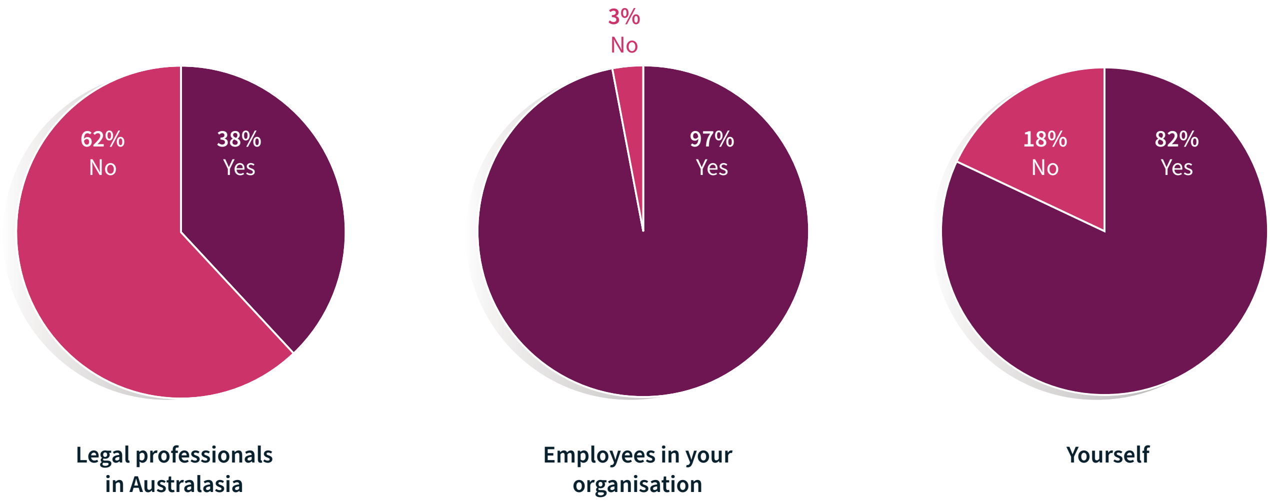
### Individual vs Organisation Self-Assessment

Looking at individuals' own experiences, the percentage reporting they have a healthy work-life balance is lower - ranging from 68% to 82% - and noticeably less optimistic than how they rate employees' collectively within the firm (82–97%). There is a clear gap here, with more individuals perceiving their own balance as poor compared to how they rate the firm's employees generally.

One interpretation is that employees may feel pressure to present an optimistic view of firm culture in surveys or to managers but privately experience more stress or imbalance. Personal struggles with workload, deadlines, or life demands might be underreported officially but felt deeply personally.

**Summary of Behavioral and Cultural Insights**

- There is an in-group/out-group bias where people recognise work-life challenges in the profession overall but are less willing to admit issues within their own firm or among their colleagues.
- Individual self-assessment tends to reveal more struggle than group or organizational assessments, highlighting the importance of anonymous, confidential feedback channels to truly understand employee wellbeing.
- Firms might be underestimating the personal toll of work demands despite assuming that organizational culture supports balance. This gap may signal hidden burnout risks and retention challenges.




n=157

## What do you think is the number one thing that would improve your work-life balance?

The data clearly shows that the ability to reduce to a four-day workweek is consistently viewed as having the greatest impact on improving work-life balance, with 29–31% indicating this in 2024–2025. This reflects a strong desire among legal professionals for more substantial structural change rather than incremental adjustments alone.

However, transitioning to a four-day workweek within a traditional and slow-moving legal industry presents significant challenges. Law firms typically operate on billable hours, client demands, and legacy workflows that are not easily compressed into shorter weeks without risking service quality or profitability. Achieving this would require systematic and cultural transformation, including redefining productivity measures, client expectations, and internal processes.

This is where AI and technology emerge as crucial levers. By automating routine, repetitive, or administrative legal tasks - such as document review, contract drafting, research, and case management - firms can unlock significant efficiency gains. Technology can reduce the time lawyers spend on low-value work, freeing capacity that could support compressed workweeks without detracting from client service. Additionally, intelligent workflow integration and collaboration tools can streamline communication and task allocation to maximize productivity.

Ultimately, technology and AI are enablers, not sole solutions. Firms need to pair tech adoption with holistic people strategies, redesign of work models, and flexible policies to realize four-day workweeks sustainably. Careful pilot programs, culture shifts toward outcomes over hours, and client education on value-based billing will also be essential.

While reducing to a four-day workweek stands out as the most desired change for work-life balance, AI and technology provide the practical means for law firms to move beyond tradition and make this shift possible - but only through deliberate, coordinated structural and cultural transformation.

**2022**


**2023**


**2024**


**2025**

Senior fee earners and managers are clearly feeling the pressure of demanding workloads, making the option of a four-day workweek their top choice for improving work-life balance. At the same time, both leadership and practicing lawyers see technology as a crucial tool to help ease their burdens, recognizing that automation and smart systems can make daily tasks more manageable. Sole practitioners, on the other hand, emphasize the importance of increased remuneration, highlighting how financial stability remains a key concern for independent lawyers. Meanwhile, solicitors and middle managers are especially drawn to flexible working conditions, reflecting their need for adaptability in the face of dynamic and often unpredictable work demands.

**WORK-LIFE BALANCE IMPROVEMENT BY POSITION**

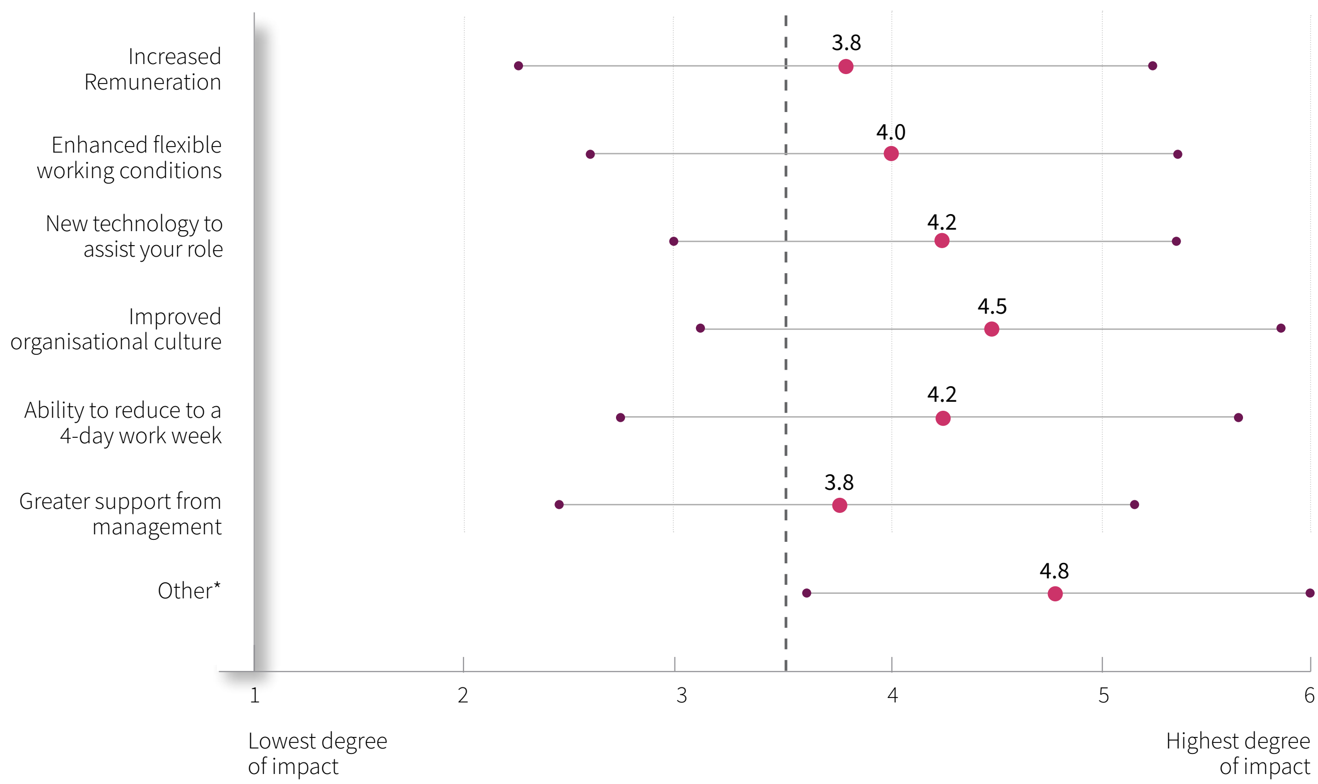
## To what extent could the previous factor improve your work-life balance?

### Degree of Impact on Work-Life Balance

- Improved organisational culture scores highest on average (4.5), with a broad range from 3.1 to 5.9, indicating many see cultural change as a key driver for better balance.
- New technology to assist your role and ability to reduce to a 4-day workweek both score strongly (4.2 average), showing these are widely regarded as significant improvements. The 4-day week especially has a range from 2.7 to 5.7, suggesting some variance in how realistic or impactful individuals see this.
- Enhanced flexible working conditions is also highly valued (4.0 average), reflecting ongoing importance of adaptable schedules and work environments.
- Increased remuneration and greater support from management score slightly lower (both 3.8 average), indicating financial reward and managerial support matter, but perhaps less directly transform work-life balance than culture, technology, or structural changes.
- The “Other” category scores the highest average (4.8) and widest range (3.6 to 6.0), reflecting that some individual or less common factors could have very strong perceived impacts, though these are diverse.

Among the key factors, improving organisational culture, adopting better technology, and enabling a shorter workweek are viewed as the most powerful ways to enhance work-life balance, while flexibility remains important. Compensation and management support matter but may have a more limited direct effect compared to systemic and cultural factors.

DEGREE OF IMPACT ON WORK-LIFE BALANCE



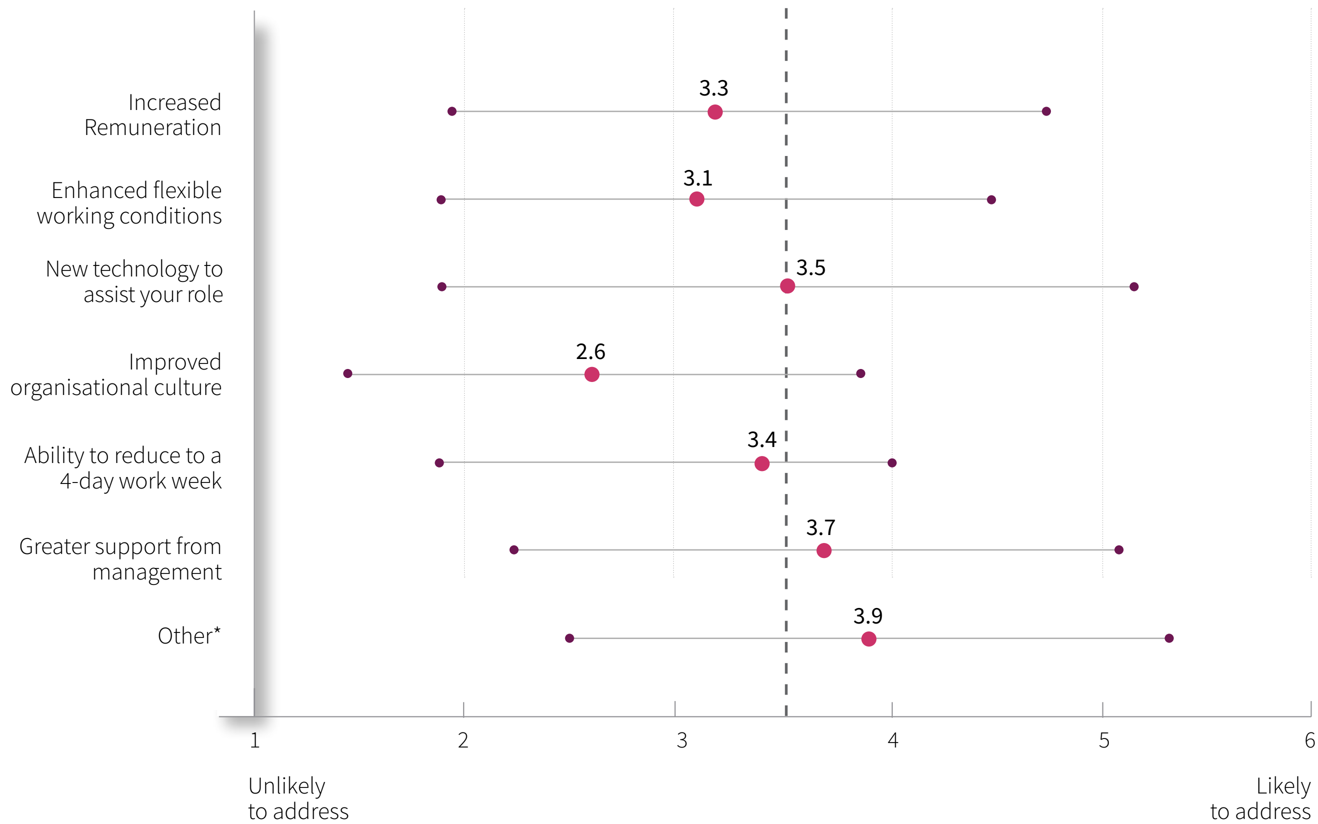
## How likely is it that your organisation will address the previous factor within the next year to improve your work-life balance?

It's clear from the data that while improvements in organisational culture are seen as having the greatest potential impact on work-life balance, firms are much less likely to address this factor in the near future. Cultural change is complex and often slow-moving, making it a challenging area for organisations to tackle quickly, despite its recognised importance. This suggests that while culture is top of mind, it may not yet be a priority for immediate action.

In contrast, technology adoption and structural changes like introducing a four-day workweek are understood to be impactful and there is a reasonable level of commitment to addressing these within the next year. However, the moderate scores indicate firms are approaching these changes cautiously, likely due to the practical and operational challenges involved in implementation. This cautious optimism shows that while the benefits are clear, firms are aware that such shifts require careful planning.

More traditional initiatives like increasing remuneration and enhancing flexible working conditions have slightly lower perceived impact but are more likely to be acted upon soon. These tend to be easier to implement or adjust and may be seen as practical, immediate levers to support employee well-being while organisations work towards longer-term cultural and structural improvements.

**WORK-LIFE BALANCE IMPROVEMENT LIKELIHOOD BY SELECTION**



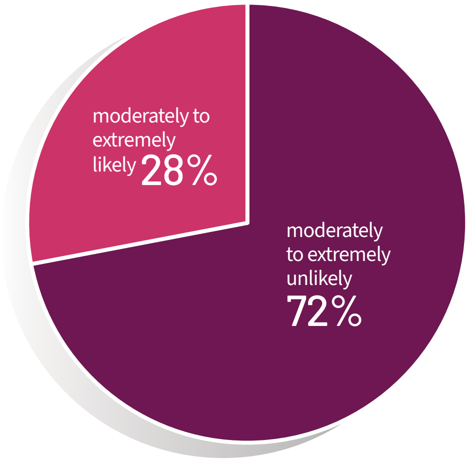

* Other improvements commonly referred to the need for more staff to assist with workload.

## How likely are you to look for alternate employment in the next 6-12 months?

**Legal industry remains stable.**

The majority of respondents indicated they were moderately to extremely unlikely to look for alternate employment within the next 6-12 months (72%), whilst 28% indicated they are moderately to extremely likely to look for alternate employment. These results are not significantly changed over the last two years' surveys, suggesting that the degree of 'churn' in the sector is stable and relatively low.

Unsurprisingly, the positions indicating the highest interest in alternate employment were Solicitors/ Lawyers and support roles (43% and 50% respectively), which is far higher than the average of (28%), with the most stable positions being Managing Partners and Partners.



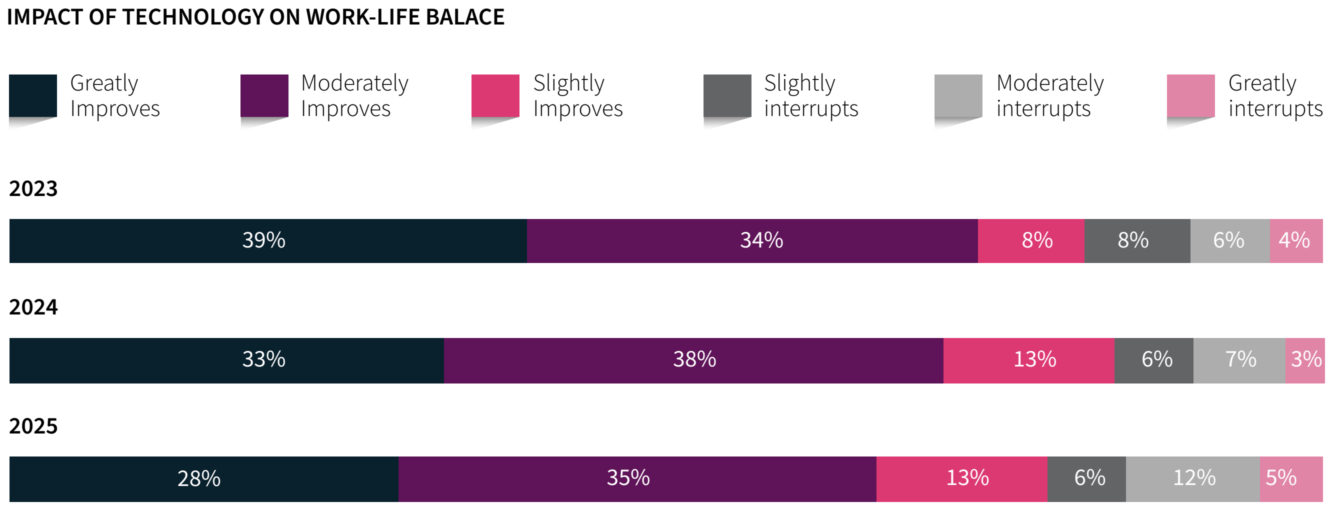

## Do you believe technology overall improves or interrupts your work-life balance?

While a majority of respondents still feel technology improves their work-life balance - with 63% net positive in 2023 and 66% in 2024 - the drop to 53% in 2025 indicates rising concerns about technology's potential to also interrupt or disrupt balance. This fits with earlier findings that although technology is widely seen as a key enabler of efficiency and a pathway to flexible work, there are growing awareness and anxiety about its drawbacks. Increasing remote connectivity, digital demands, and blurred boundaries between work and personal time may contribute to technology sometimes feeling intrusive rather than helpful.

This mixed perception supports why firms recognise the value of technology adoption but approach it cautiously when planning near-term interventions. The appreciation for tech's benefits aligns with the moderate to high prioritization of IT investment and AI as ways to reduce workload and enable flexible working conditions. Yet the growing share of respondents reporting tech as a work-life interrupter suggests firms must balance adoption with thoughtful policies to prevent burnout, such as clear communication norms and boundaries around digital availability.

Furthermore, this tension echoes the culture and organizational challenges highlighted before - technology alone does not guarantee better work-life balance; it requires complementary cultural shifts, management support, and practical workflows to translate tech capabilities into true employee well-being.

Technology is a double-edged sword: it can significantly improve work-life balance by enabling efficiency and flexibility, but if not carefully managed, it may also interrupt balance through overconnectivity and off-hours expectations. This underscores the need for firms to pair tech investments with holistic strategies around culture, work design, and employee support.




## Which of the following best describes your organisation's current work policy for each position group?

When it comes to work flexibility, there's clearly a noticeable gap between different roles within law firms. Partners, solicitors, and senior executives tend to enjoy the most freedom, with many able to choose hybrid work models or decide for themselves whether to work from home or the office. Only a small portion of these senior roles are required to be on-site full-time with no flexibility.

On the other hand, paralegals, secretarial staff, and administrative teams often don't have that same level of choice. A significant number of them are required to work fully on-site, and relatively few have access to hybrid or remote options. Finance and IT staff fall somewhere in between, with some flexibility but also a fair share of structured office days, though many IT roles may also be outsourced or not represented in firm headcount. This creates a clear hierarchy where senior legal professionals have more control over where they work, while support staff typically have more rigid on-site expectations.

These differences can lead to feelings of unfairness or disengagement among junior and support employees, who might struggle with commuting stresses or challenges balancing work and life. Meanwhile, senior staff benefit from more autonomy. This divide can also impact how teams communicate and collaborate - some groups may be spread out while others are office-bound, which risks silos and misunderstandings if not managed well.

To create a more positive, productive environment, firms should look at expanding flexible and hybrid options for junior and support roles wherever possible, especially for tasks that don't require constant physical presence. Setting standard office days or overlapping hours can help keep everyone connected and improve team cohesion. Investing in technology that enables seamless communication regardless of location is also key, so all staff feel equally involved and informed. Most importantly, fostering a culture that values everyone's contribution and trusts employees to manage their work flexibly will boost engagement across the board.

In the end, finding the right balance of flexibility across all levels - not sacrificing client service but supporting employee well-being - creates stronger communication, a more connected culture, and helps law firms retain top talent while driving performance in a rapidly changing industry.

CURRENT WORK POLICY BY POSITION 2025

| | Required to work from office; no flexibility | Structured minimum number of days in the office | Hybrid mix of office & work from home dependent on work | Employee choice to work from home or office | Work from home only | N/A, do not have this position |
|---|---|---|---|---|---|---|
| Partners (including Equity) | 12% | 22% | 38% | 20% | 2% | 5% |
| Solicitors / Lawyers (excluding Partners) | 10% | 32% | 44% | 8% | 1% | 5% |
| Paralegals / Law Clerks / Legal Executives | 31% | 29% | 28% | 2% | 1% | 5% |
| Executive / Senior Management / C-Suite | 14% | 26% | 36% | 11% | 1% | 10% |
| Secretarial Support (Legal Team) | 33% | 30% | 23% | 1% | 0% | 13% |
| Administration (Office Support) | 46% | 25% | 17% | 2% | 1% | 9% |
| Finance | 16% | 31% | 22% | 7% | 2% | 22% |
| Information Technology | 11% | 14% | 17% | 2% | 1% | 54% |

## Which of the following do you believe will best describe your organisation's work policies for each position group within the next year?

Looking ahead to the coming year, the data suggests that while partners and solicitors will see a slight increase in structured office days - rising to around 25–33% - hybrid work arrangements for these senior roles will remain strong, hovering around 42–43%. However, the options for full flexibility and employee choice won't change much, indicating that firms plan to maintain current levels of autonomy for their senior legal professionals rather than expanding it significantly.

Meanwhile, paralegals, secretarial, and administrative staff are expected to continue facing more rigid office requirements. Between 23% and 45% are anticipated to be required fully on-site, with only about 22–33% offered hybrid work options. The increases in employee choice flexibility and work-from-home-only arrangements remain minimal, usually just a few percentage points. Mid to senior management roles may see small upticks in structured and hybrid work models, but they'll still generally enjoy moderate flexibility compared to junior and support staff.

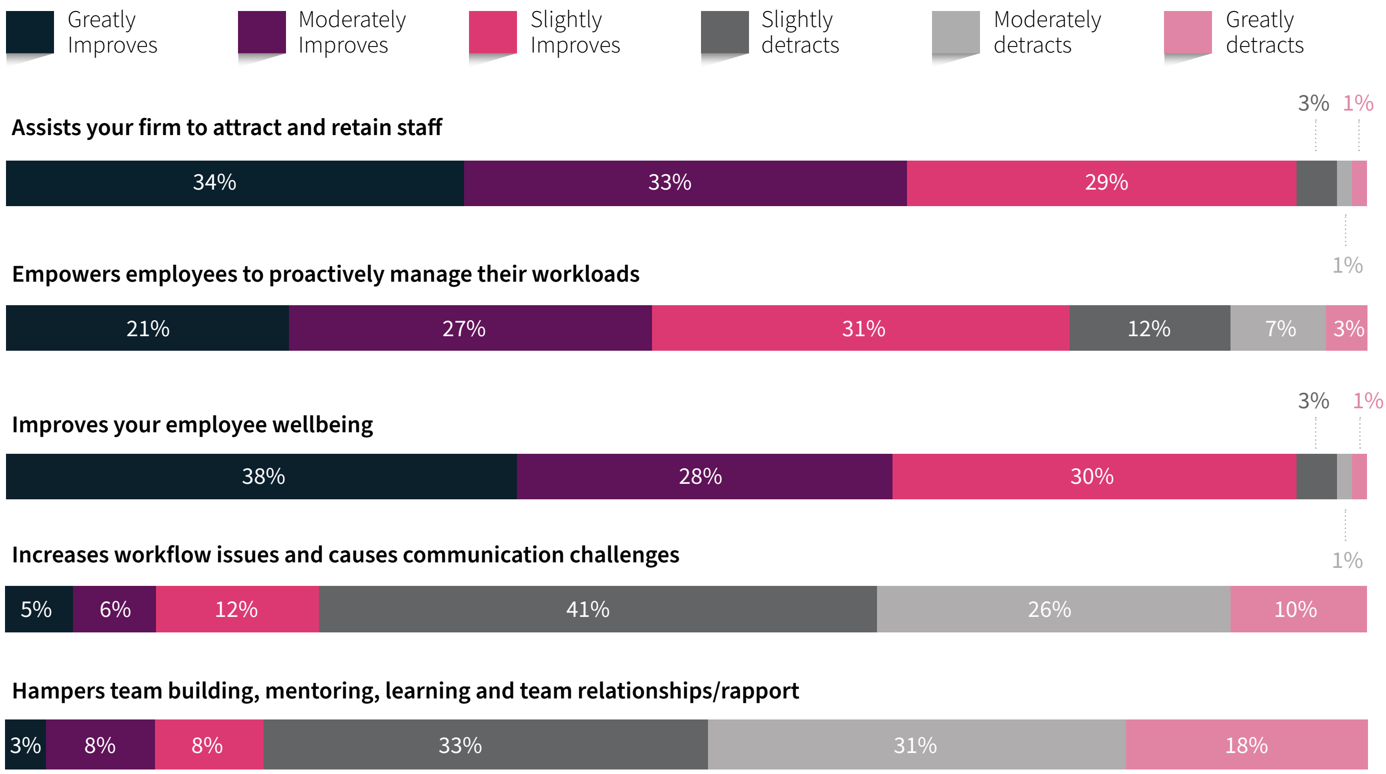
**CURRENT VS PREDICTED WORK POLICY BY POSITION 2025**

| | Required to work from office; no flexibility | Structured minimum number of days in the office | Hybrid mix of office & work from home dependent on work | Employee choice to work from home or office | Work from home only | N/A, do not have this position |
|---|---|---|---|---|---|---|
| Partners (including Equity) | 10% | 25% | 42% | 16% | 2% | 5% |
| Solicitors / Lawyers (excluding Partners) | 10% | 33% | 43% | 7% | 1% | 5% |
| Paralegals / Law Clerks / Legal Executives | 23% | 31% | 33% | 3% | 0% | 10% |
| Executive / Senior Management / C-Suite | 11% | 31% | 35% | 8% | 1% | 13% |
| Secretarial Support (Legal Team) | 31% | 31% | 22% | 3% | 0% | 13% |
| Administration (Office Support) | 45% | 25% | 17% | 3% | 2% | 8% |
| Finance | 14% | 28% | 25% | 8% | 2% | 23% |
| Information Technology | 9% | 16% | 17% | 2% | 1% | 54% |

There's also a subtle but clear trend toward more structure across nearly all roles. For example, the percentage of partners with a minimum required number of office days is expected to inch up slightly, from 22% to 25%, and solicitors similarly from 32% to 33%. This move likely reflects firms' attempts to standardize office presence, aiming to strengthen collaboration and rebuild culture after the disruptions of the pandemic.

Overall, it looks like firms are cautiously pulling back from fully open flexible work models toward more coordinated schedules that try to balance the benefits of remote work with the advantages of in-person interaction.

## Of those who indicated their firm offers employees the ability for work from home, do you think this:




## Impacts of working from home

The data highlights the complex and often conflicting impacts that work-from-home flexibility has on law firms, revealing both strong benefits and significant challenges that likely drive firms' cautious approach to flexible work arrangements.

On the positive side, work-from-home is overwhelmingly seen as a strong advantage for attracting and retaining staff (96% improve), empowering employees to manage their own workloads (79% improve), and improving overall employee wellbeing (95% improve). Many respondents report that flexible work clearly supports recruitment, boosts individual autonomy, and enhances wellbeing - which aligns with common expectations in today's workplace environment.

However, this comes with notable downsides. A majority also feel that work-from-home arrangements add to workflow disruptions and communication challenges (77% detract) and significantly hamper team building, mentoring, learning, and rapport (82% detract). These two factors are major negative drivers reflecting the difficulties remote work brings for collaboration, onboarding, culture building, and informal learning - which are critically important in law firm environments.

This duality explains why firms are hesitant to fully embrace open flexibility models despite the clear employee benefits. While flexibility is necessary to attract and retain talent and support wellbeing, it can come at the cost of weaker team dynamics and communication breakdowns - challenges that can ultimately harm performance and culture if not addressed.

The data suggests that firms need to find balanced approaches that preserve the advantages of flexibility while proactively managing the collaboration and cultural risks. This might include strategies like regular in-person core days, targeted team-building sessions, enhanced digital collaboration tools, and stronger mentoring programs adapted for hybrid work.

# Mental Health

## What strategies has your organisation invested in for managing employee mental health?

Over the past few years, law firms have clearly stepped up their efforts to support employee mental health. One of the most notable trends is the growing adoption of Employee Assistance Programs (EAPs), which have become much more common, with nearly two-thirds of firms offering these services by 2025. Alongside this, the rise of Mental Health First Aid Officers shows firms are recognizing the value of having trained peers who can provide frontline support and raise awareness within the workplace.

Internal workshops and training on mental health have also become a regular part of many firms' wellbeing programs, helping build understanding and resilience across teams. Interestingly, team-building exercises have gained traction as well, highlighting that social connection and a supportive culture play a key role in managing mental health. Flexible working arrangements remain a cornerstone of these efforts, with consistent high adoption rates reflecting their importance in helping employees balance work and life pressures.

That said, some of the more structural changes, like offering paid medical leave or sabbaticals, are still limited but slowly increasing. Policies around mandatory vacation time show some firms are encouraging rest, though it's not yet widespread. Alternative working practices, such as reducing or removing billable hour targets, are still relatively rare but show cautious signs of acceptance. Non-traditional leave policies like unlimited annual leave remain.

**MENTAL HEALTH STRATEGIES 2023 TO 2025**

| Strategy | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Implementing employee assistance initiatives &/or programs (EAPs) | 36% | 52% | 55% | 62% |
| Introducing or allocating Mental Health First Aid Officers | - | 32% | 27% | 41% |
| Internal workshops & training | 11% | 46% | 42% | 42% |
| Team building exercises | 18% | 44% | 42% | 47% |
| Mental health days | 11% | 19% | 35% | 17% |
| Paid medical leave or sabbatical periods of more than a week | - | 14% | 7% | 19% |
| Required vacation time | - | 34% | 24% | 26% |
| Unlimited annual leave | - | 3% | 2% | 0% |
| Changing organisation culture | - | 31% | 26% | 28% |
| Providing more flexible working arrangements | - | 58% | 58% | 56% |
| Introducing alternate working practices (e.g. Reduced billable hour requirements, or removal of billable hour targets through alternate options) | - | 17% | 12% | 18% |
| Other | - | 12% | 8% | 8% |
| None, no strategies are implemented for managing employee mental health | - | 6% | 8% | 6% |
| Unsure | - | | 4% | 1% |

## Strategies for managing employee mental health

The data reveals a clear distinction between which mental health strategies law firms currently have in place and which they perceive as most beneficial moving forward. Currently, initiatives like Employee Assistance Programs (EAPs), flexible working arrangements, team-building exercises, and mental health workshops are prevalent, reflecting a foundation of support within firms. However, when considering the next 12 months, fewer firms plan to expand or adopt these current initiatives, potentially indicating challenges in scaling existing programs or shifting focus.

Interestingly, strategies such as offering mental health days and moving toward unlimited annual leave stand out as having high perceived future benefit (52% and 18%, respectively), yet remain relatively underutilized or planned. Changing organizational culture and providing more flexible work options also score highly in perceived benefit, suggesting firms recognise these as essential levers for lasting mental health improvements. Meanwhile, alternate working practices like reducing billable hour requirements are seen as less both in current implementation and immediate plans but hold growing acknowledgment as beneficial. Overall, this highlights a need for law firms to bridge the gap between recognising valuable mental health supports and actively embedding them into near-term strategies.

**MENTAL HEALTH STRATEGIES 2025**

| Strategy | Current | Within Next Year | Beneficial |
|---|---|---|---|
| Implementing employee assistance initiatives &/or programs (EAPs) | 62% | 27% | 34% |
| Introducing or allocating Mental Health First Aid Officers | 41% | 29% | 23% |
| Internal workshops & training | 42% | 38% | 35% |
| Team building exercises | 47% | 36% | 37% |
| Mental health days | 17% | 19% | 52% |
| Paid medical leave or sabbatical periods of more than a week | 19% | 8% | 21% |
| Required vacation time | 26% | 20% | 25% |
| Unlimited annual leave | 0% | 3% | 18% |
| Changing organisation culture | 28% | 23% | 35% |
| Providing more flexible working arrangements | 56% | 27% | 44% |
| Introducing alternate working practices (e.g. Reduced billable hour requirements, or removal of billable hour targets through alternate options) | 18% | 12% | 25% |
| Other | 8% | 8% | 5% |
| None, no strategies are implemented for managing employee mental health | 6% | 10% | 4% |
| Unsure | 1% | 11% | 7% |

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# TECHNOLOGY & WORKFLOW

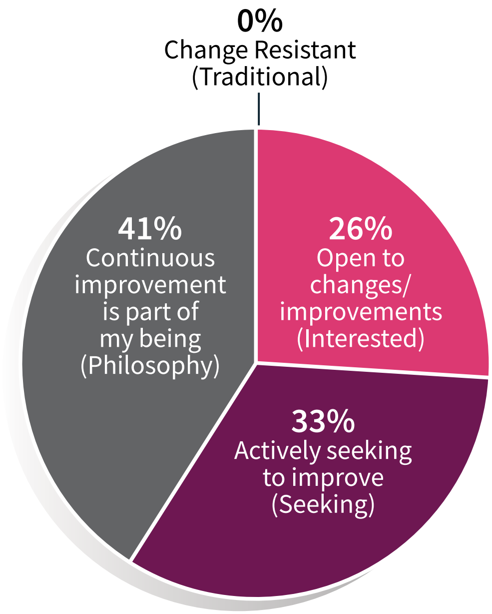
## Technology Attitudes

### How would you describe your personal attitude towards technology adoption?

When asked about personal attitudes toward technology adoption, the data from 2024 and 2025 reveals a very encouraging trend within law firm professionals. Notably, virtually no respondents describe themselves as change resistant or traditional - falling from 3% in 2024 to 0% in 2025. This shows a clear shift away from resistance toward embracing technology as an essential part of work life.

The majority of respondents position themselves across three positive categories, indicating varying levels of enthusiasm and engagement with technology. Around a quarter to a third see themselves as "open to changes and improvements," reflecting an interest in staying current and adapting as new tools emerge. A similar proportion are "actively seeking to improve," suggesting proactive efforts to leverage technology for better outcomes. Finally, a significant share - over 40% in 2025 - view continuous improvement as part of their philosophy, embodying a mindset of ongoing innovation and growth.

**PERSONAL ATTITUDES TOWARDS TECHNOLOGY ADOPTION**

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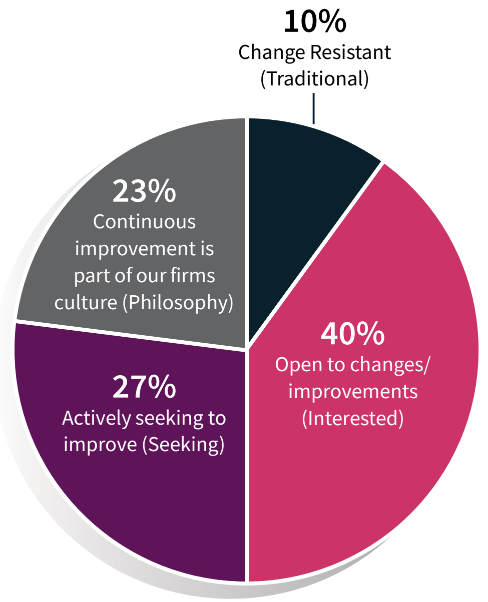
## How would you describe the organisation's attitude towards technology adoption (E.g. How does the leadership team in the organisation view technology adoption)?

THE ORGANISATION'S ATTITUDES TOWARDS TECHNOLOGY ADOPTION

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When looking at how organisations - particularly their leadership teams - view technology adoption, the data from 2024 and 2025 shows a generally positive but somewhat cautious stance. Around 10% of respondents describe their organisations as "change resistant" or traditional in this regard, a figure that has remained stable between 2024 and 2025. This indicates that while some firms still hold a conservative view towards technology, the vast majority are at least open to adopting new tools.

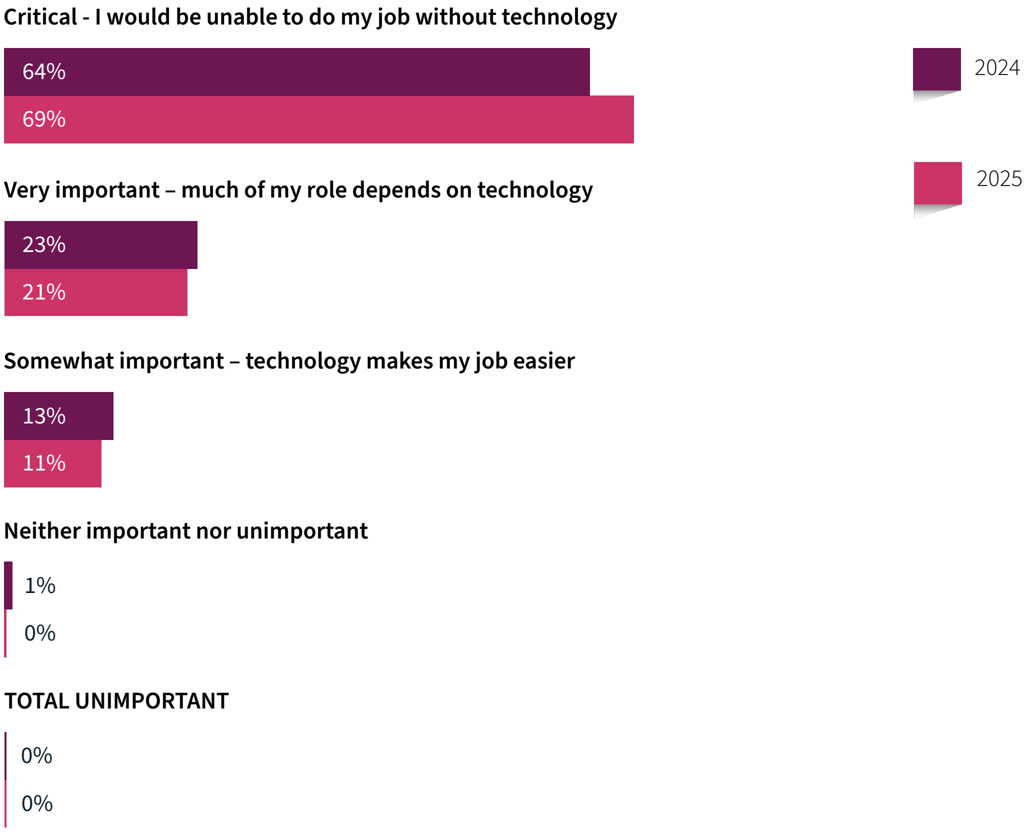
Most organisations fall into the categories of being "open to changes and improvements" (40–42%) or "actively seeking to improve" (27–30%), reflecting a willingness to engage with technology as a way to enhance their operations. A smaller but growing share - around 23% in 2025 - report that continuous improvement is embedded in their culture, signalling a strategic commitment to ongoing digital transformation.

When comparing this to personal attitudes toward technology adoption, individuals appear even more enthusiastic and aligned with innovation. Notably, by 2025 nobody personally identifies as change resistant, whereas 10% perceive their organisations as such. Individuals also report higher rates of viewing continuous improvement as part of their philosophy (41% personal vs. 23% organisational), suggesting that while many employees are eager and proactive with technology, firms may still be catching up in embedding this mindset consistently at all levels.

Overall, this gap highlights an opportunity for leadership teams to better harness the inherently positive attitudes of their people - creating environments where technology adoption is not just accepted but fully embraced as a core part of working culture. As firms continue navigating digital transformation, aligning organisational culture more closely with the passion and openness of individuals could accelerate change and improve technology integration outcomes.

## What role does technology play in your day-to-day professional life?

More than two-thirds (69%) now believe that technology plays a critical role in their job, and nobody completing this poll regards it as unimportant.



# Technology Investment

## Technology implementations

**Core Technologies Maintain Strong Implementation but Are Lower on Future Agendas**

- Practice management (92%), document management (81%), electronic signing (72%), and time recording (69%) dominate current usage but show much lower presence on future strategy agendas (around 19–25%).
- This likely indicates these foundational tools are now established and steady parts of operations rather than areas for major upcoming investment or change.

**Emerging and Growth Areas in Focus**

- Generative AI tools like Co-pilot, Co-Counsel, and LLMs are among the highest ranked in both current use (64%) and perceived benefit (41%), with 36% on the strategy agenda for future adoption, reflecting rapid integration and recognition of AI's transformative potential.
- AI agents/platforms (11% current, 28% future, 31% beneficial) also show strong expected growth as firms explore more advanced and autonomous AI applications.
- Workflow technology (36% current and beneficial, 26% future) remains an important area for improving operational efficiency and collaboration.
- Other technology niches such as digital AML/CTF (17% current, 45% future, 27% beneficial) and business intelligence reporting (19% current, 18% future, 31% beneficial) show growing strategic focus reflecting regulatory demands and data-driven decision-making pressures.

| Technology | Current | Future | Beneficial |
|---|---|---|---|
| Practice management software | 92% | 25% | 27% |
| Document management software | 81% | 21% | 25% |
| Electronic signing technology | 72% | 24% | 25% |
| Time recording technology | 69% | 19% | 24% |
| Scanning technology (paperless office) | 64% | 19% | 19% |
| Document automation | 51% | | |
| Precedent generation | 49% | 23% | 31% |
| Workflow technology | 36% | 26% | 36% |
| Client communication portal | 20% | 19% | 30% |
| Digital AML / CTF technology | 17% | 45% | 27% |
| Co-pilot, Co-Counsel, Other GenAI or LLMs | 64% | 36% | 41% |
| Business Intelligence reporting | 19% | 18% | 31% |
| Recruitment platforms (eg. Insource) | 16% | 9% | 12% |

n=140

| Technology | Current | Future | Beneficial |
|---|---|---|---|
| Legal project management | 11% | 11% | 16% |
| Large language models / Natural language processing or AI systems | 0% | - | 0% |
| AI agents or agentic AI platforms | 11% | 28% | 31% |
| Low code, no code platforms | 7% | 6% | 10% |
| Other | 2% | 2% | 2% |
| None, no legal technology innovations are used | 1% | 5% | 1% |
| Unsure | 1% | 13% | 12% |

n=140

## What legal technology solutions does your organisation currently use?

**Highly Adopted Core Technologies**

- Practice management software remains near-universal and growing, increasing from 81% in 2023 to 92% in 2025, highlighting its essential role in firm operations.
- Document management software usage remains strong and stable, around 77 to 81%.
- Electronic signing technology is also widely used and gradually increasing (68% to 72%).
- Time recording technology consistently used by about two-thirds of firms (61 to69%)

These tools form the foundation for efficient legal practice management and compliance.

**Growing Adoption of Automation and AI Technologies**

- Document automation surfaced strongly in 2025 with 51%, reflecting a trend toward automating routine drafting tasks.
- Co-pilot, Co-Counsel, and other Generative AI/LLMs skyrocketed from 18% in 2024 to 64% in 2025, signaling rapid embrace of AI-powered tools for research, drafting, and legal assistance.

| Technology | 2023 | 2024 | 2025 |
|---|---|---|---|
| Business Intelligence reporting | 18% | 14% | 19% |
| Client communication portal | 20% | 19% | 20% |
| Digital AML / CTF technology | 14% | 19% | 17% |
| Document management software | 80% | 77% | 81% |
| Document automation | - | - | 51% |
| Electronic signing technology | 68% | 70% | 72% |

| Technology | 2023 | 2024 | 2025 |
| --- | --- | --- | --- |
| Co-pilot, Co-Counsel, Other GenAI or LLMs | - | 18% | 64% |
| AI agents or agentic AI platforms | - | - | 11% |
| Large language models / Natural language processing or AI systems | 5% | 7% | 0% |
| Low code, no code platforms | - | 6% | 7% |
| Legal project management | 15% | 13% | 11% |
| Practice management software | 81% | 82% | 92% |
| Precedent generation | 63% | 51% | 49% |
| Scanning technology (paperless office) | 67% | 59% | 64% |
| Time recording technology | 66% | 61% | 69% |
| Workflow technology | 41% | 44% | 36% |
| Recruitment platforms (eg. Insource) | - | 14% | 16% |
| Other | 3% | 1% | 2% |
| None, no legal technology innovations are used | 2% | 2% | 1% |
| Unsure | - | 2% | 1% |

n=140

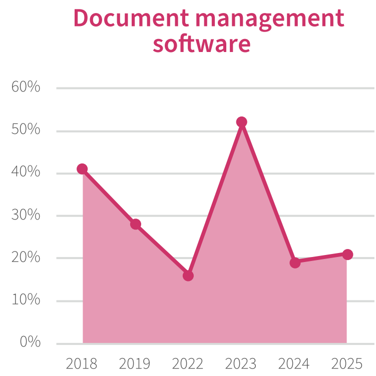
## Does your organisation plan to adopt any of the following legal innovations in the next year?

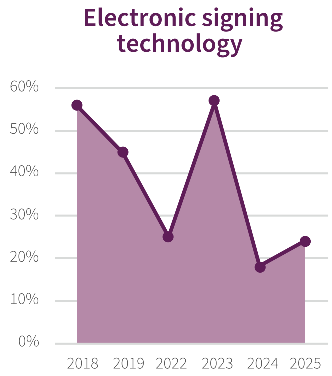
With the introduction of Tranche 2 and AML/CTF Regulations coming into effect on 1 July 2026 in Australia, affecting many Australian firms, the push toward digital AML/CTF technology has become a major focus. The data highlights this shift clearly: the 8% adoption seen in 2024 likely reflects New Zealand firms that already comply with these regulations, while the sharp jump to 45% in 2025 represents an increasing number of Australian firms now entering the market for compliance technology. This growth signals a broad regional response as firms brace for the significant operational and regulatory changes that the AML/CTF regulations will bring.

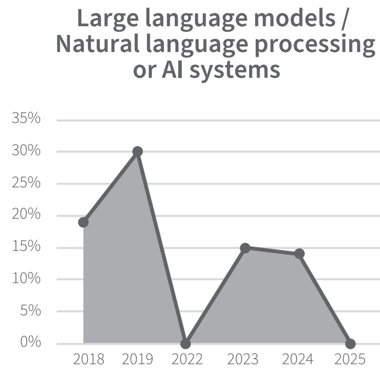
Beyond the immediate regulatory pressures, firms continue to invest in AI-powered legal technologies such as Co-pilot, Co-Counsel, and other generative AI tools, which complement compliance efforts by boosting productivity and accuracy in drafting and research. However, it's the AML/CTF compliance imperative that stands out as an urgent and strategic driver prompting rapid digital innovation investment.

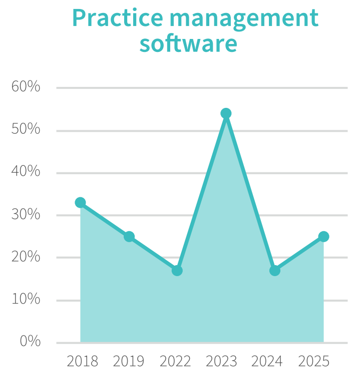
While core systems like document management, workflow tools, and practice management software remain steady pillars, they are increasingly augmented by these emerging compliance and AI solutions.

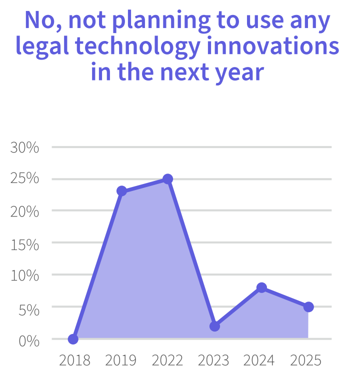
## THE ORGANISATION'S INNOVATION PLANS



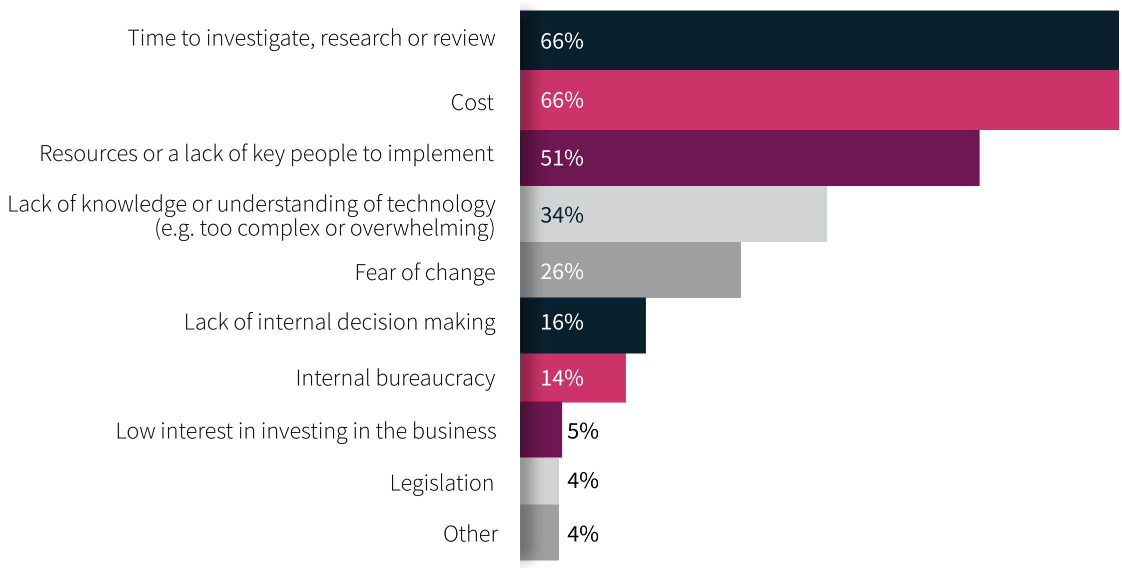

*"None of the above" or "No, not planning to use any legal technology innovations in the next year"

# What are the biggest impediments to adopting new technology in your organisation?

The biggest impediments to technology adoption in law firms continue to be the significant time required for investigation, research, and review, as well as the challenge of securing sufficient resources or key personnel to implement new solutions. In 2025, 66% of respondents identified time constraints as a barrier, highlighting how the pressure of day-to-day workloads leaves little room for exploring and integrating new technologies. Similarly, 51% noted a lack of resources or personnel, which acts as a bottleneck despite growing recognition of technology's importance. These persistent challenges suggest firms struggle to balance operational demands with the strategic investment required for digital transformation.

Cost remains another critical factor, cited by 66% in 2025, reflecting ongoing concerns about budget constraints and return on investment when adopting new technologies. Internal bureaucracy, fear of change, and lack of understanding or knowledge about technology also continue to hinder progress, with 14–34% of firms reporting these issues. While legislation is generally seen as less of a barrier, it still factors in for some. Very few firms report no impediments, indicating that overcoming these hurdles remains essential to accelerating adoption and reaping the potential benefits of legal tech innovations.

**TECHNOLOGY IMPEDIMENTS 2025**



# AI Usage

## Thinking about Generative AI (like Chat GPT & Co-pilot) how often do you personally use these programs in your personal or professional life?

The data on personal use of generative AI tools like ChatGPT and Co-pilot reveals a significant shift in adoption patterns within the legal profession and the wider workforce between 2024 and 2025. General learnings show an impressive rise in AI engagement, with 92% of legal professionals having tried these tools by 2025, compared to 69% in 2024. Moreover, regular users jumped dramatically from 39% to 70%, indicating that generative AI is rapidly becoming integrated into daily workflows. This high level of personal AI use, despite only 64% of firms formally approving such tools, suggests that many lawyers are independently exploring AI's potential, highlighting a grassroots adoption phenomenon.

Comparing legal professionals to the broader workforce (represented here by Resolve data), legal adopters consistently outpace general workers in both experimentation and regular use of AI tools. In 2025, 70% of lawyers reported regular use of generative AI compared to 44% of Resolve respondents. Legal professionals also reduced their "never used" rate from 25% to just 8%, while the broader workforce saw a more modest decline from 59% to 24%. The legal sector's accelerated adoption reflects its high-pressure environment and the keen interest in leveraging AI to enhance efficiency, research, and drafting, even as formal organisational policies catch up.

Looking at Resolve data from 2024 to 2025, the overall workforce also shows notable growth in AI engagement but lags behind the legal profession in intensity and frequency of use. Regular usage rates rose from 17% to 44%, signaling growing comfort and integration of AI, but daily or weekday use remains lower than in legal roles (17% versus 40%). This comparison underscores legal professionals' unique position as early and advanced adopters of generative AI, driven by both their demanding workflows and the strategic advantages AI offers in legal practice. However, the gap between formal organisational approval (64%) and actual personal use suggests a need for clearer policies and training to support responsible and effective AI integration across firms and broader workplaces.

| | 2024 Legal profession | 2024 All workers (Resolve) | 2025 Legal profession | 2025 All workers (Resolve) |
|---|---|---|---|---|
| Never used | 25% | 59% | 8% | 24% |
| TOTAL TRIED | 69% | 36% | 92% | 63% |
| Experimented, but am not using consistently | 31% | 18% | 22% | 19% |
| TOTAL USE REGULARLY | 39% | 17% | 70% | 44% |
| Monthly | 12% | 5% | 6% | 9% |
| Weekly | 15% | 7% | 24% | 19% |
| Daily / weekdays | 12% | 5% | 40% | 17% |
| Unsure | 6% | 6% | 0% | 13% |

## If you have used AI more frequently than monthly, what have you used AI for the most?

The data shows a significant increase from 2024 to 2025 in how frequently AI is used for various professional and creative tasks, reflecting its growing integration into daily workflows. One of the most notable trends is the rise in AI being used for searching ideas and inspiration, jumping from 38% to 61%, highlighting its value as a tool for creativity and problem-solving. Summarizing research topics also saw strong growth, increasing to 53%, which suggests AI is playing an important role in streamlining information gathering and analysis.

Other common uses reflect practical business needs: drafting marketing materials (up to 48%) and using AI as an enhanced search engine (42%) have nearly doubled, pointing to wider adoption across communication and research tasks. Drafting reports and legal documents are also gaining prominence, with roughly 39% and 23% respectively leveraging AI to improve efficiency and accuracy in these core areas.

More specialized legal tasks, such as drafting contracts or letters of advice, show more modest but noticeable usage rates (around 12%-15%). Visual and design uses, including generating images and creating infographics, have also increased, though they remain a smaller slice of AI applications. Overall, these figures illustrate how AI is becoming deeply embedded across a spectrum of tasks, from creative brainstorming and marketing to substantive legal work and research, helping professionals work smarter and faster.

| | 2024 | 2025 |
|---|---|---|
| Searching for ideas and inspiration | 38% | 61% |
| Summarising a topic I'm researching | 35% | 53% |
| Drafting marketing messages or materials | 31% | 48% |
| As a search engine for better results | 19% | 42% |
| Drafting reports or documents | 24% | 39% |
| Legal research | 13% | 23% |
| Collecting references and sources | 6% | 16% |
| Generating images | 9% | 15% |
| Graphic designs and infographics | 4% | 13% |
| Drafting contracts or agreements | 8% | 12% |
| Drafting letters of advice | 6% | 12% |
| Drafting tenders or project proposals | 8% | 11% |

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# AI's future impact

## To what extent are you concerned or excited about the impact of "Artificial Intelligence", large language models (LLMs) or natural language processing (e.g., ChatGPT systems) on the following?

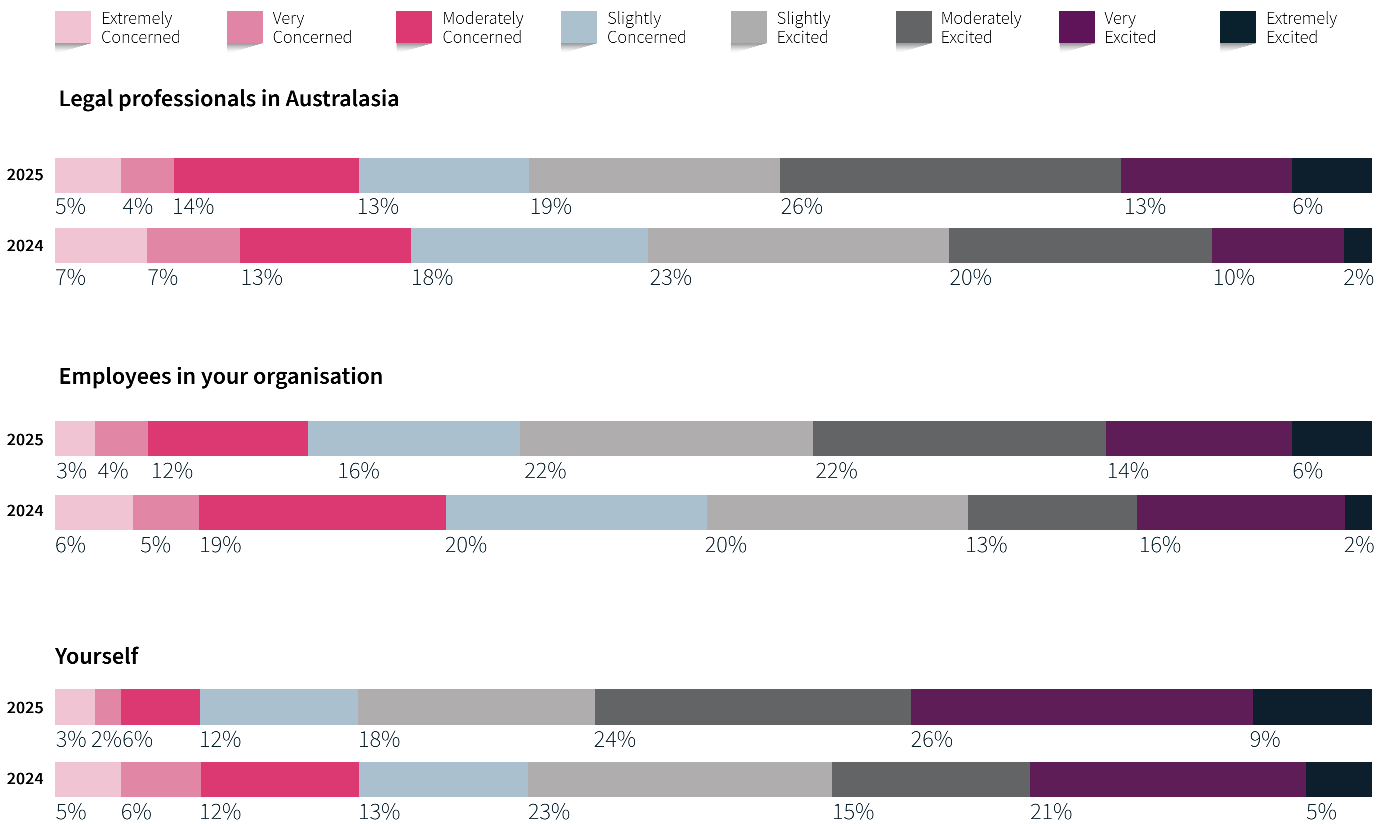
The data on attitudes toward the impact of Artificial Intelligence (AI), large language models (LLMs), and natural language processing (NLP) technologies like ChatGPT reveals a notable shift toward optimism between 2024 and 2025 across the legal profession, organisations, and individuals. Overall excitement about AI's impact has increased significantly - especially among individuals, with 78% expressing excitement in 2025 compared to 64% in 2024. This rise in enthusiasm is coupled with a notable decline in concern, particularly for personal impact where worry dropped from 36% to just 22%. This suggests growing confidence in AI's benefits and a maturing understanding of the technology's role.

In the legal profession broadly, excitement increased from 55% to 64%, while concern fell from 45% to 36%, indicating that the sector is gradually embracing AI as a positive force rather than fearing disruption.

Within organisations, employees also became more upbeat, with excitement climbing from 51% to 65%, and concerns decreasing correspondingly. The net "excited minus concerned" scores illustrate this trend well, rising from single digits or low double digits in 2024 to robust positive values in 2025 - for example, individuals' net excitement reached 55 points, reflecting a strong overall positive sentiment.

Despite this optimism, there remains a minority who express moderate to high levels of concern, highlighting the importance of responsible AI adoption and support as firms navigate integration. The data underscores a clear trajectory: as familiarity and experience with AI tools grow, legal professionals and organisations are becoming increasingly excited about AI's potential to enhance productivity, innovation, and client service while worries about risks and disruption diminish.

## To what extent are you concerned or excited about the impact of "Artificial Intelligence", large language models (LLMs) or natural language processing (e.g., ChatGPT systems) on the following?

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# CLOSING STATEMENT

This research tells a compelling story of transformation and cautious optimism within the legal profession as it navigates the rapidly evolving landscape of artificial intelligence. Over the past two years, there has been a significant shift in attitudes, with legal professionals, organisations, and individuals moving from uncertainty and concern toward embracing AI tools like large language models and natural language processing as vital enablers of productivity, innovation, and enhanced client service. The growing excitement, particularly among individuals who are actively integrating these technologies into their daily workflows, reflects not only a willingness to experiment but a deepening confidence in AI's ability to positively reshape the profession.

At the same time, the data illuminates the challenges that remain - such as resource constraints, time pressures, and the need for cultural shifts alongside technological adoption. Concerns, while diminishing, persist among a notable minority, underscoring the critical importance of responsible AI deployment, clear organisational policies, and ongoing support to manage risks and ethical considerations. The story here is one of a profession on the cusp of profound change, dynamically balancing the promise of innovation with the realities of implementation and the imperative to maintain human judgment and trust.

Ultimately, this research presents a forward-looking picture of legal practice: one where technology, especially AI, becomes a strategic partner, driving not only efficiency and quality but also fostering healthier work-life balance and more resilient workplace cultures. Law firms that proactively embrace this evolution - while thoughtfully addressing the practical and ethical challenges - will be best positioned to lead in the increasingly complex and competitive legal landscape of tomorrow.