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INNOVATION & TECH FEST

9-10 April 2025
Hilton, Sydney

LEGAL INNOVATION REPORT 2025

PART 1 | TECHNOLOGY

**Smart Law: Generative AI and the impact
on the future of the legal profession**

#LegalFestival

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Introduction

Innovation in the legal industry has never moved at such a rapid pace, and in this report, we delve into the transformative impact of new technologies, most significantly Generative AI, on the legal industry.

Through our research and discussion groups we connected with professionals navigating the increasingly digital legal industry to understand the challenges and opportunities that they are facing.

This report will unpack how technology is impacting lawyers and allied legal professionals and examine how prepared the Australian legal industry is as it enters a new era of possibilities.

The Research Process

We conducted research groups in Sydney, Melbourne and Brisbane and had conversations with leading legal professionals Australia wide to gain pure and accurate information on the challenges, opportunities and emerging trends in the industry.

The themes and ideas that have emerged throughout this report will be taken and used to inform the agenda for the 2025 Legal Innovation and Tech Fest.

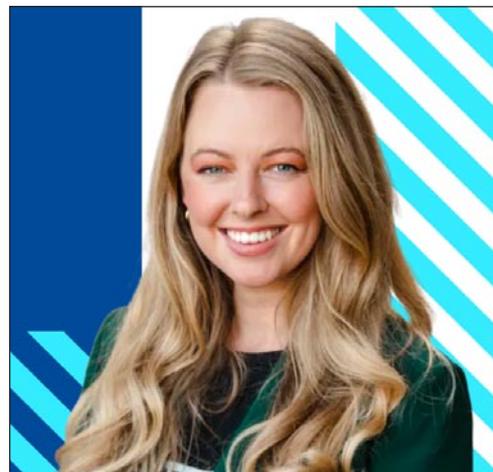
The Event

Legal Innovation and Tech Fest, 9-10 of April 2025 will be held at the Hilton Sydney. We are bringing together more participants, speakers and exhibitors than ever before to discuss the issues that matter to the industry.

This event is a not-to-be missed networking opportunity and will also provide a forum to hear from a large contingent of technology providers in ANZ.

Across two days attendees will be able to hear from keynote speakers and real-world case studies and interact with panel discussions and product demos.

We hope this report informs and inspires you to embrace innovation and drive change in your organisation.



Anna Turner

**Program and Content Director,
Legal Innovation and Tech Fest**



2024 Research Collaborators

A huge note of thanks to the following organisations who participated in the research process:

Allens Lawyers

Arnold Bloch Leibler

Ashurst Lawyers

Centre for Legal Innovation
at the College of Law

Checklist Legal

Clayton Utz

Clyde & Co

Colin Biggers & Paisley

Department of
Communities and
Justice NSW

FRV Australia

Hall & Wilcox Lawyers

Health Care Complaints
Commission

HESTA Superannuation

Hicksons Lawyers

Hive Legal

IFM Investors

K&L Gates

Lander & Rogers Lawyers

Law Path

Law Squared

McCabes Lawyers

McCullough Robertson
Lawyers

McInnes Wilson Lawyers

McLay Legal

MinterEllison Lawyers

Mollie Tregillis

Moores Legal Pty Ltd

Norton Rose Fulbright

Pinsent Masons

Slater & Gordon Lawyers

Stanmore Resources

Sydney Fish Market
Pty Ltd

Telstra Ltd

The Royal Australian
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Practitioners (RACGP)

The University of New
South Wales (UNSW)

The University of
Queensland

Trilby Misso Lawyers

University of Sydney

Westpac Banking
Corporation

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Generative AI: A Game Changer for the Legal Industry

In 2023, when I wrote my first Legal Innovation & Technology Research Report, generative AI was barely on the radar, between the release of the 2023 Research Report and the event that year, Chat GPT had burst onto the scene.

Now two years later, it has been embraced across almost every sector, presenting an unfathomable number of challenges and opportunities. The legal industry is being dramatically transformed by generative AI, which stands to completely redefine the value of the legal profession.

Where are we on the Generative AI journey?

For the majority of law firms and legal teams, AI is being utilised in some way. For smaller firms and teams, or those with limited budget, AI offers a cost-effective opportunity to boost productivity and automate administrative tasks. For larger teams and firms, there is the opportunity to develop tools

in-house, or pilot the innovative solutions being offered by vendors in the market.

It is worth noting however, that across the board there is still a hesitancy around generative AI, due to its rapidly evolving nature and the uncertainty of what it can actually do, and where all this data is being stored and utilised.

Some organisations continue to limit the use of these tools altogether whilst they grapple with effective governance and use policies, but should beware that Shadow AI use is rampant. As one research group attendee put it, when it comes to generative AI, we are trying to pin the tail on the galloping donkey.

What are some of the use cases for generative AI for lawyers and allied legal professionals?

- ◆ Contract drafting
- ◆ Document review
- ◆ Legal research
- ◆ Document summarisation
- ◆ Data governance & compliance

Choosing your tools

Choosing the right AI tools for lawyers and allied legal professionals requires a strategic approach, acknowledging that AI capabilities vary and vendors are still exploring their positions in this evolving space.

During the research groups, attendees discussed how and why tools were selected, and agreed that for many law firms, it often came from a desire to keep up with their competitors, however when it comes to AI tools, there isn't anyone ahead of the game with concrete use cases that law firms can refer to. This has led to a purchasing paralysis of sorts, as no one wants to be the first to take the plunge, and risk failure on a significant investment.

Whilst free tools offer the allure of quick wins, such as automating everyday tasks, the full potential of AI stretches far beyond these initial applications and requires more time and a comprehensive understanding of where to apply generative AI to benefit the business.



Being able to trust that a technology can execute as intended is important for any solution but even more so for GenAI.

In a market where all tech providers are looking to leverage GenAI in their offering, buyers must ensure that the use of GenAI does not introduce risks around data security or unreliable outputs.

It is important to ask the right questions of potential vendors and to not make decisions based on what the technology seems capable of doing in a demonstration.

Ken Porter

**Director - Automation & Client Solutions,
MinterEllison**



The decision to build versus buy hinges on existing tech stacks and the readiness of internal teams to understand, test, and deploy AI solutions. Like with any purchase, cost is also often a deciding factor, no matter how strong the business case is.

Attendees agreed that before purchasing generative AI solutions, organisations need to reflect and confirm that they have the people that know enough about AI to make those decisions, and subsequently make sure that they also have people trained enough to test and rollout the solutions.



The impact of generative AI goes way beyond the tech. What we are witnessing is systemic change in the legal industry. It's not revolutionary.

It's evolving, incremental, experimental, proactive, reactive and guarded all at the same time but, it is progressing at pace. If you haven't jumped on board yet, right now is the time, before that digital and data literacy gap turns into a chasm!

Terri Mottershead

Executive Director, Centre for Legal Innovation at the College of Law



Lawyers and allied legal professionals making the decisions in regard to adopting this technology recognise that it is rapidly advancing, and what is cutting-edge today may be outdated in a couple of years.

To prevent getting swept away with the hype, it is crucial to have a process in place to identify specific problems and evaluate whether technology provides the appropriate solutions. Research group attendees

discussed how they are looking beyond the legal sector for more innovative use cases that are relevant to their own ways of working, and cited the fintech, mining and technology sectors as those that are ahead of the curve.

Ultimately, while the industry is still learning about AI's full potential, clear use cases and a thoughtful approach to integration are essential for meaningful adoption.



Understandably, there has been a lot of hype about the changes that Generative AI will bring to the way we deliver our legal services. It's inevitable and there are many opportunities to be had.

Those organisations which invest in really understanding where those opportunities are and, which tech will help, will be much better positioned than those who rush in and spend time and money on tech that they don't need or have to retrofit once they have it ... just to say that they are using Gen AI.

Melissa Lyon

Executive Director & Experience Designer, Hive Legal



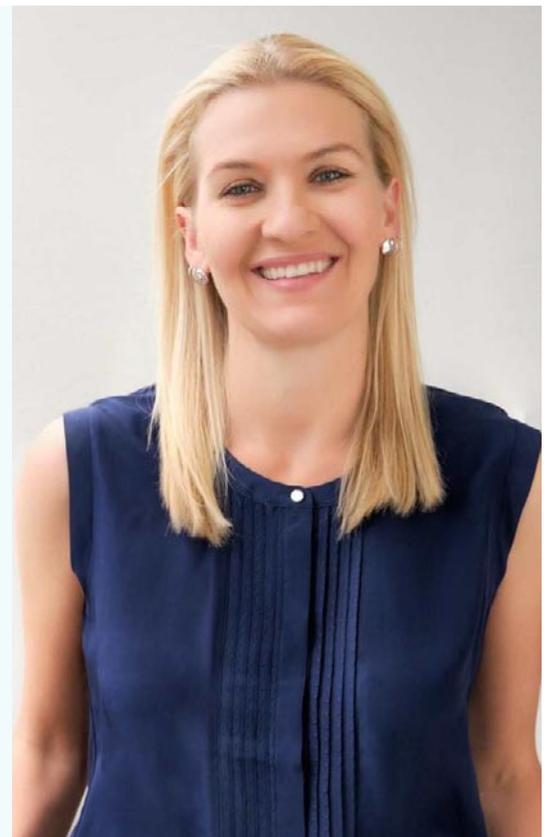
In the APAC Legal Operations community, we are talking more and more about tangible Gen AI use cases and how to stand these up. Many of us have been waiting on the sidelines as the Gen AI technology has improved and the hype has died down, and we are now at the point of rolling up our sleeves and starting to test and learn.

For many (including myself), Copilot has been a great place to learn the basics and start playing with prompts and use cases. However, the most exciting opportunities I am exploring relate to contract review - a real pain point for many corporate lawyers.

If they haven't already, in-house legal teams should be getting their template agreements and playbooks in order so that they are in the best position possible to take advantage of this exciting technology.

Katrina Gowans

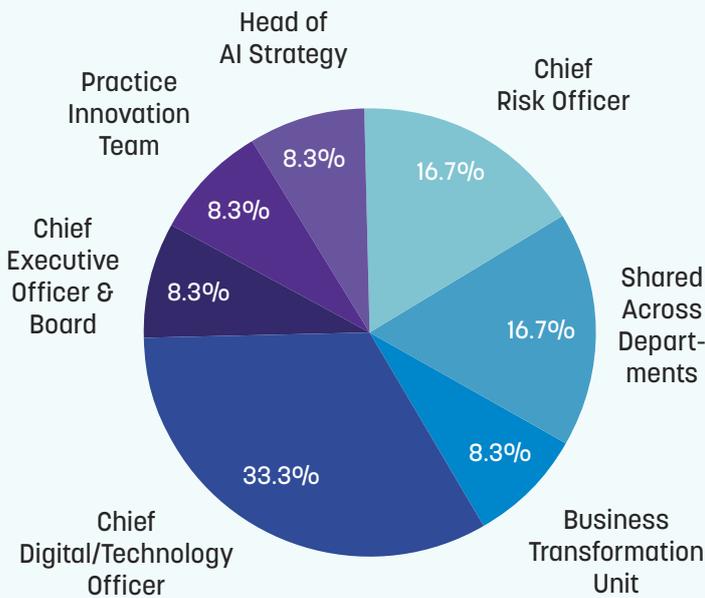
Co-Chair Australian Chapter, Corporate Legal Operations Consortium (CLOC)



Ownership

Technology ownership in law firms and in-house legal teams is already varied, and the introduction of generative AI, which is being adopted by multiple business functions only stands to complicate this.

We asked the research group attendees, who owns AI in your organisation, and found the results to be quite broad:



Many attendees felt that sharing the ownership of AI across departments through an AI Steering Committee was the ideal way to go, as opposed to a singular Chief AI Officer or siloed AI focused team.

Understanding and Managing Client Expectations for Generative AI

The research groups comprised of both lawyers and allied legal professionals from law firms and in-house legal teams, which created an interesting discussion about the expectations for law firms using generative AI.

Representatives from law firms with clients from sectors with substantial IT budgets and advanced internal teams noted that these clients expect their legal partners to match the efficiency and innovation they experience in their own operations. This expectation places pressure on law firms to



Generative AI presents an exciting new frontier of opportunities for automating both the mundane and complex, as well as reducing the friction when it comes to generating new forms of content.

Adoption is challenged primarily over concerns over the quality and accuracy of AI-generated outputs and the “How do I know it has not missed anything?” questions that organically arise, quite rightfully so, as well.

There are also concerns about potential job displacement, the need for lawyers to gain further digital literacy skills with regards to becoming “prompt engineers” to get the best results out of these new, emerging Generative AI tools and finally the unavoidable need for substantial initial investment in technology that is only just beginning to scratch the surface and tackle issues that all organisation faces without a clear, tangible ROI at the moment.

Michael Barrett

**Head of Technology and Innovation,
Hicksons Lawyers**

adopt and integrate generative AI tools to stay competitive and meet client demands.

However, many legal professionals face challenges as they navigate these technological advancements, as it creates a whole host of questions around billing and disclosure on the use of AI.



We asked the research group attendees the following question - if generative AI is used to generate work for a client, should it be disclosed?

They had varied opinions on the matter:

It should be generic, covered in the Terms & Conditions - 'we may use generative AI'

Generative AI should be covered under the umbrella of the word 'data' and the disclosures pertaining to this

It only needs to be disclosed if there is a reason the client would need to know, such as a privacy or quality issue

Is there a human in the loop or not? Senior lawyers still need to check drafts whether the advice is by put together by AI or a junior lawyer - if yes, then there is no obligation to disclose, if not, then this should definitely be disclosed

Having the discussion with clients about the law firms use of generative AI is a good way to approach the issue

“ We know that advancements in technology continue to disrupt our traditional understanding of the way in which lawyers perform their work and the type of work they perform.

Increasingly, this may allow some traditional forms of legal work to be performed by non-lawyers and may also require lawyers of the future to need to upskill in order to stay ahead of the curve.

While the use of technology should improve the overall delivery of legal services and the quality of the relationship between lawyers and their clients, clients are expected to demand that efficiencies gained by using technology flow through to their bottom line in the form of measurable cost savings.

A key question which clients might wish to ask their legal service provider is how they intend on leveraging available technology solutions in order to deliver their work faster and cheaper than their competitors.

Michael Guilday

**General Counsel & Head of Property,
Sydney Fish Market**



Another issue which we will explore later in the report is that of data privacy, as clients may not want their matters put into the internal use case system to be part of generative AI.

As one attendee sagely asked, what happens if the client changes their mind, and then retrospectively wants their data removed from the AI model? Machine unlearning is still a problem that researchers are grappling with, and currently has no simple solution.

For the attendees from in-house legal teams, whose clients are typically other employees and executives, most have had to align their adoption of AI with broader organisational strategies, which in some cases led to delays in implementation, whilst other organisations saw the legal team leading the push for generative AI.

They did agree that there was some pressure from other departments, who often expected the in-house legal team to be using AI.

There was also a concurrence that many larger enterprises are falling into siloed use cases for generative AI if the different business functions did not have an open dialogue, further highlighting the need for greater shared responsibility for AI within businesses. ■



Jackson Pilkington
Project Lead - Contract Lifecycle Management (CLM), Legal Operations team, UNSW Sydney

More than ever, we are seeing the need to have resources within a Legal team that have the capability and experience to manage the intersection of technology, people, and process to take advantage of the leaps forward in legal technology.

At UNSW, we are transforming our contract lifecycle management by implementing a CLM System that leverages advanced AI models trained on legal data.

However, this initiative extends beyond a technological solution; not only will we enhance efficiency and compliance but also drive broader process improvements.

By streamlining contract preparation and management, we will reduce administrative burdens and accelerate decision-making.



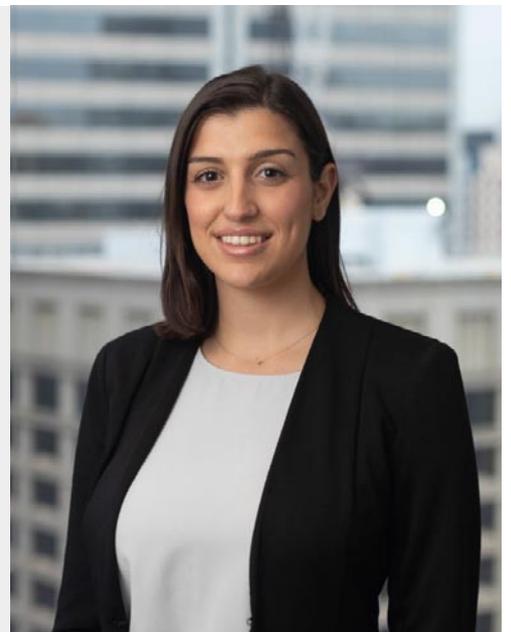
Technology adoption works best when it's a shared journey.

At Lander & Rogers, we've seen the power of having dedicated champions and specialised innovation teams who advocate for new tools like Microsoft Copilot, fostering engagement and demonstrating real-world value.

I've found training with smaller groups or individuals particularly effective in increasing technology adoption as it can be tailored to their specific needs or use cases. By connecting innovation with everyday workflows, adoption becomes seamless and impactful.

Jeanette Merjane

Senior Associate & Innovation Manager, Lander & Rogers



Where are we on the Generative AI journey?

GenAI is showing a lot of promise, out-performing a lot of the previous AI/ML approaches. Although it outperforms in a lot of ways, it is also less 'predictable' in how it behaves.

As a sector, we need to learn how to leverage the technology, but also what is the appropriate method (and level of effort) required to check GenAI results. This is a combined people, process and technology challenge which requires us to think in different ways.

Peter Campbell | Head of Legal Product Lab, Allens



Choosing Generative AI Tools

The selection of generative AI tools in the legal sector is complicated by the current fluid nature of the market. Traditional legal research vendors, document management providers, new legal tech players and tech giants are simultaneously expanding into overlapping territories.

While frontier AI models often offer superior capabilities, they may lack legal-specific refinements, creating a tension between choosing general-purpose versus industry-specific solutions.

Perhaps most significantly, the industry faces a critical shortage of vendor-neutral experts who can provide unbiased guidance, leaving firms and vendors to navigate this steep learning curve together, often through trial and error, making it challenging to assess long-term value and integration potential.

Robyna May

Chief Information Officer, McInnes Wilson Lawyers



The firms I'm seeing who are making headway are doing more than just letting lawyers play with GenAI tools.

They are identifying a strategic business objective and partnering with the right expertise to springboard successful experimentation. They are also doing the work to standardise process and knowledge curation that will enable maximum benefits from GenAI tools.

Fiona McLay

Principal Consultant, McLay Legal Consulting



Technology Adoption Tactics

With an abundance of new technology in the market, and existing solutions rushing to develop generative AI add-ons, the issue of technology adoption came up in the research groups.

Attendees approached this using two different lenses, firstly from the perspective of the business, why are law firms and in-house legal teams adopting new technologies, and how are they making these decisions? And secondly from the angle of the employee, once we have this tech, how are we managing adoption?

Some attendees from law firms felt that it was often partners pushing for quick fixes when it came to tech adoption and felt that it was difficult to communicate the complexities of implementation and integration to these decision makers.

Across the board participants agreed that internally, decision-making about technology often occurs in isolation from those responsible for its implementation, leading to a slow resolution.

For the adoption of emerging generative AI technologies, the new-ness is requiring extensive research, and significant investment in research and development without immediate returns.

Hiring consultants or experts, such as prompt engineers, is another strategy organisations

are embracing to navigate the complexities of AI adoption.

However, the reluctance to conduct free proof-of-concept trials and the ineffectiveness of trials without real-life cases add to the challenge. Attendees suggested starting with experimentation on safe small datasets and on internal use cases are helpful ways to alleviate some of those concerns.

As firms navigate these hurdles, the push towards adopting new technologies remains strong, driven by the need to stay competitive and efficient.

When it comes to adoption of new technologies by the wider organisation, there remains a raft of challenges, however encouragingly, a great deal of innovation from leaders and tech-champions to promote it.

It has been said that whilst AI won't take your job, someone who knows how to use it will, and when it comes to upskilling in the use of generative AI tools, there is certainly greater curiosity and interest from the broader workforce.

For some attendees, compulsory training has been successful, with enthusiasm among staff for new tools evident.

Other efforts to encourage adoption that attendees are using included:

- ◆ Ensuring managing partners visibly learn to use these tools, setting an example
- ◆ Encouraging competitive behavior among lawyers in adopting the tools
- ◆ Promoting 'champions' for tech
- ◆ Providing tailored training on the use of new tools for specific roles.
- ◆ Reverse mentoring
- ◆ Lunch and learn sessions
- ◆ Involving lawyers in pilot programs

Adopting the right technology involves both internal and external processes and requires consistency in acquisition and implementation, and in some cases, requires engaging specialists beyond traditional legal expertise, such as prompt-engineering specialists and data analysts.

Overall, attendees agreed that a blend of strategic planning, organic adoption, and rigorous follow-through is needed to foster a tech-savvy culture in the legal sector, empowering a more diverse range of voices in technology discussions. ■



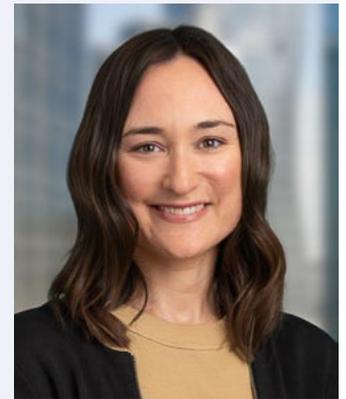
Despite the abundance of enabling technologies, automation and AI tools bringing efficiency to legal practice, lawyers continue to manage significant workloads.

We need to be creative in the way we encourage lawyers to carve out time for education and upskilling on new technologies, which we know will have long term advantages for our people and our clients.

Some strategies that have worked for us include short explainer videos from tech champions across the firm, mandatory in person workshops and offering rewards to promote engagement with the tools.

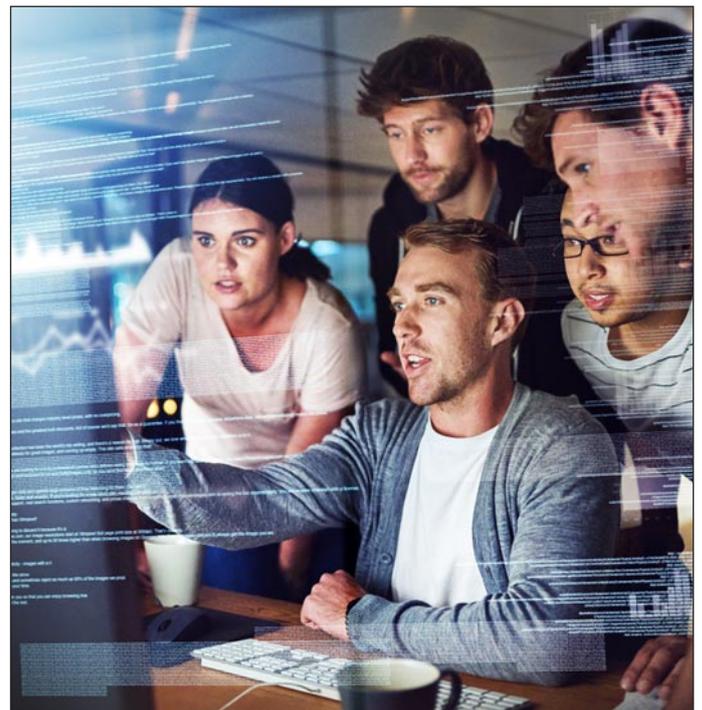
Kate Greenwood

**National Director -
Innovation and
Communication,
Family &
Relationship Law,
Lander & Rogers**



Successful technology adoption within legal isn't just about new tools – it's about empowering individuals and teams to embrace the unknown, creating space for honest conversations and shared learning.

Mollie Tregillis
**Mentor, Facilitator &
Strategic Advisor**





Tessa van Duyn
CEO and Practice
Leader, Moores

Whilst technology adoption in the legal sector isn't a new challenge, cultivating an environment where people are open to learning complex new systems and capabilities certainly is.

Investment in learning and development, including digital literacy and technology empowerment skills, is fast becoming a focus area, with increased investment as a necessary complement to any technology spend.

Law firm leaders would do well to focus their attention on the human side of technology adoption - nurturing empathy, growth mindset, curiosity and then creating the space and time for people to learn.

Without fundamental digital literacy, our people and therefore our law practices, will be left behind.



There is a lot of fatigue with the rate of change in tech, especially when this is combined with the need to continuously upskill and master new systems and platforms.

It is really important to meet people where they are; you often get the best returns with basic training, or mini sessions where you teach one or two skills people need in that moment to complete the task they are doing.

The best results come when you can empower your staff to be unafraid to approach new systems and learn by doing, reinforcing the message that continuous upskilling is essential for all workers, not just those that consider themselves "techy".



Lauren Myers
Legal
Operations
Analyst, The
University of
Sydney



Technology investment only yields returns when individuals within your organisation can identify relevant use cases and access the technology. It's equally important to focus on embedding the technology and empowering users as it is to choose the right technologies and tools.

Charlie Elliott
Product & Solutions Delivery Manager, APAC,
Pinsent Masons





Investing in generative AI and legal technology is essential for growth, and achieving a strong return on investment is key to success.

At K&L Gates, we emphasise the "what's in it for me" benefits for individuals through peer-to-peer engagement and by showcasing innovative technologies. This approach allows us to create a constructive path forward to maximise our investments.

Anja van der Weerd

Manager, Practice Innovation and Knowledge, Australia, K&L Gates



Successful technology adoption relies heavily on prioritising user experience; tools that are intuitive, require minimal training, and demonstrably improve efficiency tend to gain lasting traction across teams.

When users can quickly recognise the value a solution brings to their workflow, adoption is no longer a challenge but a natural progression.

In my role as Senior Legal Counsel at FRV Australia and co-founder of Legalcents, I have found that empowering in-house legal teams with technology that's simple yet impactful transforms not only efficiency but also engagement and satisfaction within the organisation.

Harriet Liu

Senior Legal Counsel, FRV Australia



In today's evolving legal landscape, educating employees on the use of AI is essential for enhancing efficiency and accuracy in legal work.

As AI increasingly assists with tasks typically handled by junior lawyers, legal professionals must learn to use these tools effectively while ensuring compliance with ethical standards and evolving regulations.

At K&L Gates, we focus on training programs that empower our lawyers to navigate complex legal challenges and enhance our overall client service.

Key AI skills for lawyers include: Understanding AI concepts, data literacy and ethics, and 'prompt engineering' for accurate results.



Mira Renko

Special Counsel, Practice Innovation and Knowledge, K&L Gates

Securing Legal Data

For lawyers and allied legal professionals, data security and sovereignty are paramount in the era of generative AI.

During the research groups, participants highlighted the renewed focus on data privacy and protection that has come with the rise of generative AI, agreeing that robust governance and guidelines are essential as regulations and mandatory guidelines emerge.

Ethical decision-making regarding data privacy and the consequences of fourth-party interactions must also be prioritised, and whilst operational risks may be outside the direct control of legal professionals, having processes and governance in place to monitor changes and respond when things go wrong is crucial.

The insurance industry is already beginning to address the risks associated with generative AI, with some attendees noting that they have been approached by their insurers about its risks.

Participants also highlighted the prevalence of shadow use of generative AI and the risks it poses, as well as how easy it is for individuals to go rogue with these tools.

Although the governance and strategy can be daunting and exhausting, it's necessary to address the risk management aspects and ensure the necessary resources and infrastructure for utilising generative AI effectively.

Generative AI offers significant opportunities for the business of law, but these benefits come with the need for diligent risk management, especially as client confidentiality and trust remain so integral to the brand of law firms. ■

CONCLUSION

There is an extensive amount of evolution happening in the legal industry, and I hope that you have found Part 1 of the 2025 Legal Innovation Research report informative and illuminating.

Part 2 will explore People and Process, which will be released in the New Year.

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9-10 April 2025
Hilton, Sydney

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