



LEGAL

INNOVATION & TECH FEST

LEGAL INNOVATION REPORT 2026

PART 2 | PEOPLE & PROCESS

**Transforming the Legal Industry:
The Skills, Systems and Structure
to Thrive Tomorrow**

Introduction

The legal industry is in the throes of change, and the future of legal work was a key point for discussion at this year's research discussion groups.

Through these groups we connected with professionals navigating the shifting nature of the legal industry to understand the evolving challenges and emerging opportunities that they are facing.

This report will unpack how legal and allied legal professionals are managing these changes when it comes to people and process and examine how prepared the Australian legal industry is as it enters a new era of possibilities.

The Research Process

We've 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 2026 Legal Innovation and Tech Fest.

The Event

The Legal Innovation and Tech Fest, 27-28 April will be held at the Hyatt Regency 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 a 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**



2025 Research Collaborators

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

Allens Lawyers	Frv Services Australia	Monash University
Ashurst	Gilbert + Tobin Lawyers	Moores
Ashurst Advance	GLG Legal	NBN Co
AustralianSuper	Herbert Smith Freehills	QBE Insurance Group
Bartier Perry Lawyers	Kramer	Queensland Curriculum and Assessment Authority
BT Australasia	Hive Legal	Samsung Electronics Australia
Canva	K&L Gates	Slater & Gordon Lawyers
Centre for Legal Innovation	Lander & Rogers	The College of Law
CIE Legal	Leaf Logic	The University of Melbourne
Clyde & Co	Lexer	Thomson Reuters Legal Australia Limited
Cowell Clarke Commercial Lawyers	McCabes Lawyers	Transport for NSW
Danny King Legal	McCullough Robertson Lawyers	
DLA Piper	Meridian Lawyers	
Elevate	MinterEllison	
	Mollusc	

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Part 1 of this report, which focused on **the challenges of technology selection, implementation and ongoing integration**, highlighted how the legal industry is beginning to consolidate a vision of its future.

This report, focused on **people and process**, will examine the shifts in generational expectations, skills and capabilities, mindset and the changes to the business model for law firms and in-house teams that are required for them to adapt to this looming reality.

If you missed Part 1, [CLICK HERE](#) to DOWNLOAD

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Different Generations and Redefining Expectations

As we are seeing the next generation of technology become embedded in the everyday operations of law firms and in-house legal teams, so too are we seeing the impact that the next generation of lawyers and allied legal professionals is having on the industry.

Research group participants agreed that the next generation of legal graduates is entering the profession with different expectations about pace, progression and technology use at work, shaped not only by generational preferences, but by socio-economic pressures that make fast-tracking and higher earnings feel more urgent than they did for prior cohorts.

At the same time, the traditional model of 'earning your stripes' through high-volume routine work is being disrupted as generative AI and workflow tools absorb low-risk, repeatable tasks and divert routine contracts away from junior desks.

This creates a genuine capability challenge, if juniors aren't learning through repetition, how do firms train them, building judgment, critical thinking, and the ability to explain why a senior lawyer's approach differs from what an AI output suggests?

There is also a risk of misreading graduates through stereotypes, assuming everyone wants only complex, challenging work and a linear trajectory to partnership or leadership, when many value breadth of exposure, understanding how the whole practice operates, and sustainable work-life boundaries as individual contributors.

Demographic change compounds the shift, as research group participants noted, the client base is getting younger too, and their expectations around transparency, responsiveness and tech-enabled service are rising, forcing law firms to adapt faster than many anticipate.

Participants discussed how bridging the emerging skills gap (AI literacy, commercial awareness, process fluency, and modern communication norms) raises an unresolved question of responsibility and whether the onus should be placed on law schools versus developed in firms and in-house teams.

In addition to this challenge, participants queried how we design education that is agile enough to be revisited continually as the skill set shifts over the next five-years.

In practice, some graduates already bring capabilities that industry veterans may not have or even recognise as essential, yet without deliberate reverse mentoring and structured training, the profession risks both junior underdevelopment and senior atrophy in a world where traditional methods for learning the profession are no longer adequate.



Australia's legal profession is undergoing rapid transformation. AI-powered research tools, document automation, and predictive analytics are now mainstream. For junior lawyers, this shift presents a dual challenge: preserving core legal judgment while mastering technology.

The risk is clear. Over-reliance on AI can erode critical thinking, while ignoring tech leaves lawyers inefficient and uncompetitive. Publicly reported cases have already shown Australian juniors submitting AI-generated work without proper verification – conduct that can breach obligations under the Legal Profession Uniform Law and lead to disciplinary action.

Traditional training relied on repetitive tasks – drafting, research, document review – to build analytical rigor. Today, those tasks are automated. If juniors skip this foundational learning, they risk entering practice without the judgment needed to assess accuracy, ethics, and client risk.

What's the solution? Here are some suggestions:

- **Integrated Learning:** Combine doctrinal training with hands-on tech modules – AI research, contract automation, and data-driven litigation tools.
- **Judgment-First Mentorship:** Teach juniors to question and validate AI outputs, not blindly trust them.
- **Ethics and Governance:** Embed compliance with Australian standards – confidentiality, bias checks, and audit trails – into every tech workflow.
- **Continuous Upskilling:** to keep pace with evolving platforms.

The opportunity is significant. Firms that invest in dual / combined capability – legal reasoning plus tech fluency – will deliver faster, safer, and more client-focused outcomes. The future of law in Australia is not about resisting technology; it's about giving lawyers the best opportunities.



LEONA BLANCO

Knowledge and
Information Manager,
Clyde & Co





Building Skills and Capabilities for a Rapidly Changing Legal Industry

As explored earlier in this report, the changes in generational expectations and the shift that technology is bringing to the legal industry mean that the skills required for legal work are entering a period of structural change.

Many core capabilities such as legal reasoning, ethical judgment, advocacy, drafting and negotiation will endure, but a growing proportion of day-to-day work is being reshaped by technology that can process information faster and cheaper than traditional models allow.

This shift is not uniform, and in many organisations it is not fully visible yet, but the direction is clear – the past will not always be a reliable guide to the future.

Research group participants agreed that the central challenge is reskilling and upskilling both existing practitioners and junior legal and allied legal professionals, alongside the emergence of new jobs and blended roles that sit across legal, digital and advisory disciplines.

As automation absorbs more of the information-processing layer (triage, first-pass review, summarisation, clause extraction, comparison, and routine drafting), value moves to what is harder to quantify: problem framing, prioritisation, risk appetite calibration, stakeholder alignment, and the ability to translate legal constraints into workable business decisions.

Legal problems are increasingly elevated to business problems, requiring lawyers to understand operating models, commercial drivers, and implementation realities, not simply provide a technically correct answer.

This mirrors the long-running evolution seen in adjacent professions such as accounting and consulting, where technology steadily compresses production work and expands the premium placed on interpretation, advice, and relationship capital.

Many participants expressed that this is already changing role design. Firms are seeing greater demand for blended skill sets such as core legal capability combined with digital fluency, process thinking, and elements of consulting such as change management and communication.

Growth is also expected in the business operations end of legal, with roles in legal operations, pricing, project management, knowledge management, data governance, product and platform roles and service delivery becoming more prevalent in both law firms and in-house teams.

Some firms are moving from rigid practice-group structures toward agile staffing models, where work is shifted dynamically and lawyers become more generalist, potentially reducing reliance on narrow subject-matter specialists while increasing demand for professionals who can orchestrate outcomes across domains.

At the same time, people skills and client engagement are becoming more important across professional services, with participants highlighting the desire for individuals with these skills in their organisations, and the need for professional development opportunities in these areas.

However, capability development cannot be treated as an add-on in a change-fatigued environment. As one practitioner stated, empathy, influence, and trusted-adviser presence cannot be built through a lunch-and-learn; they require systemic change through coaching, feedback loops, and deliberate practice.



Compounding this is the decline of learning by osmosis that, prior to the pandemic and the shift to flexible work policies, formed the foundation of learning for junior lawyers. Firms must now intentionally show juniors what best practice looks like through more structured training rather than assuming it will be absorbed over time through repetition.

As mentioned in Part 1 of the report, the rise of generative AI has introduced new literacy requirements. Critical thinking in particular becomes more important for tasks including recognising automation bias, avoiding verification drift, detecting low-quality content and knowing when to slow down, validate sources, and apply independent judgment.

In short, tasks may be familiar, but the way they are performed and the capabilities that create differentiation are changing. The question of who bridges the skills gap remains open, with further discourse required between law schools, law firms, and in-house teams to determine their roles in an evolving legal industry.



The digital era demands more than technical proficiency, it requires adaptability, data literacy, and collaboration skills.

Legal professionals must be comfortable working alongside technology, interpreting insights, and applying them to client outcomes.

Our experience shows that investing in these skills not only improves efficiency but also enhances job satisfaction and resilience in a rapidly evolving industry.



OLIVIA BLACKBURN

Director, Legal Operations,
Planning and Enablement,
Legal and Governance,
Transport for NSW

Legal roles in a digital era are evolving to bridge the gap between law and technology. When lawyers collaborate with tech teams early, we create solutions that solve real problems and drive adoption.

The most successful projects I've seen are those shaped by legal insight from lawyers and support staff from the outset.

To unlock this potential, businesses must invest in dedicated legal innovation roles and change champions so lawyers and other fee earners can actively influence outcomes and assist tech teams to deliver measurable value.



JEANETTE MERJANE

Legal Transformation Analyst,
Lander & Rogers

There has been a lot of hype and inflated expectations about how AI can make legal practice more efficient. When individuals with limited time and lower technology literacy are oversold on benefits but lack the skills to use it effectively, poor outputs reinforce resistance and create a cycle of disillusionment.

The real challenge is bridging the skills gap by providing training and resources that build confidence in using AI. Once the foundation is in place, encourage everyone to share how they are using these tools and celebrate their wins.

This creates a culture of learning and collaboration, where people at all skill levels feel empowered to experiment.



CARMEN PARKER

Marketing and Legal Operations Lead,
CIE Legal



Leading Through the Next Era of Change

As research group participants unpacked the changes being driven by generative AI in law firms and legal teams and discussed the probable future of the industry, it became apparent that to navigate these changes and challenges requires a distinct form of leadership, ideally one that is deliberate, visible, and deeply engaged with change management from the outset.

Participants felt that senior leaders should be involved early when it comes to change, not only to set strategic direction but to legitimise the time, focus, and experimentation required to adopt new ways of working.

Without this top-level engagement, adoption of generative AI initiatives and changes to process risk becoming fragmented, tactical, or viewed as optional rather than integral to the organisation's future.

“Effective leadership in this context is less about mandate and more about guidance.”

Effective leadership in this context is less about mandate and more about guidance. Leaders can help their organisations navigate uncertainty by articulating a clear strategic intent for how generative AI (and eventually agentic AI) will be used, where it will (and will not) add value, and how it aligns with broader business goals.

This requires creating space, time, psychological safety, and prioritisation for people to engage with change. In smaller organisations this can be easier to achieve, but in larger firms it must be intentionally designed.

If leaders do not model curiosity, learning, and responsible experimentation themselves,

it becomes extremely difficult to expect these behaviours from others.

Participants agreed that change driven by generative AI cannot be rolled out through policy alone, with leaders needing to bring strategy to life in day-to-day practice through thoughtful communication and engagement.

One example mentioned in the research groups was onsite workshops to explore real use cases, surface concerns, and co-design approaches with teams.

These conversations can then flow into practice groups and teams, allowing nuance to be addressed in context rather than imposed from the centre, with this participatory approach helping to reduce resistance and fatigue by involving people in shaping how AI is used in their work.

Crucially, strong leadership in this environment emphasises clarity and discipline around use cases, from the beginning, leaders should prioritise grounded, high-quality examples of where tools such as generative AI genuinely help, supported by good training and clear expectations.

By showing what best practice looks like and reinforcing responsible use, leaders can build confidence, trust, and momentum, turning technology from a source of anxiety into a practical enabler of meaningful change.



The Business of Law

The impact of generative AI on legal work has been apparent since the introduction of ChatGPT over three years ago, however this year's research group is the first where I have felt significant steps towards changes in the business model are being taken.

The business of law is undergoing fundamental change, driven by shifting client expectations, technology-enabled delivery, and growing pressure on traditional pricing and partnership structures.

At its core, the profession is being forced to re-examine what it is selling, who it is selling to, and how value is priced and made visible.

Clients continue to turn to law firms for deep expertise and industry-specific insight, but increasingly only when that expertise truly matters.

In many cases, what clients are paying for is not time spent, but the impact of judgment, reputation and authority, particularly the influence a senior lawyer brings into a critical meeting or negotiation.

This recalibration of value is placing the billable hour under sustained strain, with many industry participants discussing how they expect it to be significantly reduced within the next five years.

As work accelerates and technology compresses timelines, time-based pricing becomes misaligned with client value, particularly when in-house teams may

not agree with how firms traditionally assess the worth of a task.

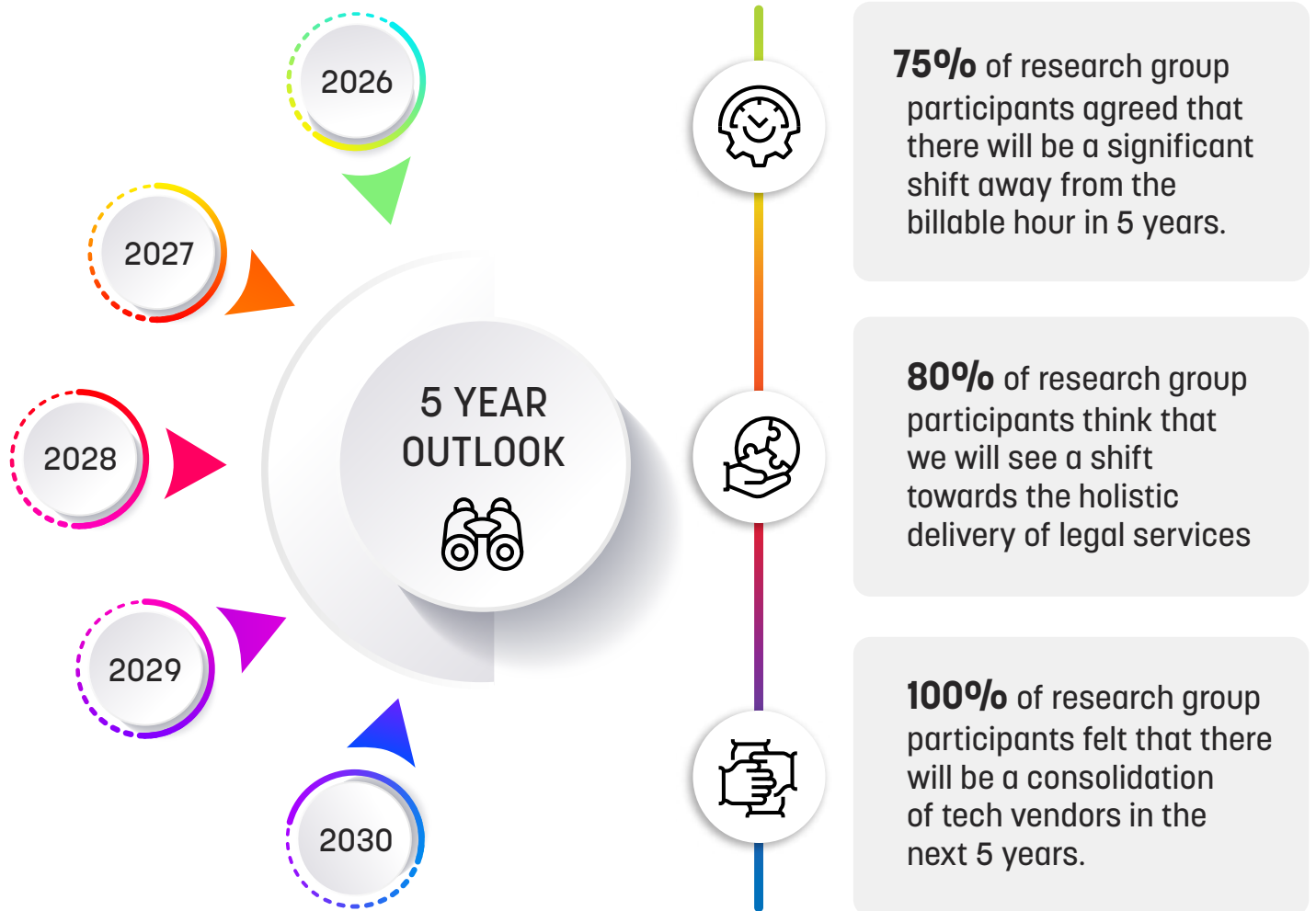
Fixed-fee pricing is growing, but it is being applied inconsistently, often still anchored to internal views of effort rather than to what the client actually values.

In the research groups, participants from in-house teams, the clients of law firms, expressed different opinions on how they preferred to be billed, with some preferring the hours-based model and others seeking out value-based alternatives.

They agreed that firms are increasingly required to engage in open, upfront conversations with clients about outcomes, risk, and price.

As explored earlier and in Part 1 of this report, technology is central to this shift, with new tools enabling entirely new services and delivery models, but also raising difficult questions about where revenue comes from and who bears the cost of change.

Participants felt that very soon, it will be unrealistic to claim any legal service can be delivered without technology as it becomes more embedded with legal work.



One participant suggested that this is accelerating the move toward tiered service models, similar to airlines, ranging from high-volume, lower-value work to bespoke, high-impact advice.

Success will increasingly depend on who can price value most effectively and who has clients that understand and support value-based billing.

These pressures are exposing structural limits in the traditional partnership model, with large, highly fragmented partnerships being difficult to mobilise for change, particularly when incentives are still tied to time and individual revenue.

Participants emphasised that modern legal work increasingly requires cross-functional teams of lawyers, legal operations professionals, technologists, data specialists and project managers working together to deliver holistic solutions.

While lawyers will continue to own professional risk and accountability, the hierarchy of firms is likely to flatten as allied legal professionals play a more visible role in service delivery, pricing, and remuneration models.

Looking ahead, legal teams in firms and in-house will continue to evolve beyond collections of lawyers into multidisciplinary business units.

While technology will reshape how work is done and priced, it will not replace the human capabilities that underpin legal value such as contextual judgment, ethical responsibility, and the ability to empathise with clients in moments of uncertainty.

Participants agreed that we are likely to see the amalgamation of some firms in the future due to these changes, and the firms that survive this transition will be those that align business strategy, skills, and pricing with a clearer, shared understanding of value.



At Moores, our human-centric business model is a direct expression of our values. More than a decade ago, we made a deliberate decision to turn off the clock and move to value-based billing – putting outcomes ahead of time spent.

Value pricing aligns our incentives with our clients' needs. It rewards working smarter, not harder, and positions us to fully embrace legal technology and AI to deliver better, faster and more meaningful outcomes.

As AI reshapes the legal sector, firms that want to stay relevant, and genuinely client-centred, should be rethinking their pricing models. The future isn't measured in six-minute increments. It's measured in value.



TESSA VAN DUYN

CEO and Practice Leader,
Moores



More than ever there is a need for those in the legal ecosystem to adopt designer mindsets.

Each firm and organisation is different. We need to step back to understand the value of our services.

This requires us to be curious about what our clients really value. To do that we need to ask them. Then we need the courage to experiment with new ways of pricing to find what will work for us and our clients.



MELISSA LYON

Executive Director & Experience
Designer, Hive Legal



After nearly three years of constant talk about AI, many in the legal sector feel fatigued and even frustrated – not because they doubt the technology, but because they haven't yet seen what it means for them personally.

Mindset change in this ecosystem is about rediscovering agency: turning curiosity into small, concrete acts of learning that make the future feel less corporately imposed and more self-owned.



ANDREA FOOT

Leadership Coach,
Leaf Logic



As AI dominates global feeds, my focus is on the important aspects that do not get discussed enough – people.

Without people and leadership, there is no AI adoption, no engagement and no meaningful return on investment.

So we must start with a focus on our people - ensuring that we and our teams are embracing AI, championing experimentation, and mobilising people by hooking their hearts as well as their minds in the “why” - it's the only way to get the best out of AI.

Finally, it is our people skills that are a true differentiator in the age of AI – we need our ability to communicate clearly, resolve conflict, and actively listen, now more than ever!



IVANA KOVACEVIC

Consultation Board Member,
Practical Law Australia

Changing Mindsets

Participants agreed that with all of these changes to impacting the people and processes of the legal industry, keeping pace requires a fundamental mindset shift for legal and allied legal professionals.



The shift from certainty and precedent toward adaptability, learning, and comfort with ambiguity presents a challenge for the traditional legal mindset which has been built on mastering established knowledge, minimising risk, and relying on past experience as a guide. While these strengths remain important, they are no longer sufficient alone in an environment shaped by rapid technological change, evolving client expectations, and new delivery models.

The industry is beginning to see learning as continuous rather than front-loaded early in the careers of lawyers. Skills, tools, and even roles will keep evolving, meaning relevance depends on the willingness to regularly unlearn and relearn.

This includes being open to experimentation, accepting that not every answer is immediately clear, and recognising that progress may come through iteration rather than perfection.

Participants felt that professionals should shift from viewing technology as a threat to expertise toward seeing it as a capability amplifier, something that changes how legal judgment is applied, not whether it is needed.

As explored in the previous paragraph, there is also a mindset shift required around value, with impact, insight, and the ability to contextualise advice within broader business and human realities likely to matter more than hours spent or technical complexity alone.

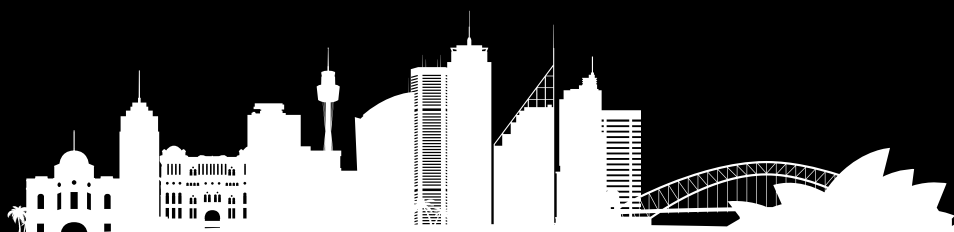
Collaboration across disciplines, comfort working in cross-functional teams, and openness to different career paths are becoming markers of success.

Ultimately, the professionals who thrive will be those who remain curious, reflective, and adaptable, anchored in legal judgment, but flexible in how they apply it in a changing world.

CONCLUSION

There is an extensive amount of evolution happening in the legal industry, and I hope that you have found Part 2 of the **2026 Legal Innovation Research Report** informative and illuminating.

Part 1 - Focused on TECHNOLOGY - DOWNLOAD HERE



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27-28 April 2026
Hyatt Regency, Sydney

FIND OUT MORE ABOUT THE LEGAL INNOVATION & TECH FEST AT: legalfestival.com