

ACC AUSTRALIA
2019 IN-HOUSE COUNSEL
TRENDS REPORT

ACKNOWLEDGEMENTS

The Association of Corporate Counsel (ACC) Australia would like to acknowledge and thank the people who made this report possible.

To the 363 ACC Australia members who participated through completion of the In-house Trends Survey, we thank you for your time and willingness to share your experiences, practices and insights for the benefit of the wider profession.

We also wish to acknowledge and thank our Corporate Alliance Program Partners; whose generosity enables us to provide quality services to our members.

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KEY FINDINGS AT A GLANCE

Don't have time to read this entire report? Here is a snapshot of all you need to know to be at the forefront of what's trending in 2019 in the in-house legal profession.

The role of in-house counsel is continuing to become more complex with the **trend for corporate lawyers to now be commercial trusted advisors** as well as traditional company lawyers.

The fallout from the Royal Banking Commission has extended beyond the financial sector and **legal compliance is more crucial than ever** to meet increasing governance requirements and ensuring smooth business operations.

Changes to regulatory compliance increases the need for in-house counsel to keep up with **regular education**.

Technology and innovative service delivery continues to trend in the legal profession; however, uptake remains conservative due to lack of time and/or budget.

34% of organisations represented have experienced cybersecurity breaches in the past year, with 7% of those reportedly not being fully prepared for such a breach.

Approximately one third of respondents' organisations directly briefed a barrister, with the most common reason being to gain specialist expertise and being more cost effective than engaging representation through a private practice firm.

The most common types of legal technology used by survey participants were **electronic legal libraries, document management software and electronic document repositories**.

Lack of time continues to impact decisions regarding the uptake of NewLaw business models.

Work-life balance is a concern for in-house counsel, **with two thirds of respondents spending in excess of 40 hours a week at work**.

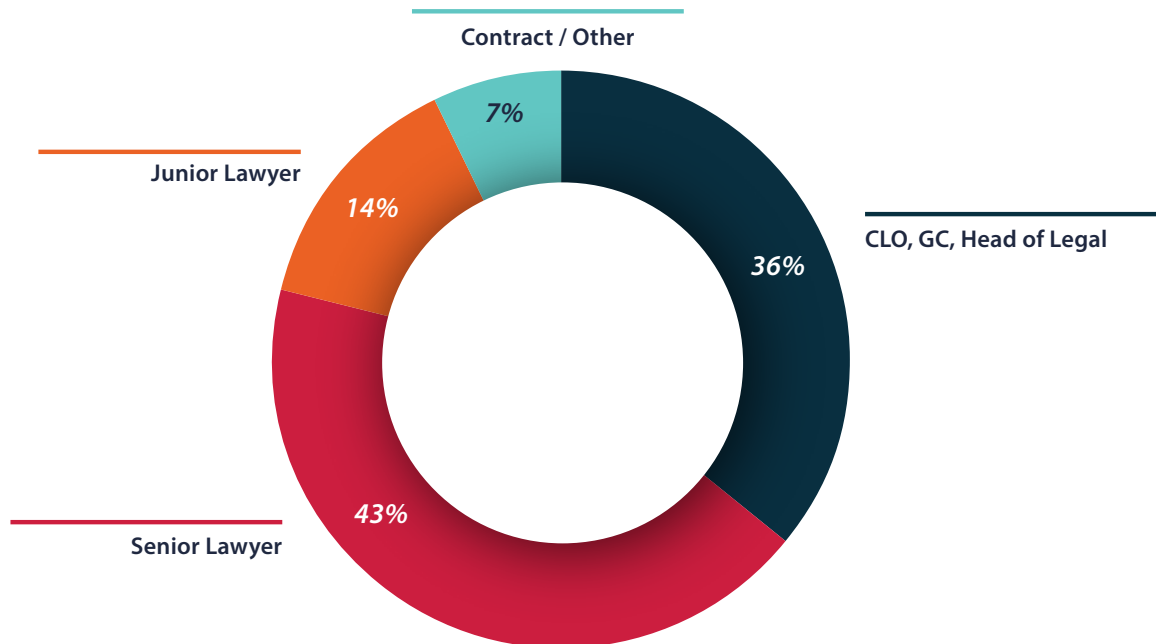
Four out of five in-house counsel feel their organisation's policies adequately support caregivers and parents, however, almost one in three felt reluctant to take advantage of these policies.

OVERVIEW

ACC Australia is committed to keeping members abreast of trends within the in-house profession. Each year, the association surveys members to gain insight into the consistent and emerging challenges, working conditions and practices within in-house legal teams throughout Australia.

This year's survey was completed in August 2019 by 363 respondents from a range of industries, government departments and not-for-profit organisations. Seventy-seven per cent of respondents listed themselves as full-time employees, with 17% part-time and the remainder in contract / project work employment arrangements. Almost 80% of respondents held senior roles.

Respondent Status



The results of this year's survey show the role of in-house counsel becoming more complex as the function continues to shift from a traditional subject matter expert, in the direction of a trusted advisor and influencer to the broader business. In-house counsel are also working across more business units of the organisation, thus increasing the breadth and complexity of the role. In many organisations these additional requirements do not come with increased resourcing capacities, leading to a vastly arduous role, requiring the legal team to do more with less.

The increase in compliance guidelines and regulations across multiple areas (i.e. Modern Slavery, Chain of Responsibility, Competition and Consumer Law) is requiring organisations to have increased focus on governance across all levels of the organisation. This necessitates in-house lawyers to upskill an increased number of people. As an example, the fallout from the Royal Banking Commission has extended beyond the financial sector and legal compliance is more crucial than ever in ensuring smooth business operations in the majority of businesses.

Technology and innovative delivery continue to be a trending issue in the legal profession; however, uptake remains cautious and conservative. Lack of time to investigate options, lack of budget and satisfaction with existing models and service providers are each key factors in the low rate of technology uptake.

Although the level of understanding and use of NewLaw business models continues to increase each year, this remains a relatively underdeveloped area of practice and many respondents were unclear as to the benefits of NewLaw models.

Each section of this report looks at a sub-theme of the 2019 In-house Counsel Trends Survey. It begins with a macro overview, examining the broader themes in the external environment that impact upon the nature, quality and quantity of output by legal teams, required in the current market. From there, we explore how legal teams are managing expanding workload and the work-life policies and programs offered by organisations.

THE EXTERNAL ENVIRONMENT

As globalisation, regulatory compliance and risk management continue to have unprecedented levels of impact on how organisations conduct themselves, the role of the in-house legal team has never been more important and challenging.

Regulatory Challenges

The regulatory environment is playing a material role in an ever-expanding number of industries. Risk management, privacy, data and cybersecurity have become increasingly prioritised and legal departments are now charged with protecting the commercial viability of their organisation.

With regulation and compliance remaining a high priority for legal teams, we asked what key regulatory challenges are faced by in-house legal teams. Some responses became predominant themes, while other themes were unique, but worth noting. The following table provides the highlights:

Predominant themes (16+ respondents)
<ul style="list-style-type: none"> • Privacy and data security • The Modern Slavery Act • Increased regulations • The fallout from the Royal Commissions into the Banking and Financial sector
Common themes (6-15 respondents)
<ul style="list-style-type: none"> • Whistleblowing legislation • Government changes • Increased compliance requirements, particularly with data • Environmental regulation
Unique challenges (5 or less respondents)
<ul style="list-style-type: none"> • Brexit / GDPR • Changes to local government law • Expanding ACCC jurisdiction • Labour hire licensing laws • Climate change and the impact these have on industry

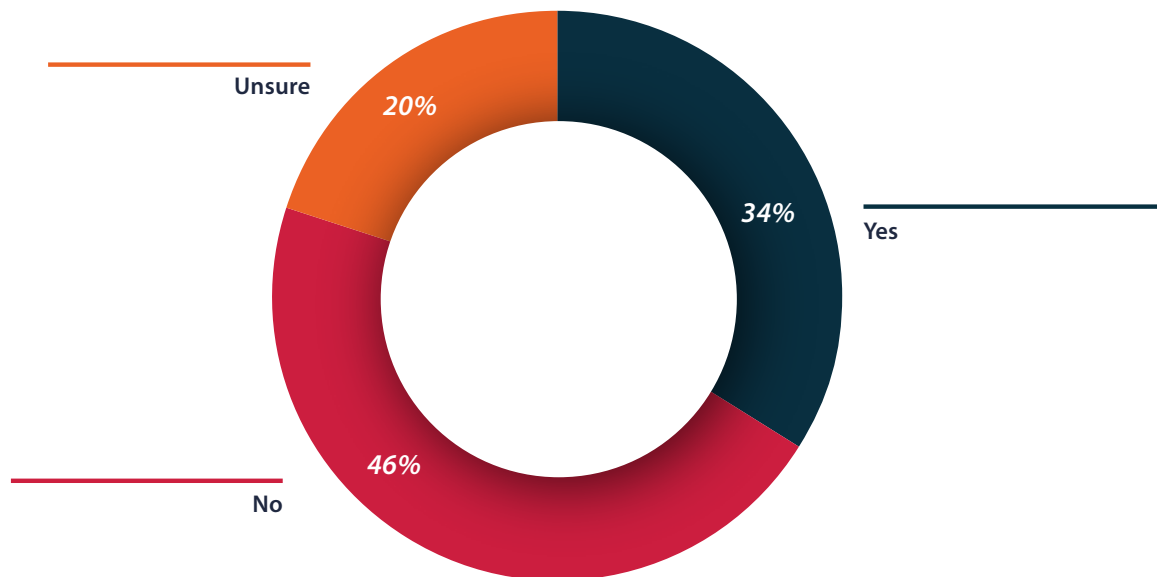
THE INTERNAL ENVIRONMENT

Cybersecurity

Thirty four percent of respondents advised their organisations had experienced a cybersecurity breach in the past year, a 7% decrease in cybersecurity breaches from 2018. The overall decrease in breaches shows that cybersecurity remains a high priority and many organisations are evaluating their risk profile. Yet, 7% of organisations who suffered a breach were not fully prepared.

With the increase in cybersecurity incidents expected to rise by 33%¹, each year legal teams must build the capability to ensure their business can respond to such a threat. Regardless of whether a breach had occurred, it was clear that cybersecurity is seen as a very real risk in today's business environment, with 28% of organisations represented, stating they are fully prepared and 66% being somewhat prepared for a cybersecurity breach.

Subject to a cybersecurity incident

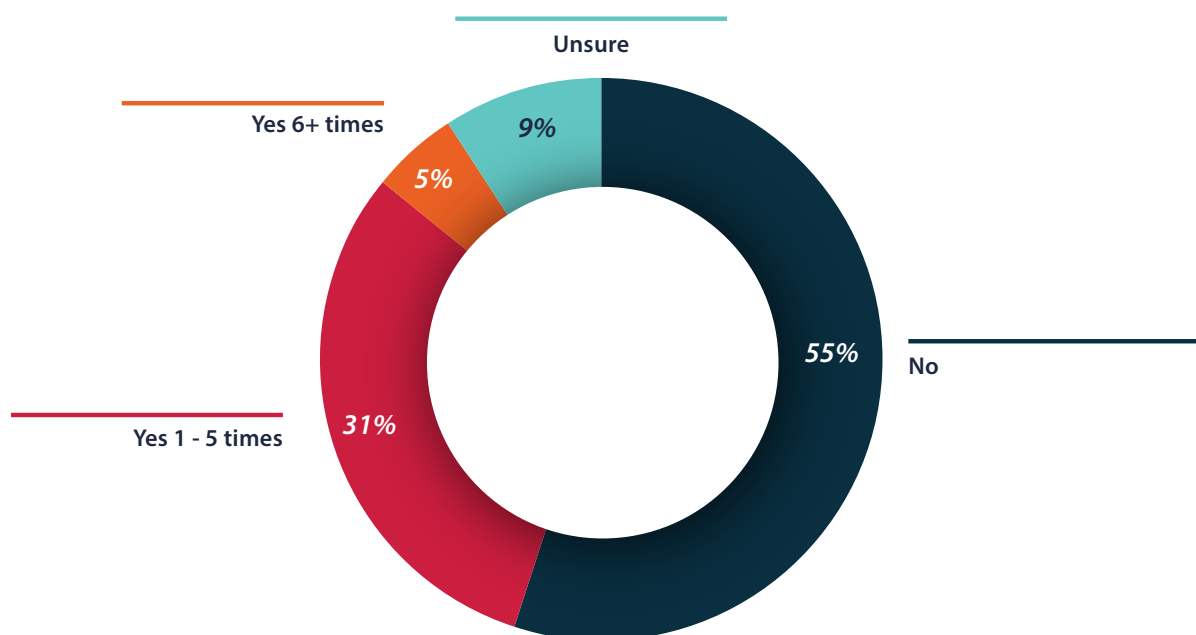


1. 5 cyber security threats to businesses in 2019, Savv-e.

Direct Briefing

In this increasingly complex and ever-changing legal environment, barristers are often briefed for their expertise in advocacy, the litigation process, as well as their strength in dispute resolution, both judicial (and non-judicial). With the ability to quickly and economically identify the crucial points of a matter, in-house counsels often seek a barrister's advice directly in order to better manage risk and respond to issues.

Direct Barrister Briefings

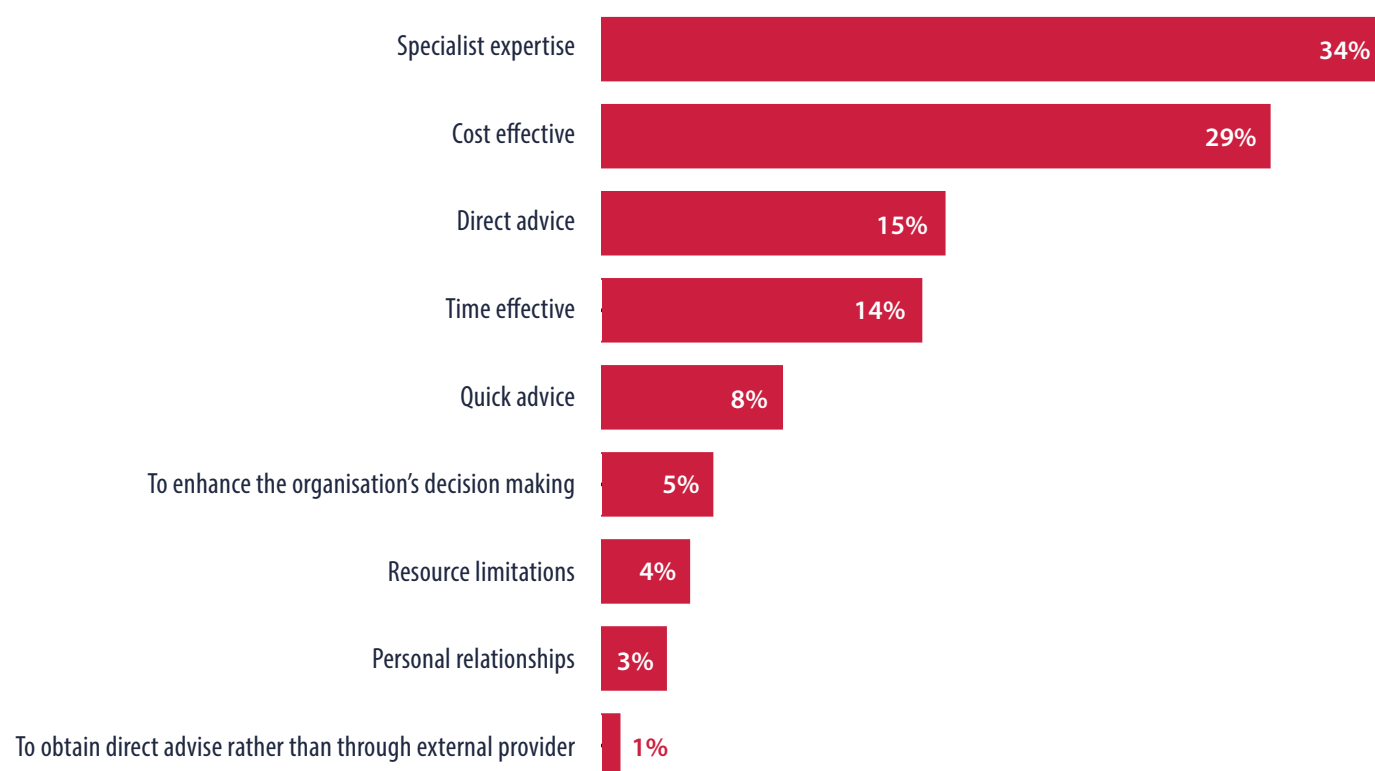


While there was no increase from last years' results, we found that briefing barristers directly remains an option that approximately 36% of respondents undertook at least once over the past 12 months. Of those, 31% briefed barristers up to five times, while 5% briefed more than six times.

Reasons for directly briefing a barrister have changed little since the last survey, with the most popular response being to gain specialist expertise (34%), followed by being more cost effective (29%) and thirdly, to seek the benefits of having direct advice (15%) and time efficiencies (14%).

2. Australian Bar Association – What is a Barrister. <https://austbar.asn.au//for-the-community/what-is-a-barrister>

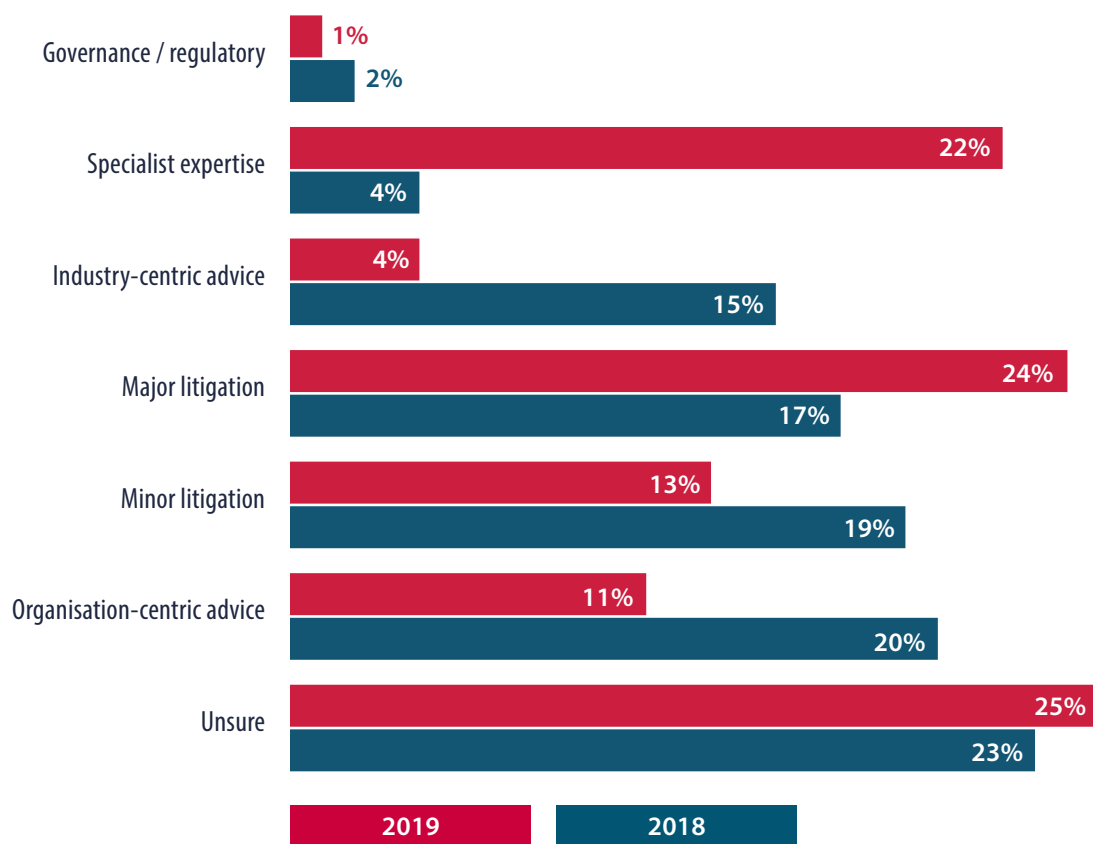
Reasons for direct briefing



Barrister expertise was predominantly relied upon for:

- major litigation – supreme and federal court (24%);
- major specialist advice such as taxation, human resources and intellectual property (22%);
- minor litigation – tribunals, lower courts and small disputes (13%);
- and organisation-centric advice (11%).

Matters brought to barristers



Of interest, these findings indicate a 7% increase in major litigation, and also show a decrease of 6% in minor litigation compared to 2018. A large spike in specialist expertise also appears and could be related to a tightening regulatory environment and global and technological disruption where expert advice is required.

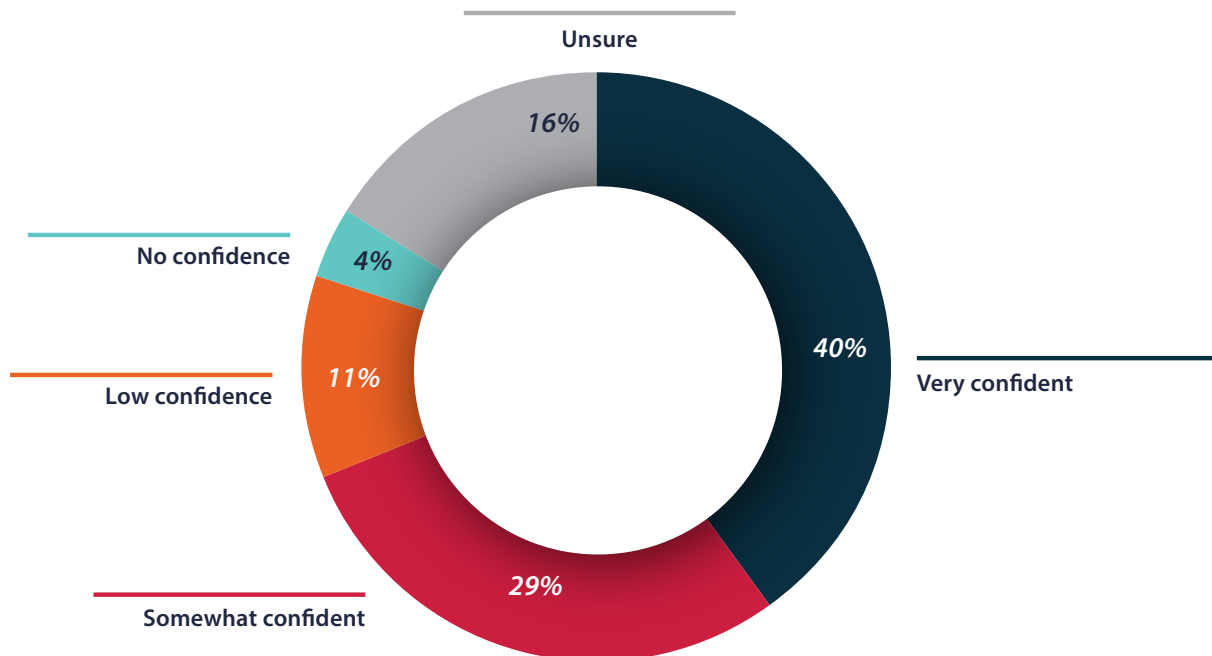
Over the next year, the number of organisations directly briefing barristers looks to remain consistent (30%), with almost 90% of respondents believing they will brief between one to five times in the next 12 months.



Risk Identification

Wage theft has become a hot topic in the Australian media over the past 12 months and so survey participants were asked about their level of confidence in their organisation being able to identify a risk of underpayment of wages and entitlements.

Confidence in risk identification



Whilst two thirds believe their organisations are equipped to identify underpayments, a third (31%) were either unsure, or had low confidence, in being able to identify and adequately respond to such an issue.

MANAGING WORKFLOW

As the need for in-house counsel to be trusted advisors to the broader business increases so does the complexity of demands placed on teams. The function of the legal team is often stretched to manage the increased responsibilities with the same resource structure. This section of the report looks at the various functions and tools legal teams are using to improve efficiencies.

Alignment with Organisational Objectives

In recent years, we have seen an increased focus on the capacity the legal function has in adding value and influence on the wider business. In some organisations, the legal department has become one of the business units with the largest organisational reach. In acknowledging how in-house legal teams can add value and be seen to have a crucial role in reaching organisational objectives, respondents were asked to describe the alignment of the legal team's priorities to those of the organisation.

Most survey participants responded positively to their legal team's alignment with broader organisational objectives. The majority (64%), advised their legal priorities were well aligned with organisational priorities and an additional 32% felt their priorities were moderately aligned, with some focus given to the organisation's priorities. Only 3%, believed their team's priorities were set independent of their organisation's.

Outsourcing

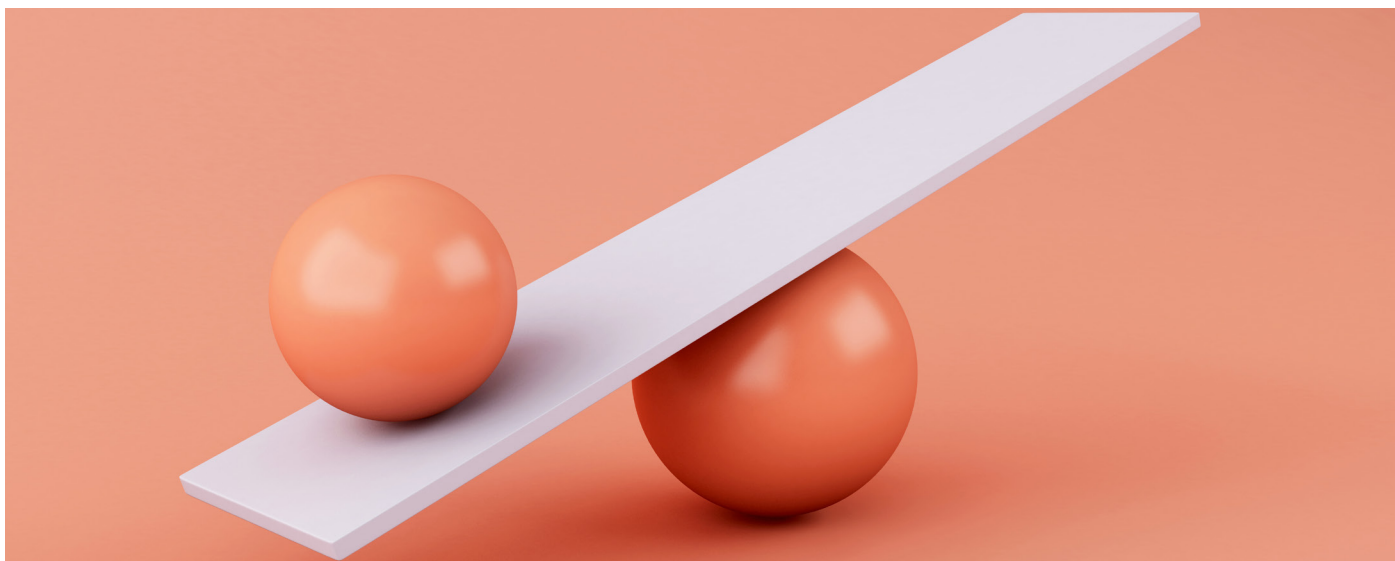
Choosing Legal Service Providers

In the 2019 survey, we were interested to understand how in-house lawyers choose external service providers. The strongest response by far, in choosing a legal service provider was driven by the service provider's understanding of the organisation's requirements. Overall responses are ranked as follows:

Considerations in outsourcing legal service providers



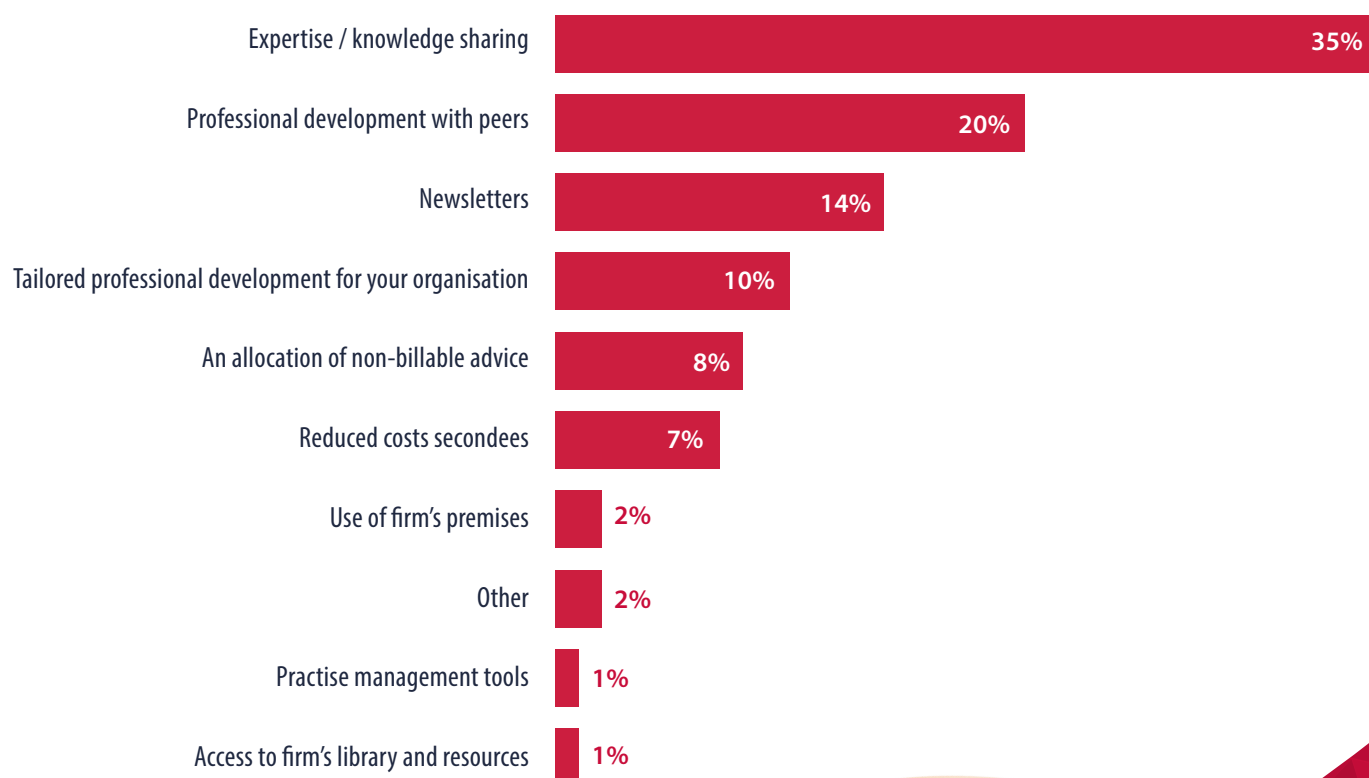
* This includes: reputation for thought leadership, firm's client list, recognised as top tier law firm and the degree in which you have to manage the firm



Value-add by Legal Service Providers

This year, respondents were asked about the added value provided by external legal sources. Thirty five percent of respondents reported that expertise and knowledge sharing was the most highly regarded value-add service their legal service providers offered. Professional development with peers was also highly recognised (20%), as was shared newsletters (14%). Of those who responded, 3% reported that their legal service provider didn't offer any value-add services.

Legal service provider value-adds



Legal Technology

The introduction of technology in both legal departments and law firms has changed the way in-house lawyers perform their role. Many organisations are now harnessing the available technology to empower their legal team so greater focus can be placed on high value tasks, whilst ensuring routine tasks done.

Common types of technology used



This year's survey found the most common type of technology used by survey participants was electronic legal libraries (28%), followed by document management software (21%) and electronic document repositories (18%). Approximately one in ten organisations were found to also be using contract management software (13%) and matter / case management software (12%).

Improving efficiencies through the utilisation of specialised legal software solutions is one-way legal teams are able to keep up with the increasing demands on their time. Matter management remains the most highly utilised software, along with, document management systems.

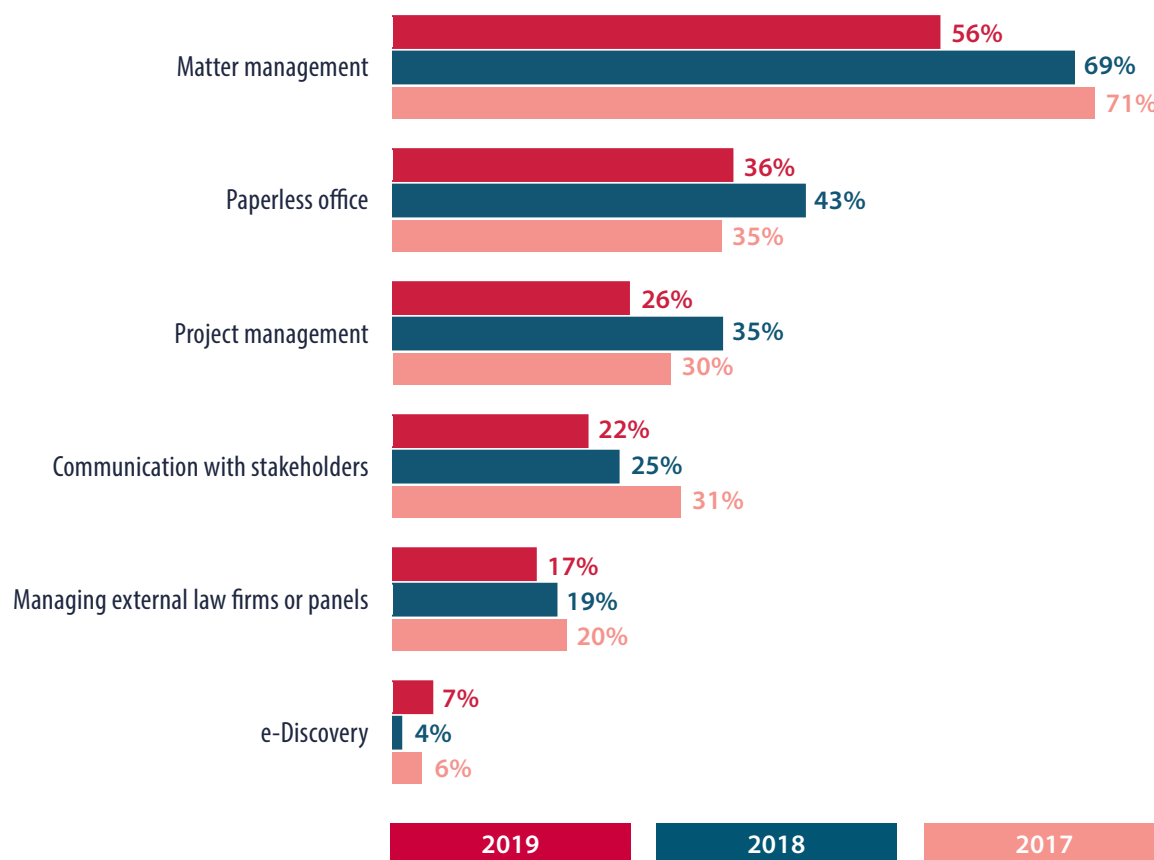
Respondents were asked if their team had introduced new legal software tools in the past 12 months. Thirty three per cent of respondents reported

there had been new tools introduced, which is consistent with the results from 2018. The main barriers for a not bringing in new legal software included:

- **Too time consuming (32%)**
- **Lack of knowledge about new products (27%)**
- **IT systems prevent new software (24%)**

Interestingly, whilst 93% of respondents felt their organisation was prepared for a cybersecurity incident (see page 7 for further details), 18% also advised cybersecurity concerns were a barrier to introducing new legal software tools. This suggests that a number of organisations are potentially holding back from utilising further legal software in fear of increase cyber risk exposure.

Legal software utilisation



Policies and Practices in External Service Provider Selection

Comparatively, there has been little change in the way organisations select their external providers, over the past year, with the top processes including:

- **Gaining sign off from General Counsel (48%)**
- **Obtaining a fee estimate (41%)**

There has also been little change to the number of organisations who don't have a specific process to follow 20% in 2019, as compared to 19% in 2018. When asked how important 'price' versus 'relationship and deep knowledge of the organisation' was almost four out of five respondents (79%) said either very important (21%) or somewhat important (58%).

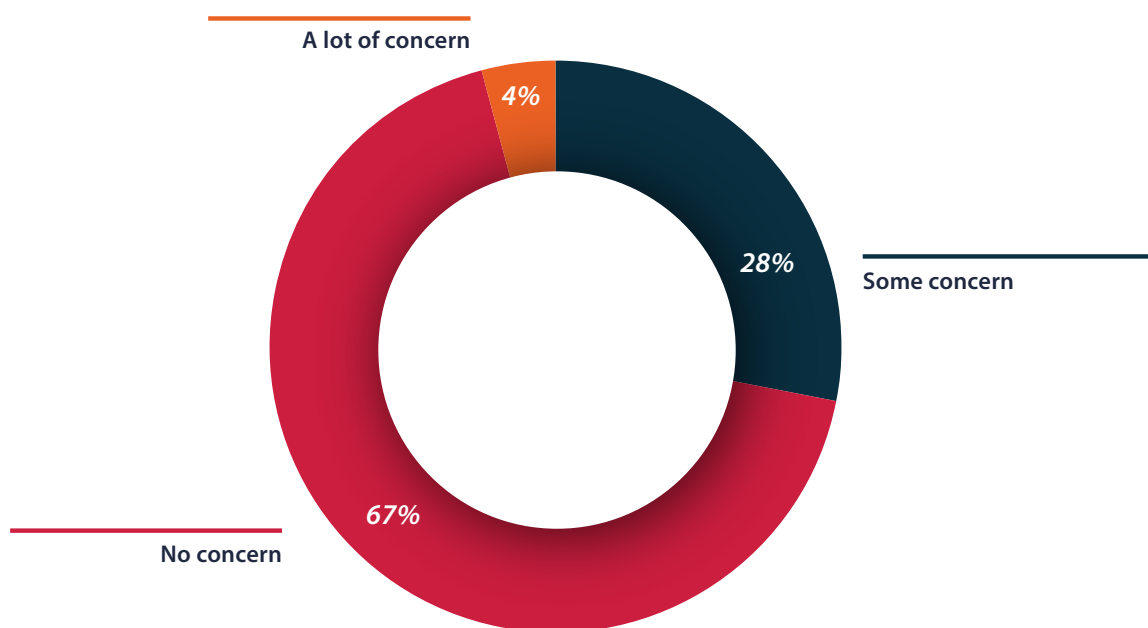
Process for external provider selection	2019	2018
Gaining sign off from General Counsel	48%	46%
Obtaining a fee estimate	41%	45%
Decision making on a business case or proposal basis	12%	14%
Competitive procurement processes	15%	13%
Non-legal executive sign-off	15%	13%

Panel Arrangements

Panel arrangements continue to be commonly used by Australian legal departments, with 51% of respondents reporting their organisations employ a range of law firms through this arrangement. This remains consistent with findings from the previous three years.

The survey results also showed there were a large number of in-house counsel (68%) who would not be concerned with briefing firms who have a different organisational structure to their business, e.g. a firm listed on the ASX or UK stock exchange.

Different firm structures



In the 2019 Trends Survey, results also show there is a trend towards increased insourcing (69%), with 38% of respondents looking to review the composition of their panel over the next 12 months. Of those who were intending to review their panels, in the majority of cases this is due to the organisation expanding into a new jurisdiction, changing requirements or changing senior staff, e.g. a new General Counsel.

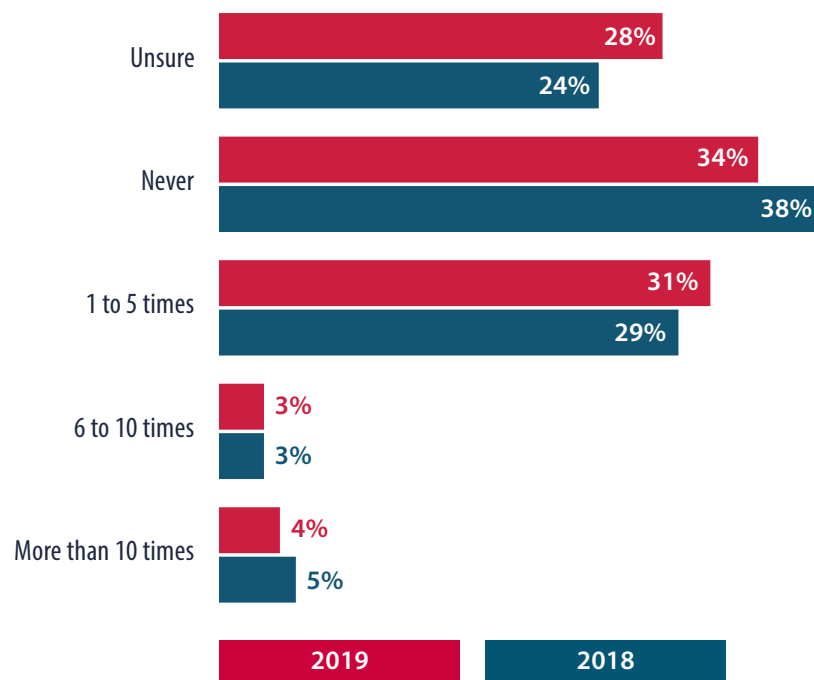
NewLaw Business Models

The topic of NewLaw business models was introduced to the Trends Survey in 2016, at which time just 26% of respondents were familiar with such models. Over the past three years the knowledge of NewLaw business models has increased, and now, 38% of participants use these models. The most popular models adopted being:

- **Lawyer replacement agencies (23%)**
- **Fixed fee firms (20%)**
- **Legal process outsourcing (10%)**

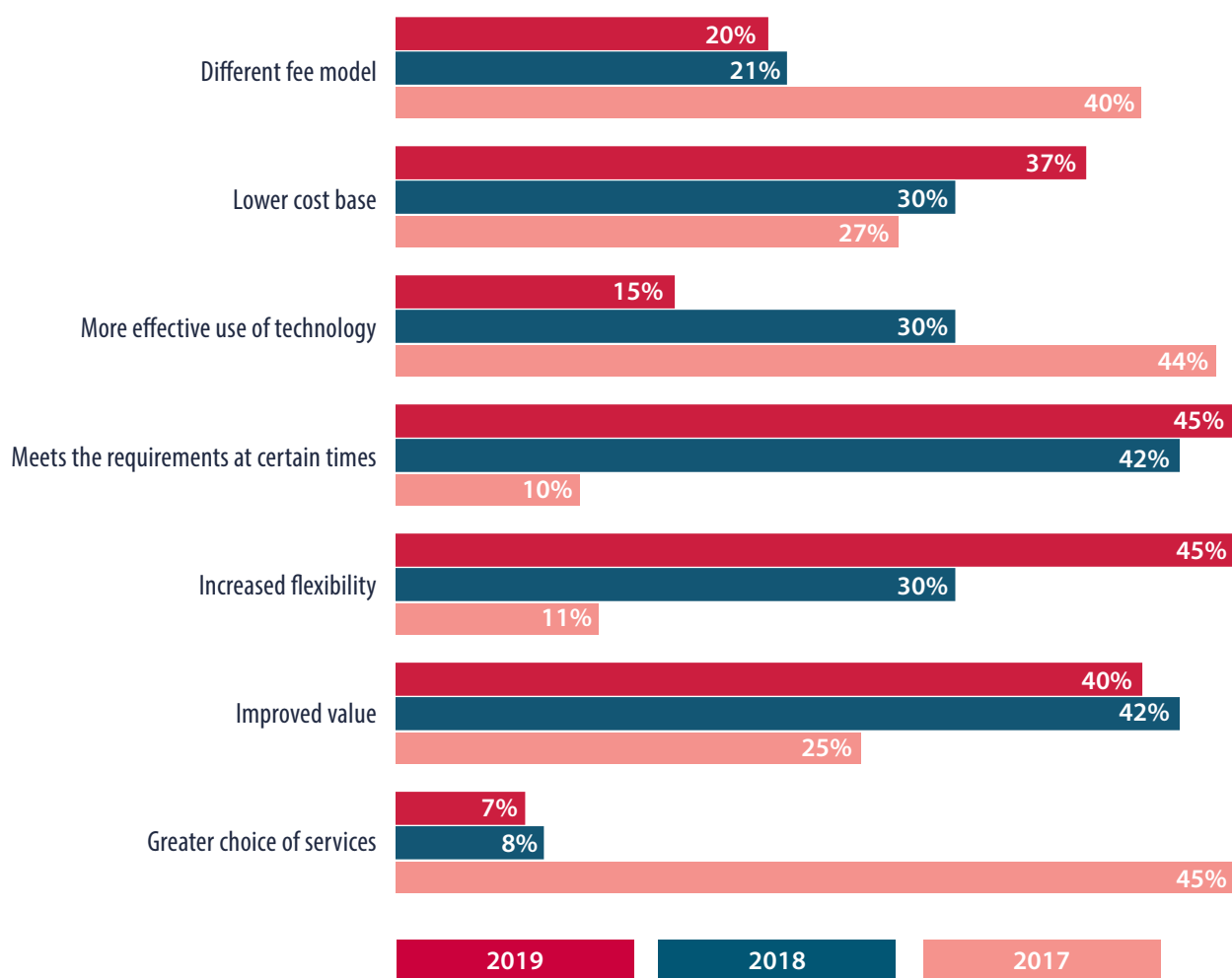
Compared to the survey results from 2018, it's apparent that more legal departments are using lawyer placement agencies (up 8%), fixed fee firms are becoming more attractive (up 3%) and use of online document retailers have dropped considerably (from 18% to 2%). Interestingly, whilst the general knowledge of NewLaw options has increased, the frequency of usage amongst survey participants has remained consistent over the past two years.

Use of NewLaw models



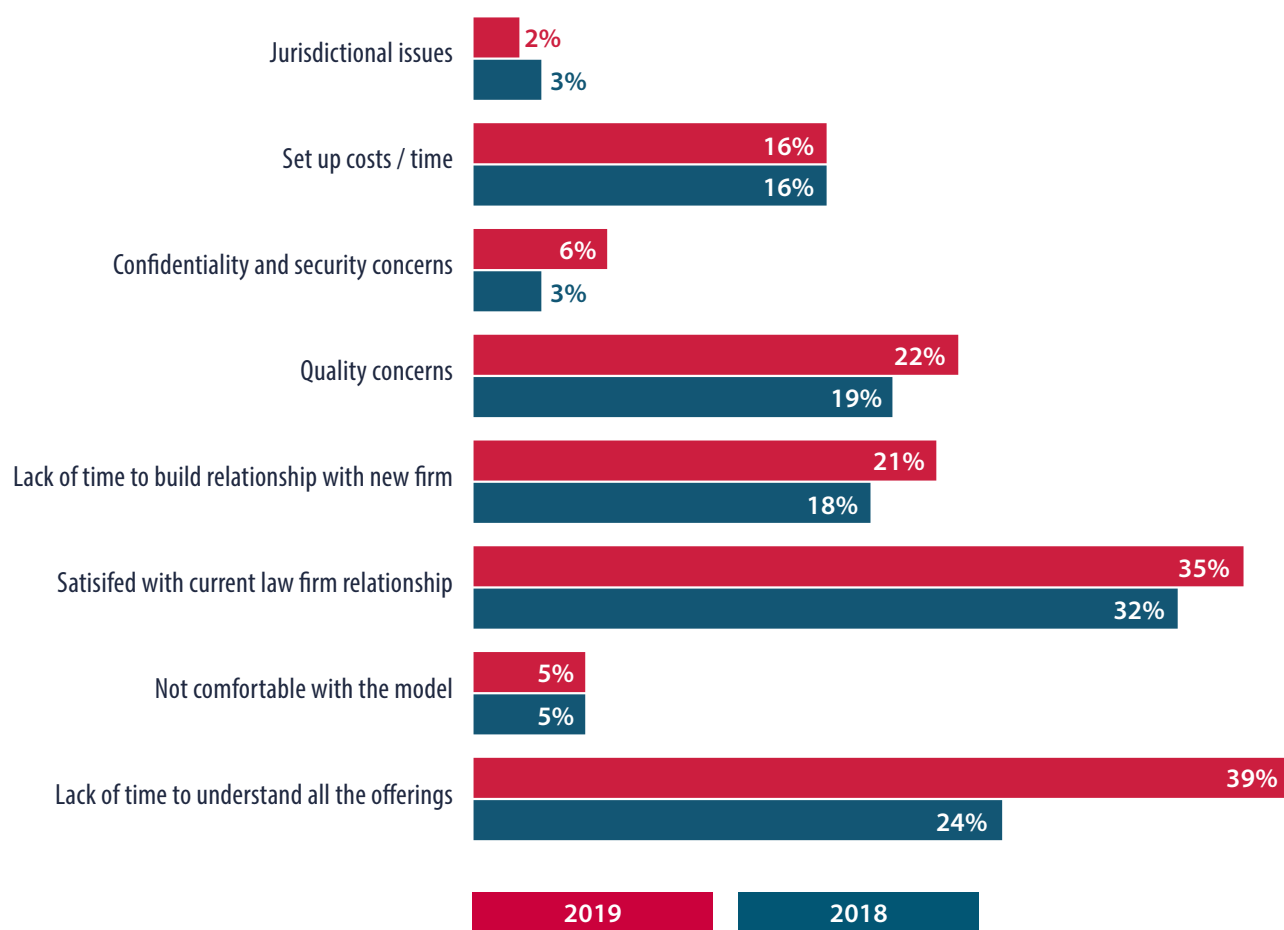
Respondents were asked to list the two most significant reasons for choosing NewLaw firms. The rationale for choosing NewLaw firms has changed significantly over the past few years. In 2019, legal departments appear to be interested in multiple benefits rather than just one or two gains. These include the ability to be responsive at various times, lower cost base and improved value.

Reason for choosing NewLaw firm



While reasons for choosing NewLaw firms appear to have changed, barriers to NewLaw firm uptake remain much the same as in 2018. More than a third (35%) of the respondents indicated they were satisfied with their current law firm relationships. A recurring theme in this survey was lack of time. Once again, lack of time impacts decisions regarding NewLaw firms both in the time it takes to understand the offerings (39%, an increase of 15% from 2018), lack of time to build relationships with NewLaw firms (21%, an increase of 3% from 2018) and the time and cost involved with setting up new relationships (16%).

Barriers to choosing NewLaw firms



*note: participants were able to select up to two barriers in the survey

Legal Processing and Operations

In-house legal teams use legal operations to improve efficiencies in business activities and processes, with almost one in five respondents (19%) reporting having a legal team, staff member, dedicated solely to the legal operations of the function³. Of those who have a team member dedicated to legal operations, approximately one in five noted the person responsible for team operations held a legal, tertiary qualification. This is a significant drop from 2018 where one in three were tertiary qualified.

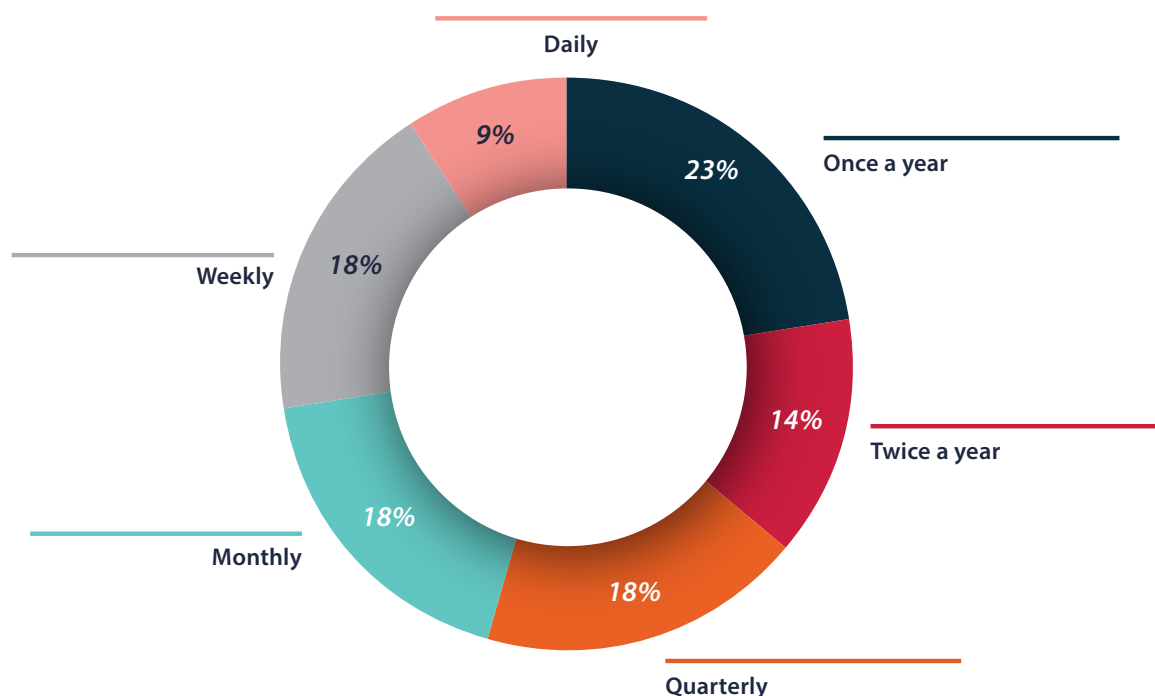
Over the next 12 months, it is expected that an additional 8% of organisations will introduce a dedicated legal operations role.

3. Examples of legal operations provided in the 2019 Trends Survey included managing finance, IT systems, project management, outside counsel management, administration and human resources.

Legal Process Outsourcing

Consistent with findings last year, the majority (71%) of respondents have not utilised legal process outsourcing (LPO). Of those who utilise LPO services, there was a spread across the frequency of use, from daily, to once a year. Reasons provided for adopting LPO services were evenly split between cost efficiencies (29%), time efficiencies (29%) and resource limitations (29%).

LPO services, frequency of use



When asked if LPO software will play an increasing role in their team's function over the next 12 months, 29% considered it would; an increase of 6% from last year. There still remains a large portion of the survey sample whose organisations either don't have a budget allocation for legal technology software (31%) or don't know if there is an allocation (34%). The largest portion of budget allocation was found to be between 1-10% of the legal function's total budget, this was found in 25% of respondents.

Despite there being budget pressures, legal departments recognise the need to update and review their processes to ensure they stay at the top of their game. Over the next 12 months, 54% stated their legal department will be looking to implement some process change or a new workflow technology within their function.

WORK-LIFE BALANCE

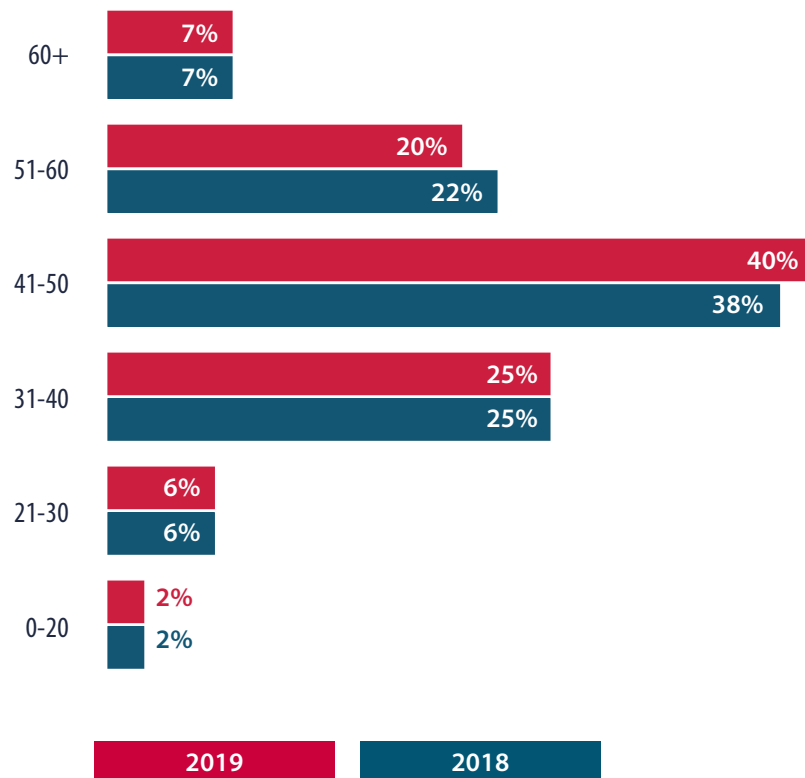
The need to maintain a healthy work-life balance has become increasingly recognised across the industry. Whilst there are a number of available options for in-house teams to use and support their efficiencies, work-life balance continues to be problematic for both individuals and organisations. In this year's survey we asked new questions to address this on-going concern.

Typical Hours

Regardless of the uptake of outsourcing and technological solutions to assist with workflow management, extended working hours are still commonplace in legal teams, raising concerns regarding the health and wellbeing of many in the profession.

Two-thirds of the sample reported spending in excess of 40-hours per week at work; 40% reported working more than 40 hours each week; 20% more than 50 hours per week; 5% of respondents worked more than 60-hours per week and almost 2% reportedly working more than 70 hours each week. Working long hours on complex matters is not a sustainable practice and inevitably leads to burnout and poor health.

Average Weekly Hours

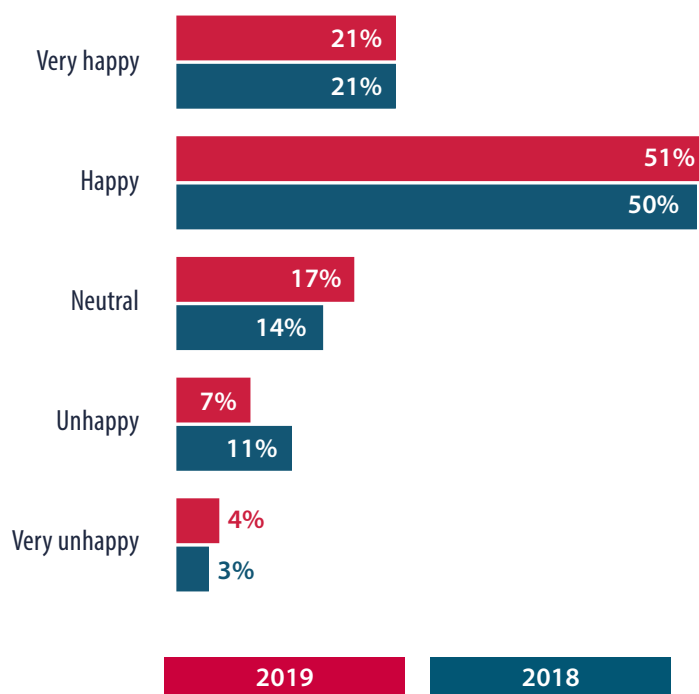


Despite greater attention to the importance of life balance in the industry, we see virtually no change when comparing this year's survey results to last years. It is interesting to note that whilst one of the most common reasons for moving in-house is the scope for flexible working hours and the potential of a shorter working week, the majority of respondents work excessive hours⁴. This demonstrates that while there may not be uptake of work-life balance policies, there is the general acknowledgement that the desire exists within the Australian in-house legal profession for work-life balance, friendly employment.

Of interest, part-time employment remains consistently low over 2018 and 2019, with only 8% of respondents working less than 30-hours per week. This mirrors the trend in private legal practice where part-time work is scarce and lacking in incentives or rewarding workload⁵.

Work-life Satisfaction

Work-life Satisfaction



Correlating with the general plateauing of hours worked, across the past two years there has been a minor increase in work-life satisfaction levels.

4. Inside In-House Legal Teams Report, The Law Society of New South Wales, 2012

5. Campbell, I., Charlesworth, S. & Malone, J., 2012. 'Part-time of what? Job quality and part-time employment in the legal profession in Australia' Journal of sociology, vol. 48, no. 2, pp. 149- 166

Workplace Policies

There was a decrease in satisfaction with workplace policies support of caregivers and parents. While last year 85% of respondents believed they were adequately supported, this year only 79% were satisfied with company support policies.

Of the available options, working from home remained the most highly utilised work-life balance initiative, with 84% of respondents stating they take up opportunities to work from home.

Other initiatives include:

- **A reduced hours schedule (37%)**
- **Fitness & wellness programs (31%)**
- **Additional leave days (31%)**
- **Rostered days off (10%)**
- **Childcare facilities (4%)**

With a general shift to an increased focus on health and wellness in Australia, we added a new answer selection to workplace initiatives questions; fitness and wellness programs. Much has been published about fitness reducing health risks, enhancing personal effectiveness and in turn, benefiting an organisation's bottom line and we were interested to understand how many organisations have developed structured programs, (31%).

While four out of five respondents felt supported as caregivers and parents, almost one in three felt reluctant to take advantage of their organisation's work-life balance policies, as they felt it may adversely reflect on them in their workplace. The main reasons people were concerned about the impact of taking up work-life balance policies were:

- **Adversely impacting future career goals (17%)**
- **Not being seen as a team player (13%)**
- **Disconnection between organisation's policies and direct manager's requirements (13%)**
- **Direct manager believing 9-5 workers are most efficient (10%)**
- **Colleagues and peers make too many negative comments about flexible working (7%)**

Direct comments made by respondents recurrently referred to time and workload pressures making it impossible to take up flexible options. The trend of expectations of being on-call for instant responses posed a further problem. Whilst some referred to expectations of line-managers standing in the way of life responsibilities, others noted their own high standards were the reason for maintaining traditional working hours and conditions.

While the trend over the past five-years has been for more virtual, contract and home business activity, the in-house legal community is resistant to evolving working conditions. Being physically present in offices from nine-to-five is still the prominent norm. This is in part due to the high number of meetings required within the profession.

Some respondents, referred to the policies offered being overly complex and restrictive to take up. One such example given was taking time off in lieu for additional work. When the workload is constantly large, taking time only adds to the workload and increases overload, which is a deterrent to utilising this employment entitlement.

Overwhelmingly, reference to broader organisational culture, particularly within traditional and global businesses, was seen as an obstacle to flexible workplace conditions. Some respondents indicated that there were no work-life balance policies in their organisations and no support from line managers who wish to empower their team to work hours that fit best in the other demands of their lives.

While there are options available to most of the respondents in this survey, there is still hesitation to take up the work-life balance initiatives due to the cultural norms and perceptions of not being a true team-player unless you are physically present in the office during regular business hours.

“ Pressure self-imposed to be available for meetings in the office - even though the organisation is supportive of dial-ins.

“ My manager believes that as a support function we need to be seen to be available physically in the office.

“ There is a stigma that 9-5 should be spent within the office environment. Also, paper and process limits work being able to be completed from home.

“ I am unable to meet the deadlines when taking up the flexible work arrangements properly and my clients make negative comments when I am unavailable or working from home, so I don't feel comfortable.

“ Flexi leave policy only allows to take part days in lieu. Worker must accrue 16 hours before taking flexi leave. By this stage I am often mentally exhausted to the point of breaking.

“ The volume of work and the short turn-around times mean that each time I am away from the office, work does not get completed and I then feel more pressure to do more in less time.

“ Global company hours need for availability outside of standard hours.

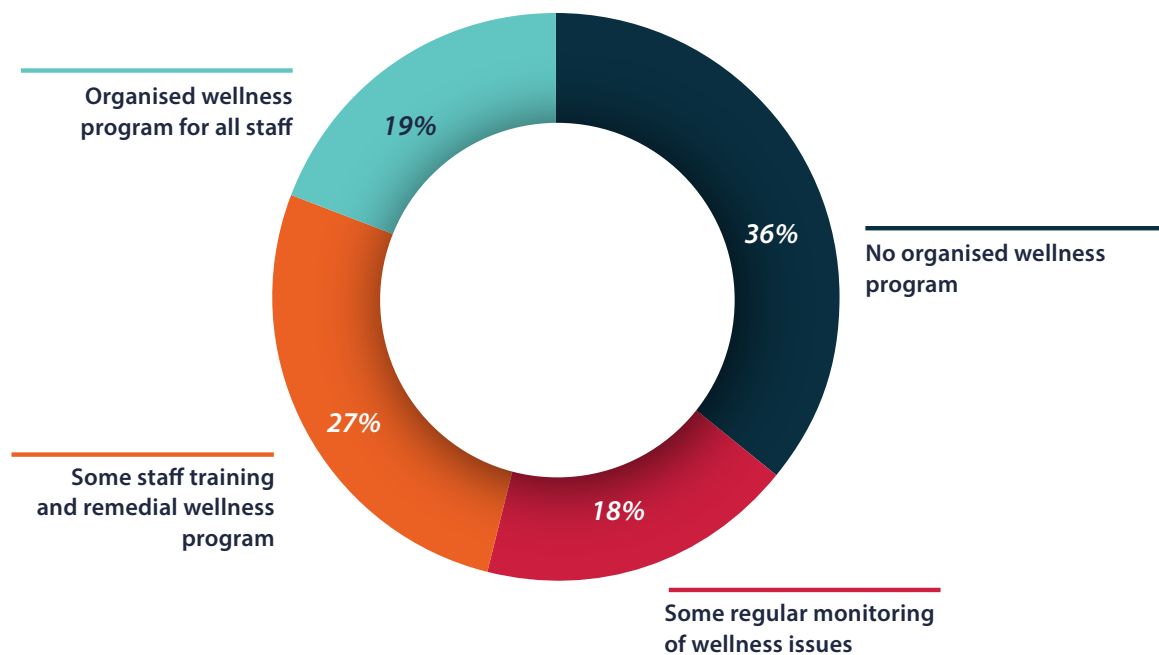
“ American company and manager with outdated views on leave practices, particularly not trusting me as a junior.

“ My organisation does not have any policies, nor the corporate will it seems, to adopt any practices. My manager is supportive but is restricted in what he can do, plus the culture of the rest of the organisation places pressure on this team to not adopt changes.

Wellness programs within organisations

With the spotlight in recent years on work-life balance and how organisations can support employees' health and wellness, we introduced the question about organisation-based wellness programs and asked respondents to describe the types of programs their organisations offered.

Availability of wellness programs



More than one third (36%) of respondents reported having no structured, regular wellness program; however, they did recognise a number of other health and wellness activities they could access, such as:

- Employee Assistance Programs
- The ability to participate in wellness programs managed by building management
- Reduced fee gym memberships / access to building run fitness rooms
- The occasional fitness challenge
- The occasional training on resilience and mental health
- Irregular in-office massages

Importance of Work-Life Balance in Employer Choice

Work-life balance continues to be viewed as very important when choosing an in-house role, with 69% of respondents referring to work-life balance as either a very important (41%) or important (28%) factor in choosing an in-house role. This demonstrates that while there may not be uptake of work-life balance policies, there is the general acknowledgement that the desire exists within the Australian in-house legal profession for work-life balance, friendly employment.

Personal and Annual Leave

Australia has some of the most generous leave provisions in the world, with the standard employment contract providing employees with four-weeks annual leave and ten days personal leave (sick and carers leave). There is a trend with professionals, not to take up these entitlements due to:

- **High levels of responsibilities and role specialisation,**
- **Slim or no fall-back options in the case of poor health or personal life emergencies.**

In this survey, we were curious to test the hypothesis, that in specialist roles such as those held by in-house lawyers, there is little uptake on

personal leave. We asked if respondents had, during the last year needed time off for health or personal reasons but attended work regardless as they felt their organisation wouldn't approve the leave.

More than half of respondents reported they felt they needed a day off work due to illness, a mental health day or other responsibilities, however, went to work as they felt their organisation would not approve the leave.

Although the belief existed for many that if they asked for leave it would not be granted, of those who applied for leave (either personal or annual leave) less than 5% had it refused by management.

"I haven't asked for time off as we are too busy."

"I was advised that I would not be permitted to have time off for 12 months. At the end of that project, I took a 5-week break to recover from an enormously stressful year."

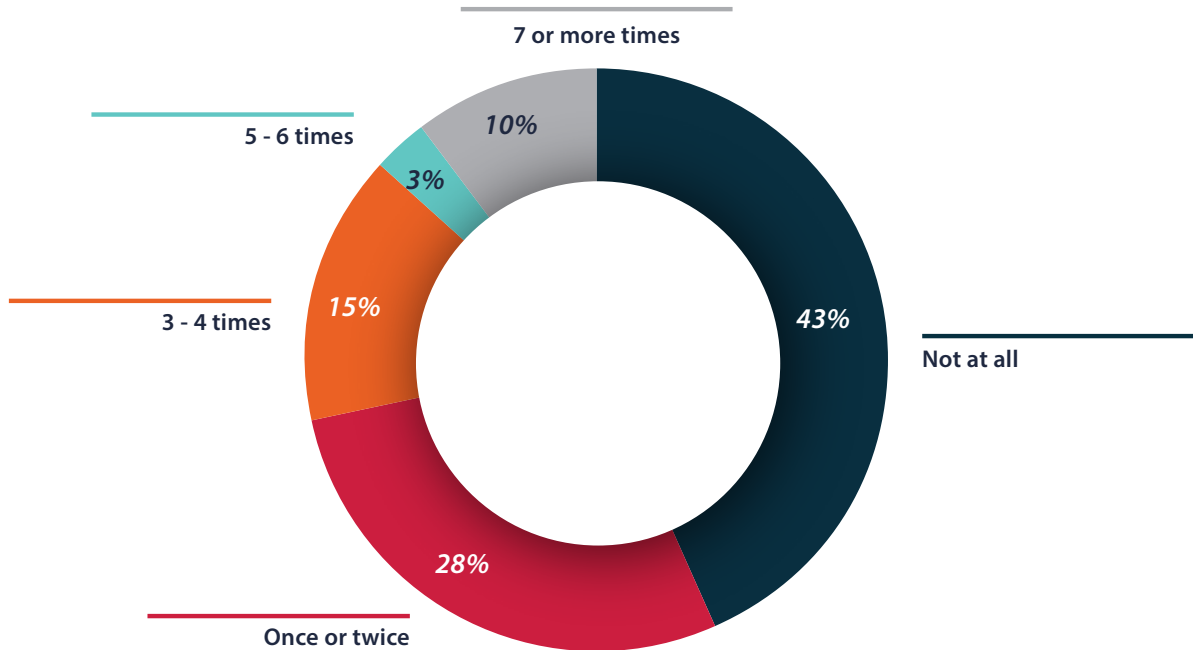
"Annual leave is taken but still have to work on days off."

"There were ramifications for approving the leave such as insinuations that my workload did not support time off."

"Only allowed to take 2 weeks out of 4."

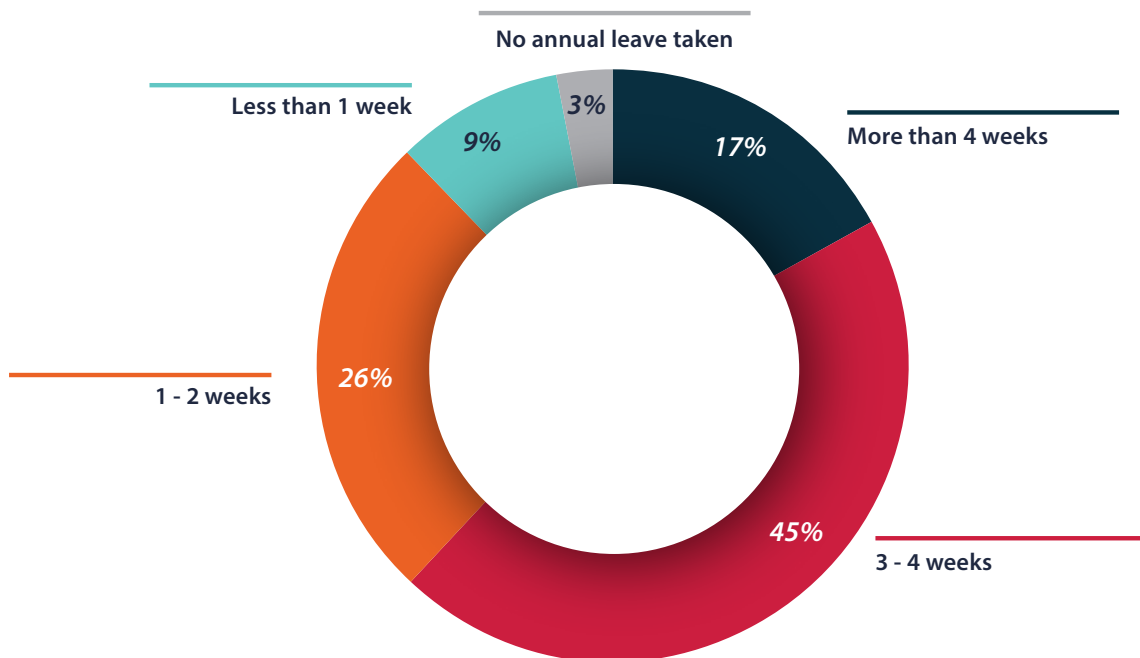
"Any leave has to be carefully negotiated with other team members (despite it being a big team)."

Feeling restricted with personal leave



Whilst more than half of respondent didn't feel they could take personal leave, most (97%) took annual leave over the previous 12 months, with almost half taking between three to four weeks (45%). This may show that workplaces understand the need for 'time out' and have adequate resources to cover annual leave workload, however, may not have the mechanisms in place for unforeseen absenteeism and emergencies.

Weeks of Annual Leave Taken



Pro-bono Work

Thirty-three percent of respondents reported participating in pro bono work. Of those, 20% were involved in altruistic activities through their own channels and just 3% performed pro bono work through internal work programs, regardless of the fact, 18% reported their organisation encouraged their legal team to engage in pro-bono work. Thirty-eight percent of respondents who were not involved in pro bono work referred to being interested in altruistic participation.

For a third year in a row, time constraints (73%) were noted as the greatest hurdle to undertaking pro bono service, followed by lack of opportunity (25%) and lack of appropriate insurance (19%). Lack of skill/knowledge required (11%) and pro-bono work being perceived as too difficult (10%) also saw respondents not further investigating opportunities to contribute through pro-bono work.

FUTURE DIRECTION

As in-house legal departments position themselves to align further with organisational objectives and managing increased and varying workloads, we have seen consistent trends emerge in the legal industry.

The Royal Commission into the banking and finance industry has not only impacted the finance sector but also has had flow-on consequences to all Australian businesses to varying degrees. Financing processes and contracts are now slower, more complex and under intense scrutiny. For legal teams, this increases the need for precision and risk management, while also increasing the time pressures and stress associated with managing internal and external stakeholder expectations and relationships.

Within the digital age, the realities of data and security breaches are real threat and there is now an increased pressure for in-house lawyers to stay abreast of data protection and privacy laws. There is an acute recognition of the need to stay ahead of developments in all things technical, digital and disruptive as the pace of change, artificial intelligence and automation continues to increase each year.

Becoming more efficient through the use of legal software and dedicated operational staff is slowly being adopted, however, currently this has not decreased the workloads within legal teams.

With the in-house function now extending beyond traditional legal guidance, legal teams are increasingly becoming crucial business advisors.

Legal Process Outsourcing (LPO) and NewLaw options continue to support in-house teams who seek to minimise costs, increase flexibility and expand their in-house capabilities with agility, however adoption rates remain low due to lack of time to explore alternative options. The challenge ahead will be to keep up with the rapid changes to the legal environment, while putting systems of support strategically in place to meet ever-growing and increasingly complex demands on the in-house function.

Another trend to emerge is the change to work-life balance, individuals' attitudes and work styles. While the attraction of no billable hours and less hours worked remains a high selling point for those entering the in-house market, pressure to do more with less has many individuals not taking up flexible working arrangements. Pleasingly, many organisations have work-life policies and/or programs in place and only the future will show whether the offer of reduced hours, alternative working arrangements and health programs will transform the in-house environment to a healthier one. In-house leaders need to encourage their teams to use flexible work options and holiday entitlements to ensure life-balance is adequate to sustain the increasing demands expected of today's in-house counsel.

Your feedback on this report is welcome.

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