

ACC Australia and
Wolters Kluwer

2023

**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 212 ACC Australia members who completed 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

1

There has been a slight rise (of 2%) since 2021 in the number of higher-ranking roles, such as Chief Legal Officer (CLO), General Counsel and Head of Legal held by survey respondents. Despite a drop in the percentage of respondents who report directly to the CEO (down from 75% in 2021 to 52%), the results highlight the continuing significance of in-house counsel within the organisations and businesses they serve, with 53% saying they always attend board meetings and 65% saying their opinion on business decisions is sought either all or most of the time.

2

The considerable value of gaining experience in private practice before pursuing a career as an in-house counsel is a strongly held belief among many survey participants. Nevertheless, there's an equally clear sentiment that lawyers can excel in in-house roles without prior law firm experience, especially in larger, well-supported legal teams where training and mentorship are prioritised.

3

In-house legal teams continue to rely on external help from temporary contractors and law firm panels to fill staffing shortfalls and gain expertise, with over a half hiring temporary contractors through a lawyer replacement agency or a law firm, and a quarter directly briefing barristers to get advice. Across the board, specialised skills ranked high on the list of reasons for seeking third-party help.

4

Although data breaches have dropped from 42% in 2021 to 23% in 2023, data privacy and cybersecurity were listed by 50% and 41% of respondents respectively as issues of concern. Only 25% consider themselves to be fully prepared for future breaches, but a reassuring number (over half and up to three quarters in some cases) are stepping up efforts to manage risk by improving their approach to collecting, processing and storing personal data.

5

Preparing for, and being able to deal with, a number of key external challenges will occupy a growing number of legal teams over the next 12 months. Regulatory challenges relating to cyberattacks and data security breaches are a particular worry, and 39% of respondents anticipated that ESG reporting requirements would also be a big concern.

6

A commitment to implementing new technologies is both a business imperative and an employee expectation, with in-house counsel considering technology investment to have the potential to improve their jobs and work-life balance. Investment in matter and document management tools remains a priority, but there are still barriers to digitisation including a lack of product knowledge and budget constraints. Around half were unsure of their technology expenditure and around 20% said that it made up only 1-10% of the budget.

7

Long hours and heavy workloads continue to characterise in-house counsel roles. Fifty-four per cent of respondents reported that their workload had increased over the past 12 months. While those working 51-60 hours had dropped slightly since 2021, the numbers working 41-50 hour weeks have been increasing steadily since 2018.

8

To support better work-life balance, in-house legal teams are asking for a bigger share of budget for staffing and technology resources, more realistic timeframes to complete work, a broader range of employee benefits and clearer roles and responsibilities. They also want more clarity around flexible working, calling for expectations and obligations to be documented in the organisation's policies and procedures.

OVERVIEW

ACC Australia is proud to partner with Wolters Kluwer on the 2023 In-House Counsel Trends Report.

Wolters Kluwer is a global leader in professional information, software solutions, and services for the legal and regulatory, tax and accounting, healthcare, financial and corporate compliance, corporate performance and ESG sectors. Wolters Kluwer help professionals to make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialised technology and services.

ACC Australia released its last In-House Counsel Trends Report in 2021 when the world was still very much in the grip of the COVID-19 pandemic and its future impacts were still unknown.

Fast forward to 2023, and while some uncertainties have subsided, the pandemic's lasting effects are still being felt. The way we work has changed irreversibly.

Cyberthreats are on the rise and technology is increasingly being relied on to replace parts of the work process and supercharge productivity.

In this context, the role of in-house counsel has become more complex, requiring them to expand their responsibilities and work across different business units. They are expected to provide strategic advice to executives and boards, collaborate with external providers, and adopt new technologies.

This year's report presents insights from in-house lawyers throughout Australia, shedding light on the latest internal and external trends, outsourcing practices, and beliefs about existing and emerging threats to in-house teams. It also delves into the impact of the pandemic on in-house counsels' workload, job satisfaction, and work-life balance, as well as their upskilling plans for the future.

About us: Wolters Kluwer

Wolters Kluwer trusted knowledge helps you make informed decisions.

Why Wolters Kluwer?

01

Focus on quality, accuracy and relevance, putting the customer at the centre of our product innovation

02

Wolters Kluwer content is created to cater for all needs – deep research, practical explanations, quick answers, workflow tools, precedents and calculators

03

Wolters Kluwer follows best practice SEO principles, search analysis, and guides, to enable customers to quickly find answers

04

Dedicated and complimentary training & support from experienced Australia-based, in-house consultants

05

Built by a global leader in professional knowledge solutions, with Australia-based in-house expertise. All with the prior firm or in-house experience.

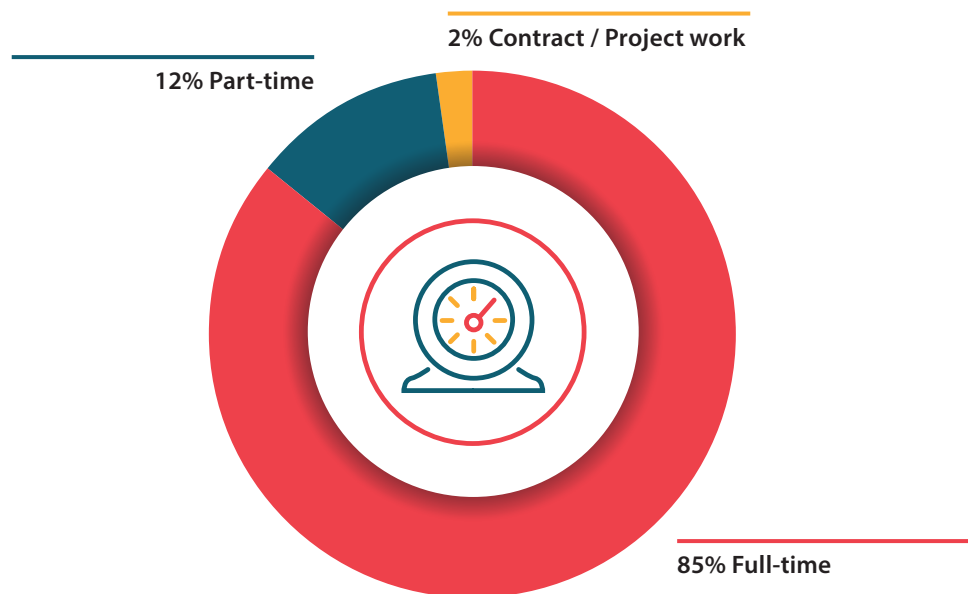
IN-HOUSE COUNSEL ROLE AND REACH

Profile of respondents

This year's survey was completed between March and April 2023 by 212 respondents from various industries, government departments and not-for-profit organisations.

In terms of employment status, 85% described themselves as full-time, 12% as part-time and 2% as contract or project-based. There was no significant change in the profile of respondents from the 2021 In-House Counsel Trends Report¹, where 82% of respondents were full-time employees.

Which classification best describes your employment status?



Job designation and size of the team

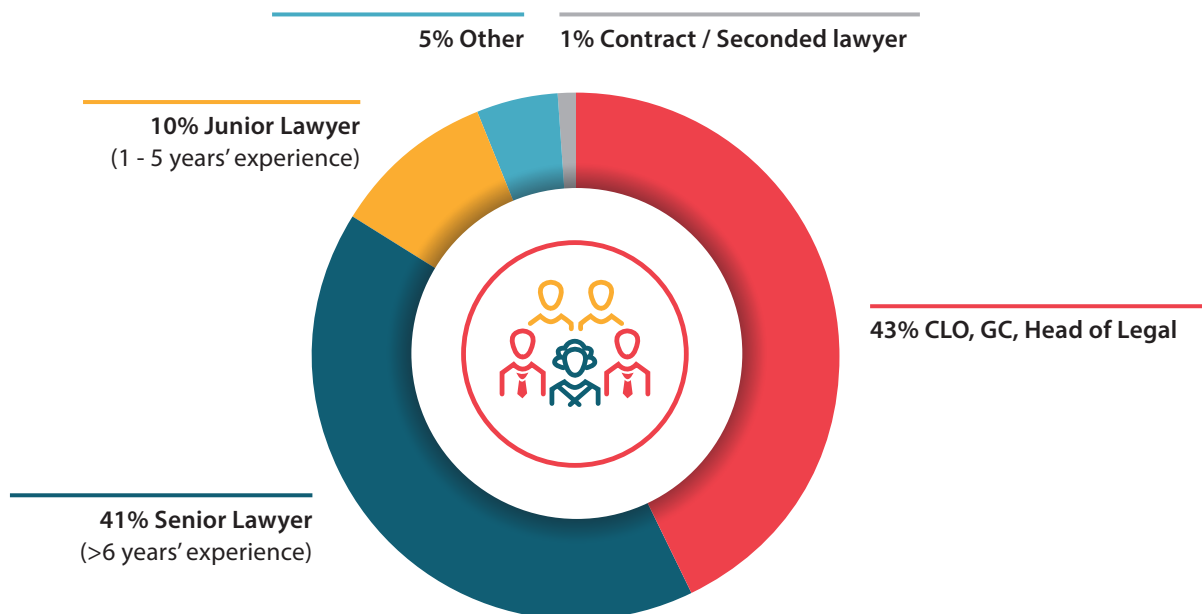
When the 2021 report was compiled, Senior Lawyer was the most common job designation listed by respondents. This year, CLOs, General Counsels, and Heads of Legal have risen to the top of the list with 43% of respondents versus 41% for Senior Lawyers.

Other job descriptions for in-house counsel included:

- 10% who identified as Junior Lawyer (with 1-5 years experience) and
- 1% contract or seconded lawyers.

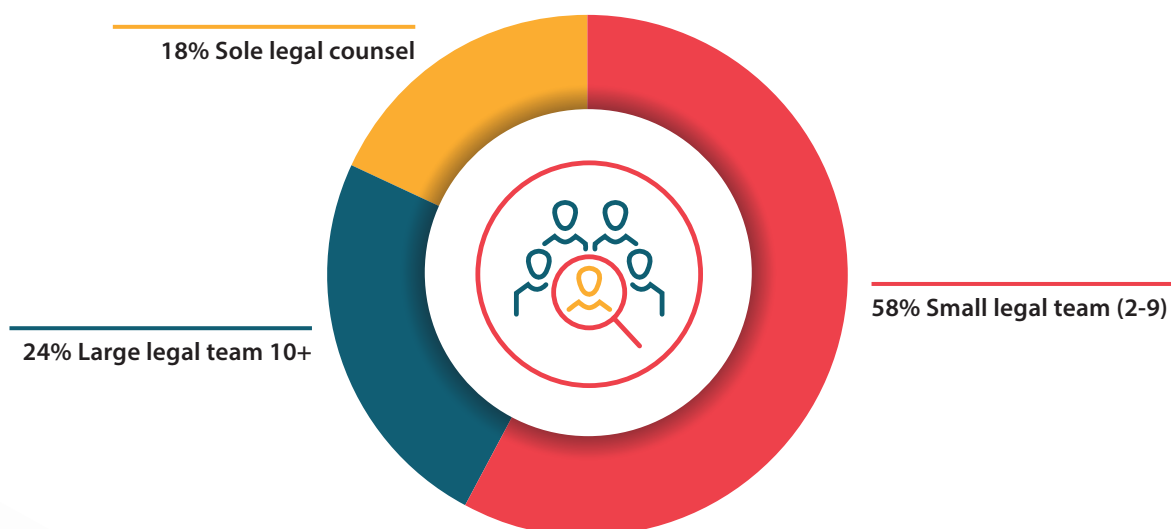
Five per cent fell outside these categories, listing themselves as "other".

Which title best describes your current role?



The size of legal teams varied, with the majority (58%) of respondents coming from small teams of 2-9 lawyers. A further 24% came from large teams of 10-plus lawyers and 18% listed themselves as the sole legal counsel within their organisation.

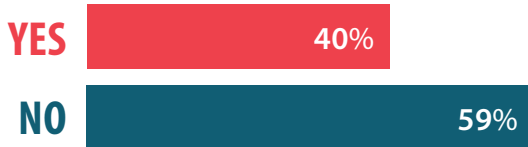
Which classification best describes your legal team?



Seniority (within the legal team)

Forty per cent of respondents reported that they were the highest-ranking or most senior legal officer in their organisation.

Are you the highest ranking legal officer in your organisation?



Line of reporting

Relationship with the executive committee and C-suite

The survey results validated the importance of the legal function, with 62% confirming they sat directly on the executive committee or leadership team.

Although 52% confirmed they reported directly to the CEO, it's interesting to note the difference between Australian and international results. According to ACC's 2023 CLO Survey² (completed by 892 ACC member legal officers worldwide), a significantly higher percentage (77%) of CLOs report directly to the CEO.

Of the remainder of respondents, 21% report directly to the CFO and 27% report to a range of colleagues from Chief Operations Officers to Chief Commercial Officers and Heads of Governance.

Relationship with the board of directors

Thirty-eight per cent of respondents have a line of reporting to the board of directors, compared to 51% for the global CLO survey. Fifty-three per cent don't report to the board of directors. Nine per cent work for organisations without a board of directors.

When board meetings are held, 56% of respondents attend either all or most of the time. Of these, 34% attend only when specifically asked. Eleven per cent never attend board meetings.

Participation in executive function

Sixty-five per cent of respondents said that their opinion on business decisions is sought by the executive leadership team either always or most of the time, with 49% saying that they give business opinions only when specifically asked.

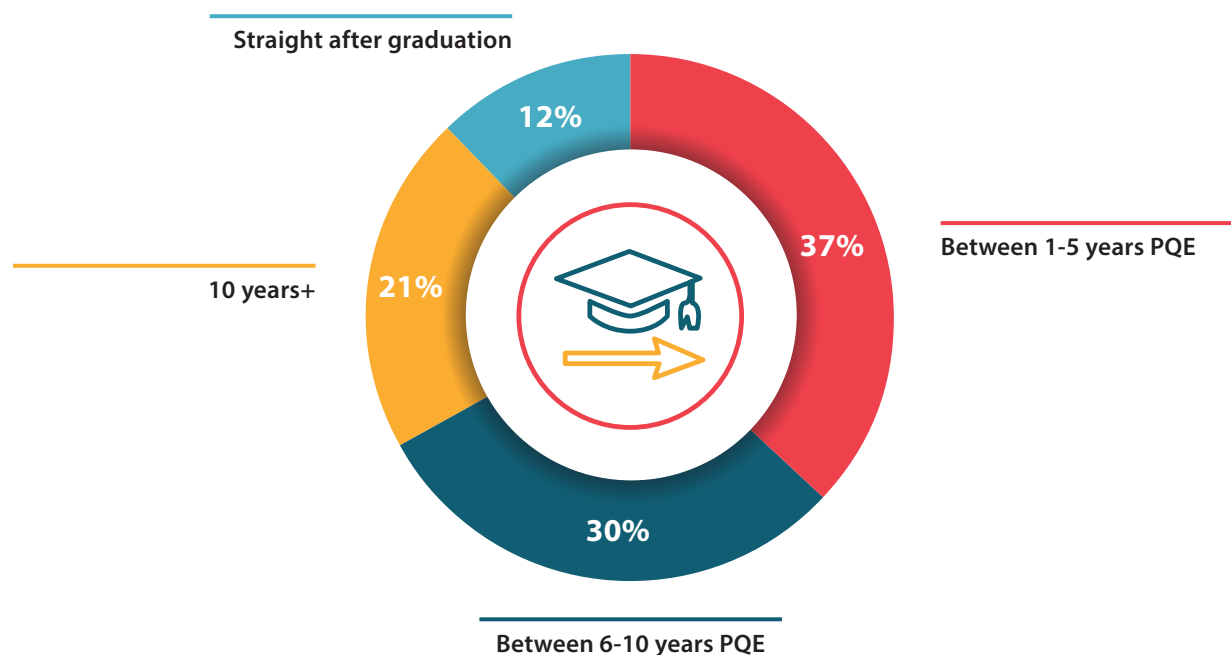
Twenty-five per cent of respondents hold the role of Company Secretary compared to 55% globally.

Law firm vs in-house experience

The highest percentage of survey participants (37%) started working in an in-house legal role when they had between 1-5 years of post-qualification experience (PQE). Thirty per cent started working in-house between 6-10 years PQE and 21% at 10-plus years PQE.

Twelve per cent started working in-house directly after graduation. This is roughly on par with the 13% who reported starting straight after graduation in the 2021 survey.

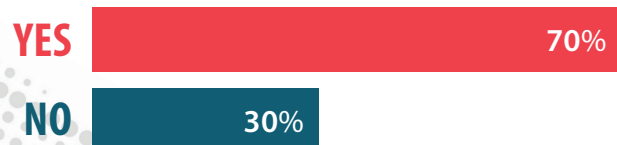
At what level of experience (PQE) did you first commence an in-house legal role?



Personal opinions given by survey participants regarding the importance of previous law firm experience support these findings, with 70% stating that lawyers should begin their legal careers with experience in private practice.

Survey results on this issue haven't changed significantly since 2021, where the split was around 65%/35% in favour of prior law firm experience.

Do you believe lawyers should spend time working for a law firm before they commence their in-house careers?



When respondents were asked to give reasons for their views on the importance of prior law firm experience, the most common response was that private law practice was an unparalleled way to develop foundational legal skills like research and drafting legal advice.

Private practice was also thought to provide broader exposure to legal problems, a greater ability to manage multiple clients and matters, and an understanding of how a law firm operates.

Interestingly, the fact that private and in-house work require distinct and different skill sets was cited as a reason both for and against prior law firm experience. On the one hand, having prior law firm experience allows for the development of a diverse range of skills before transitioning to an in-house role. On the other hand, some lawyers may thrive more quickly in their chosen industry by immediately assuming a business-related role after graduating.

In contrast, those who disagreed with the importance of prior law firm experience thought it was useful but not critical, especially in the case of bigger, well-resourced in-house teams where mentorship is provided and where there's a strong emphasis on proper training.

Comments supporting the need for law firm experience:

As shown in a selection of quotes below, sentiments about the need for law firm experience prior to working in-house have been fairly constant since 2021, with respondents highlighting the superior foundations it gives in research, drafting, legal analysis and advice-giving skills.

"I think that the technical legal training gained in private practice is really important as a base for all lawyers, regardless of whether they continue in private practice or in-house or any other field."

"For me working in a private legal firm established some solid foundations for service-oriented work and high-quality outputs. I also found that billing/costing requirements gave me the discipline to manage my time effectively and to improve efficiency. Each of these core requirements has served me well when I transitioned to in-house roles."

"Legal analysis and drafting skills are crucial in lawyering anywhere. It is absolutely necessary to be able to communicate clearly and succinctly in writing, which private practice training would help with. Also, it's good to establish and have a good network of people you know from private practice for when you go in house."

"Private practice helps lawyers understand how to draft, review and structure agreements and legal advice. It helps them understand the different requirements for varied areas and when their expertise doesn't cover a matter. Additionally, it allows them to understand business risk vs legal risk and how to finesse their work for different businesses' risk profiles."

"Most in-house legal teams are too small to properly structure the supervision a junior lawyer needs."

Comments challenging the need for law firm experience:

The sentiments expressed by those who regard prior law firm experience as optional (or not as important), were also similar to the 2021 survey, especially with in-house roles that provide adequate training and supervision.

"Helpful yes, but with the right training and mentoring/ sponsorship, I don't see any reason why this experience can't be gained in-house. I think in-house teams need to be more intentional about creating opportunities for junior lawyers and graduates to enter the profession this way, and if they don't think they'll have to compromise on their training opportunities this would be a great incentive."

"Corporate or business experience is probably more beneficial to in-house lawyers than experience in a law firm."

"Private practice does not provide the skills required for an in-house role; being embedded in a business as an in-house lawyer requires different skills. One of those is being a generalist rather than a specialist. You also have to get to know the different areas of the business, and what motivates them, they are not all the same. Private practice is generally about making money for the firm, which is not necessarily consistent with managing ongoing relationships and results in inconsistency."

"I didn't spend any time in private practice, and I worked 1:1 with a very experienced general counsel who taught me everything - it was 5 years of daily support and coaching. I acknowledge the gaps in my experience in dealing with multiple clients and scenarios but often when it becomes that technical in nature, the work needs to be outsourced to a firm that has this experience regardless."

"I used to (believe it was important) but not anymore. It's an entirely different skill set being in-house, focusing less on 'academia' and specialisation and more on practical solutions. Stakeholder management is also different between the settings, as well as conflicts. Whilst I valued my private practice life, I don't think it gave me any advantage coming into an in-house role."

Key functions and focus areas

Which functions do CLOs oversee?

Fifteen per cent of respondents who hold the CLO role said that the **legal department** was the only area of the organisation where they had **chief responsibility or oversight**.

However, many respondents reported overseeing a variety of other areas, adjacent to or outside of the legal department. **Risk and compliance** were top of the list, with 38% of CLO respondents reporting responsibility as overseers.

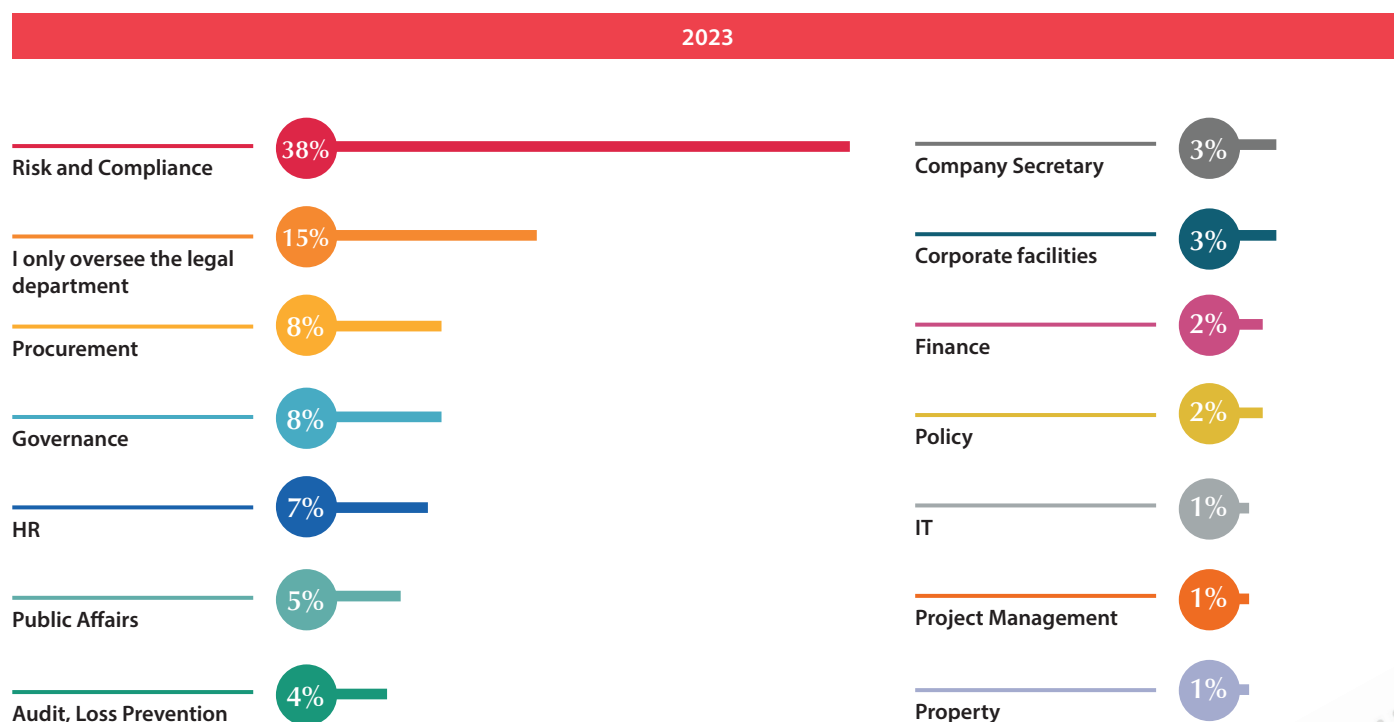
CLOs also have a great deal of involvement in **governance, procurement, and HR**, with close to 10% holding chief responsibility for these.

Audit, finance, company secretarial, public affairs, policy, IT, loss prevention, corporate facilities, property and project management were other areas which small percentages (between 1 and 5%) of CLOs were responsible for.

The ACC 2023 CLO Survey found that (on a global level) at least 20% of CLOs also oversee one or more of the range of alternative functions specified in the Australian survey.

In your role as CLO, do you also oversee any of the following functions?

At least 20% of CLOs oversee one or more of these functions.



What are CLOs main areas of practice?

Respondents were asked about the **areas of legal focus or practice** they were involved in as part of their role. A range of 33 choices was given and respondents were asked to choose up to three.

The areas that stood out most prominently as main areas of practice for over 50% of respondents (and up to 95% in the case of contract law) were:

- **contract law**
- **corporate law** and
- **governance, risk management and compliance.**

Over a third of respondents (between 33 and 50%) also listed as key practice areas:

- **privacy**
- **consumer and competition**
- **intellectual property** and
- **technology.**

More than 20% listed **business, banking and finance, building and construction, employment and workplace relations, property and energy.**

Fifteen per cent reported involvement in **dispute resolution** and 11% reported involvement in **litigation.**

A small number of respondents reported being involved in more specialised areas like franchising, discrimination, and sustainability as well as industry-specific areas such as medical negligence, telecommunications, and tourism.

INTERNAL ENVIRONMENT

Managing workflow

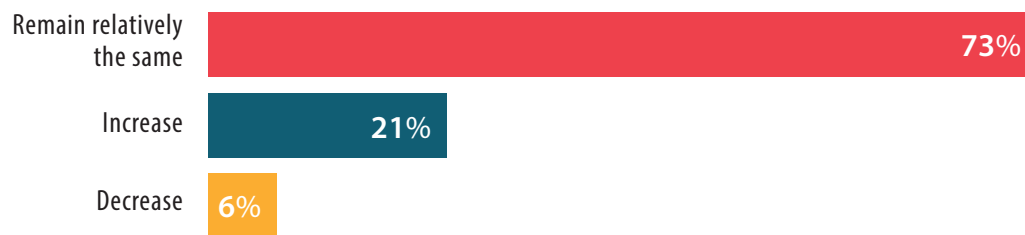
As demands continue to rise, the trusted advisor role of in-house counsel is becoming increasingly complex. Legal teams are tasked with more responsibility and an expanding workload, leading to stretched resources.

The next section of the report explores the tools, solutions, and services survey participants are using to streamline workflow and enhance efficiency. A comparison with previous surveys is also made regarding the use of temporary staff, legal service providers, and external legal counsel.

Staffing levels

Twenty-one per cent of survey respondents anticipated that their in-house team would increase staffing levels over the next 12 months. Seventy-three per cent of respondents thought staffing levels would remain stable and only a small percentage (6%) expected staffing levels to decrease.

Do you anticipate the legal department's staffing levels will stay the same, decrease or increase over the next 12 months?



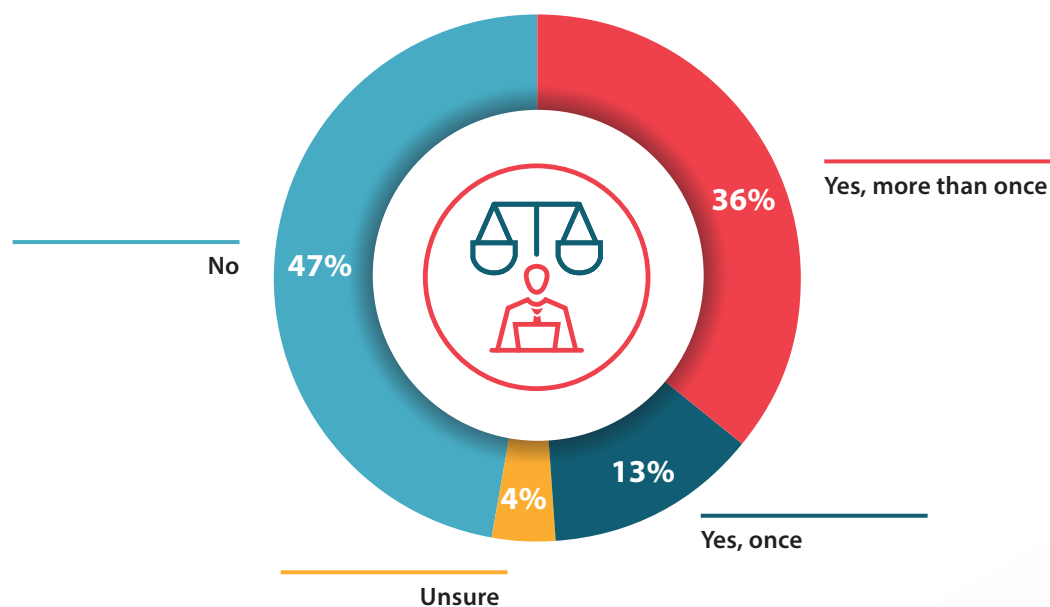
Temporary contractors

Working with temporary contractors is an effective way for businesses to get expert help that may not be available in-house or during periods of higher demand. It's beneficial to both in-house teams who need to expand and contract their talent base to suit their needs and to lawyers seeking flexible and varied work opportunities.

Utilisation rates for temporary contractors

Forty-nine per cent of respondents reported that their legal team had hired temporary contractors through a lawyer replacement agency or a law firm to support staffing needs and fill shortfalls over the last 12 months. Thirty-six per cent of this total made use of temporary contractors on more than one occasion and 13% used temporary contractors at least once.

In the past 12 months, has your legal team used temporary contractors through a lawyer replacement agency and/or law firm?



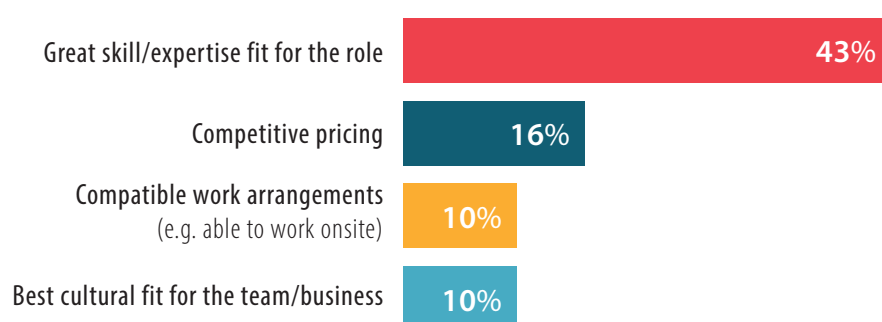
Choosing temporary contractors

Respondents reported that skill set was the single most important quality in a temporary hire, with 43% saying that the level of **expertise for a specific role** was what primarily influenced their decision. A significant number of participants also said that competitive pricing, compatible work arrangements and positive cultural fit with the business and team factored into their decision to hire particular contractors.

Among other reasons were **filling a skills gap or making up for a lack of internal resources**. For example, respondents reported that they made hires to “do certain work (they) do not do in-house or require external assurance (for)”, for “jurisdictional expertise”, or to “attend tribunals”.

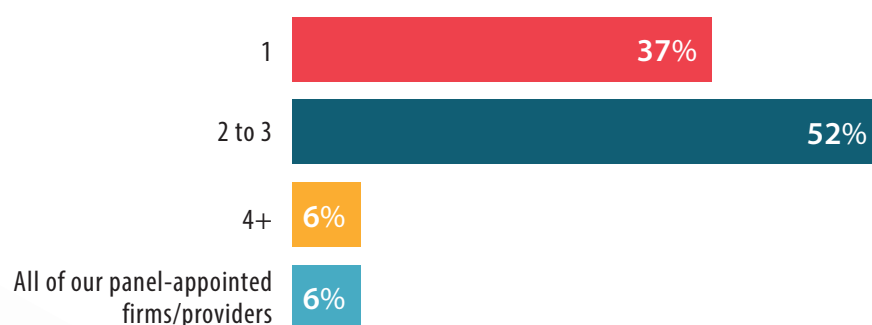
Another group pointed to the **ease, convenience and flexibility** that temporary contractors provided, like the ability to “provide support between team members leaving and commencing” as well as “coverage for parental leave, and staff resignation”. Also, temporary contractors were “quick and easy to find compared to recruiting” and their “availability and pricing” were favourable.

What was the main factor which influenced your decision to hire a particular temporary contractor?



Over half (52%) of respondents briefed two to three outside providers or firms when seeking temporary legal contractor support. Just over a third briefed one provider only, and a small percentage briefed more than four or a full list of panel-appointed suppliers.

On average, how many firms/providers did you brief per request when seeking temporary legal contractor support?



Legal service providers

External legal service providers (for example, law firms) are increasingly being used by in-house legal teams to provide additional expertise, fill gaps or provide services that are outside the team's skill set or specialty.

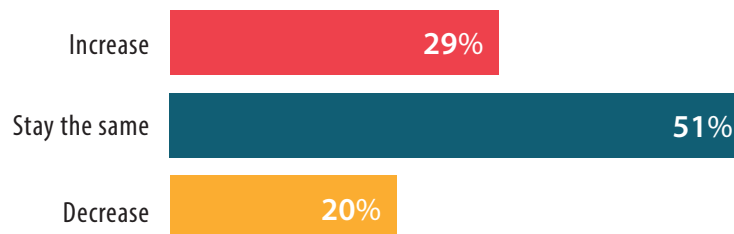
We asked survey participants about how the various solutions offered by legal service providers provided value to their teams, how often they used them, why they engaged them, and what some of the barriers were to using legal service providers.

Utilisation rates for legal service providers

Nearly a third (29%) of respondents said they expected the amount of work they sent to legal service providers would increase in the next 12 months, with 51% expecting it to remain constant.

Twenty per cent anticipated that it would decrease in that period.

Do you anticipate the amount of work you send to legal service providers to increase, stay the same or decrease over the next 12 months?



Choosing legal service providers

The top four factors driving the choice of legal service providers by respondents were:



These results were on par with those in the 2021 survey, varying only by 1 or 2% in each case except for the third response regarding "past experience", which rose in importance by 7% (from 48% in 2021).

Other factors in order of decreasing importance were:



*These were the only two factors that changed from the 2021 survey by more than 5%, with personal relationships decreasing in importance by 7% and willingness to tailor work decreasing by 6%. The others were on par, with changes of only 1-4%.

A further 4% cited a range of other factors like government expertise, pro-bono support, communication skills and ease of doing business.

Neither a reputation for thought leadership nor having won awards were cited as reasons for choosing legal services providers in the current survey, unlike in the 2021 survey, where they were listed by (5%) and (1%) respectively.

What are the most important factors driving the choice of legal service providers by your legal team?

	2023	2021
They know and understand our requirements	77% ↑	75%
They have specialist expertise	75% ↑	73%
Reputation and/or expertise of individual lawyers	43% ↓	45%
Past experience	55% ↑	48%
Personal relationships	35% ↓	42%
The firm's hourly rates	32% ↑	29%
The firm's willingness to tailor their work to your needs	23% ↓	29%
The acceptance of the firm by the CEO and board	18% ↓	19%
The degree to which you have to manage the firm	17% ↓	18%
The firm's general legal expertise	14% ↓	16%
The firm is recognised as a top-tier firm	7% ↓	10%
Other	4% ↓	7%
The firm's client list	2% ↑	0%
The firm has a reputation for utilising leading management practices	1% ↓	2%
Awards the firm has received	0% ↓	1%
The firm has a reputation for thought leadership	0% ↓	5%

Value-added services

For in-house legal teams, getting outsourced help via a diverse range of value-added offerings continues to be an important way of managing workload and improving efficiency. The top four most common value-added services performed by legal services providers were:

1	67%	Expertise and knowledge sharing (up from 28% in 2019)
2	48%	General professional development with peers (up from 19% in 2019)
3	43%	Newsletters (up from 18% in 2019)
4	31%	Tailored professional development with peers (up from 12% in 2019).

The provision of each of these has risen significantly in the past four years from past surveys in 2019, 2020 and 2021.

Other factors in order of decreasing importance were:

- **14%** Access to the firm's library and other resources
- **7%** Practice management tools
- **6%** Use of the firm's premises
- **5%** Reduced cost secondees
- **2%** Allocation of non-billable advice.

Three per cent cited a range of other services like CLE or periodic training and weekly meetings where complimentary legal advice was given. A further 3% said no additional value-added services were provided.

What are the most common value-added services provided by your legal service providers?

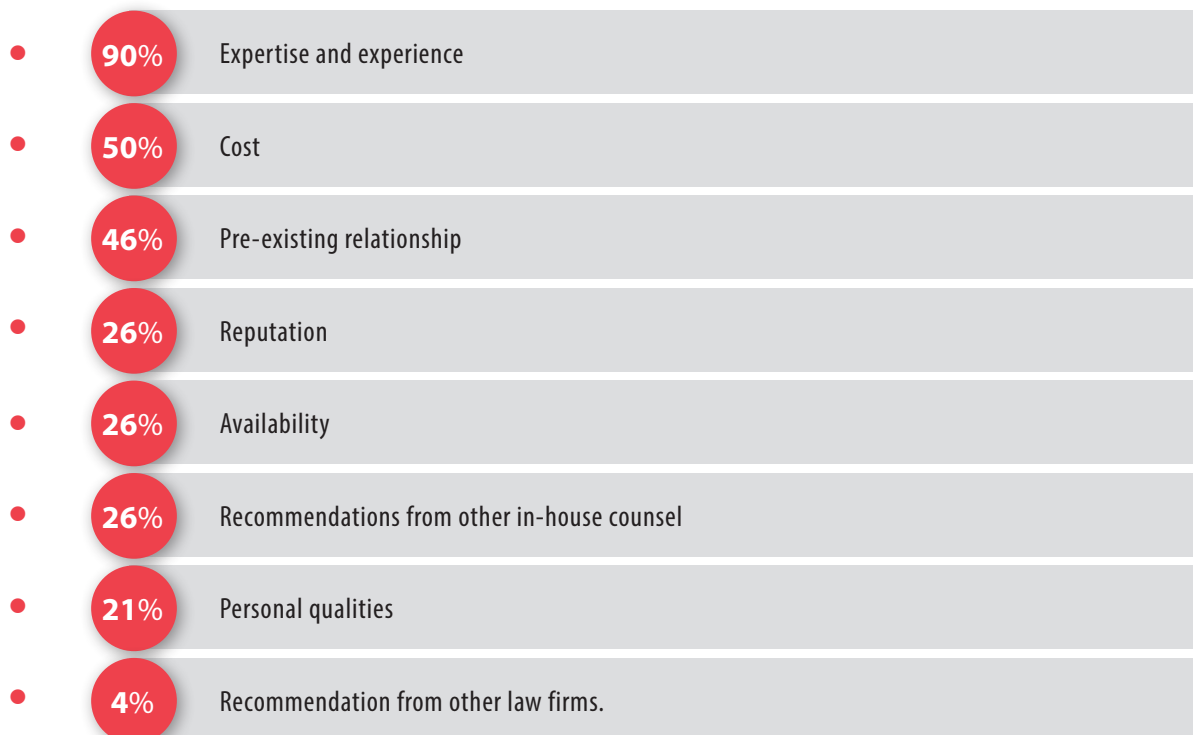
	2023	2021	2020	2019
Expertise/ knowledge sharing	67%	23%	35%	28%
Professional development with peers	48%	19%	20%	19%
Newsletters	43%	18%	14%	18%
Tailored professional development for your organisation	31%	11%	10%	12%
Access to the firm's library and resources	14%	3%	1%	1%
Practice Management tools	7%	2%	1%	NA
Use of the firm's premises	6%	5%	2%	1.5%
Reduced cost secondees	5%	8%	7%	6%
No additional services are provided	3%	4%	—	NA
Other	3%	1%	2%	NA
An allocation of non-billable advice	2%	6%	8%	NA

External legal counsel

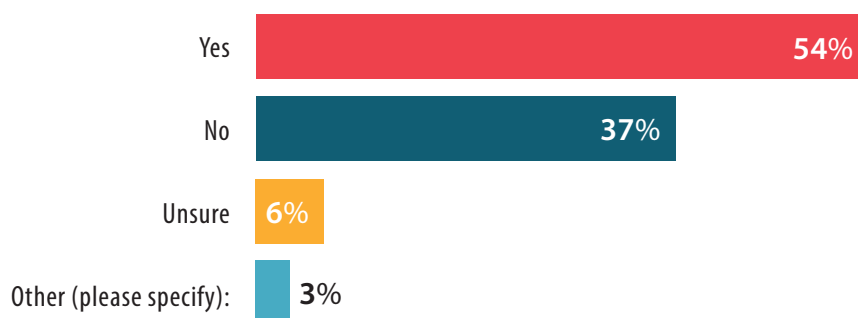
Factors influencing the choice of law firms and panels

In 2023, 54% of respondents said their in-house department employed a law firm panel, which is roughly consistent with 2021 when 51% reported using panels.

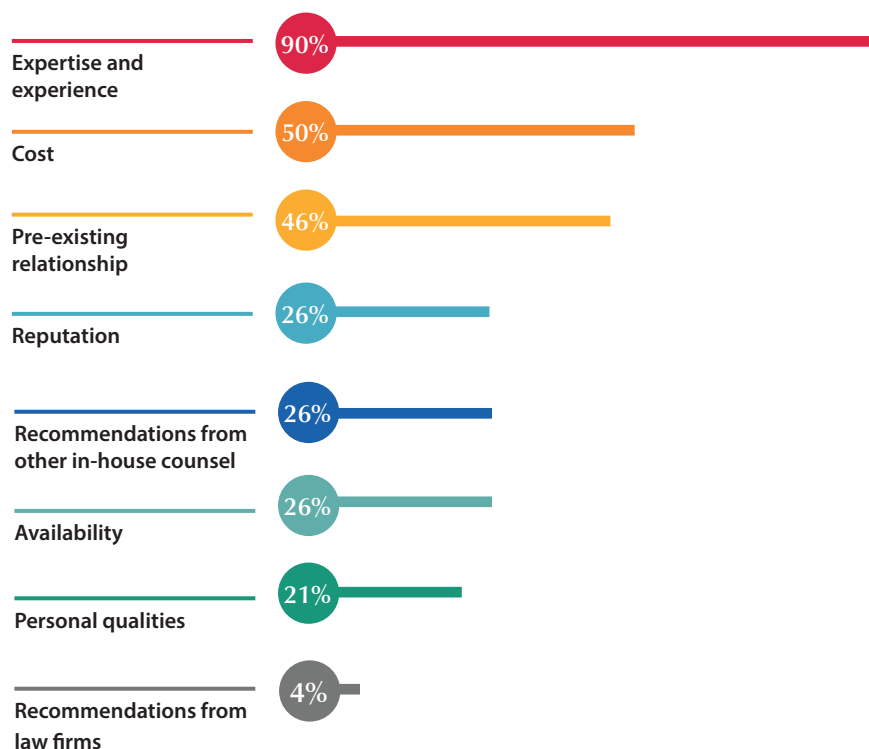
When asked what the two most important factors leading them to use a panel were, the following range of answers was given:



Does your in-house department employ a panel of law firms?



What are the two most important factors to your organisation when choosing a lawyer/law firm to work with?



On a scale of 1-5, law firm attributes that were rated most highly and were most likely to influence an organisation's decision to use a particular firm or lawyer were:

- Industry experience and expertise
- Complexity of matters and deals
- Relationship with a specific lawyer or firm.

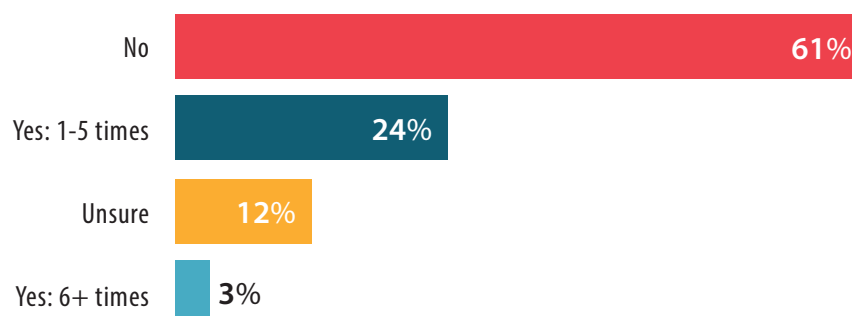
Attributes that were rated as least important on the same scale were:

- Media presence
- Market presence
- Global reach.

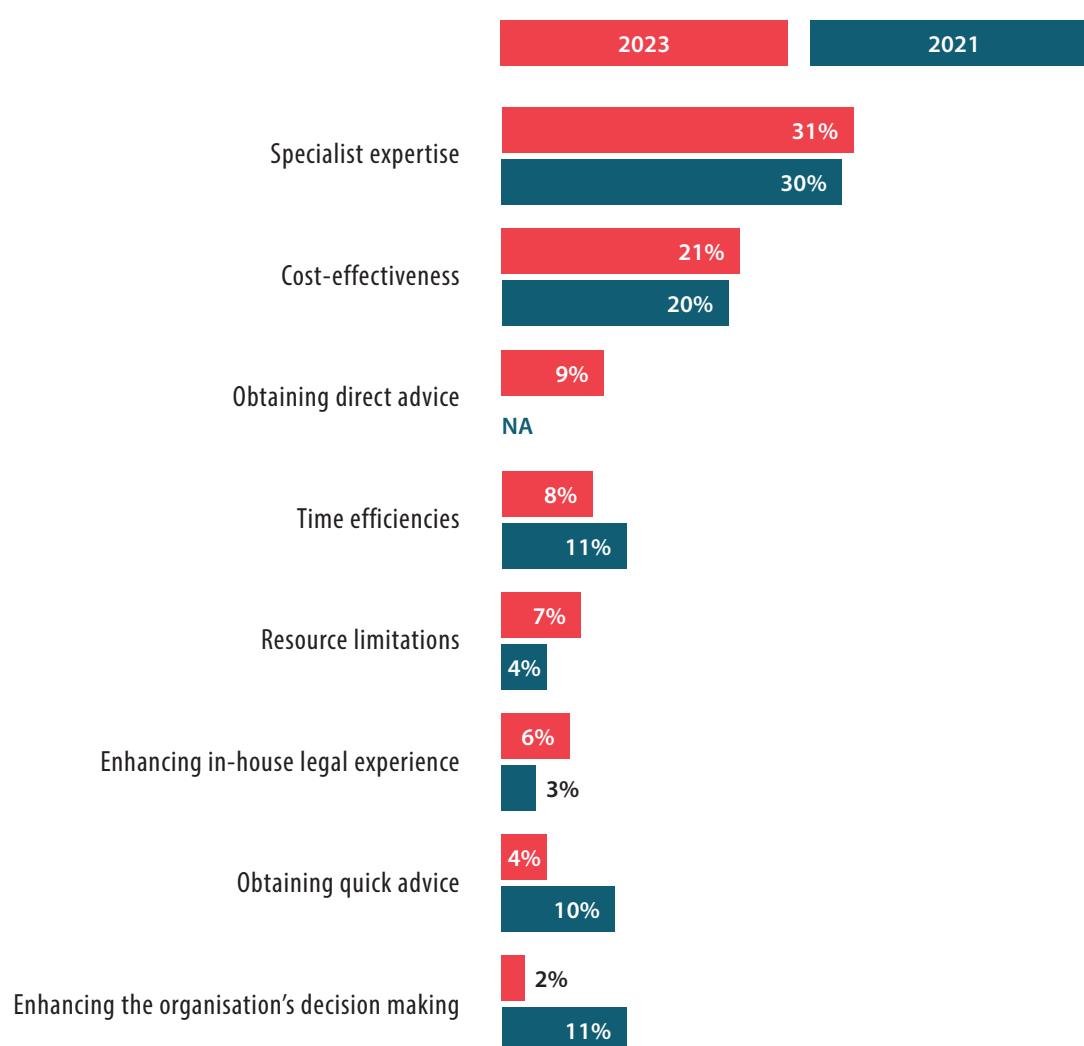
Factors influencing direct briefing to barristers and types of briefs

In 2023, 24% of respondents said their in-house department had directly briefed a barrister in the past 12 months between one and five times, and 3% had done so six or more times. Sixty-one per cent had not directly briefed a barrister in that time period and a further 12% were unsure.

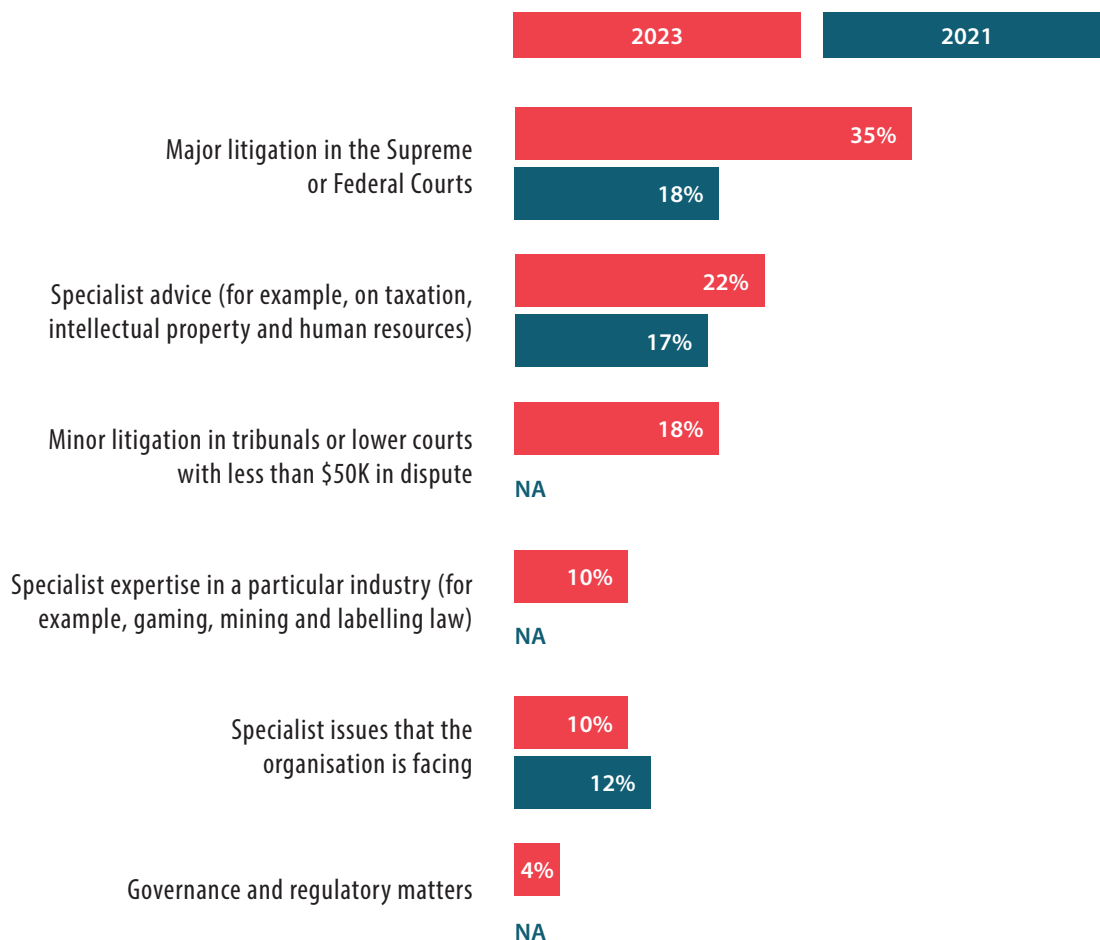
In the past 12 months, has someone (including yourself) in your organisation directly briefed a barrister?



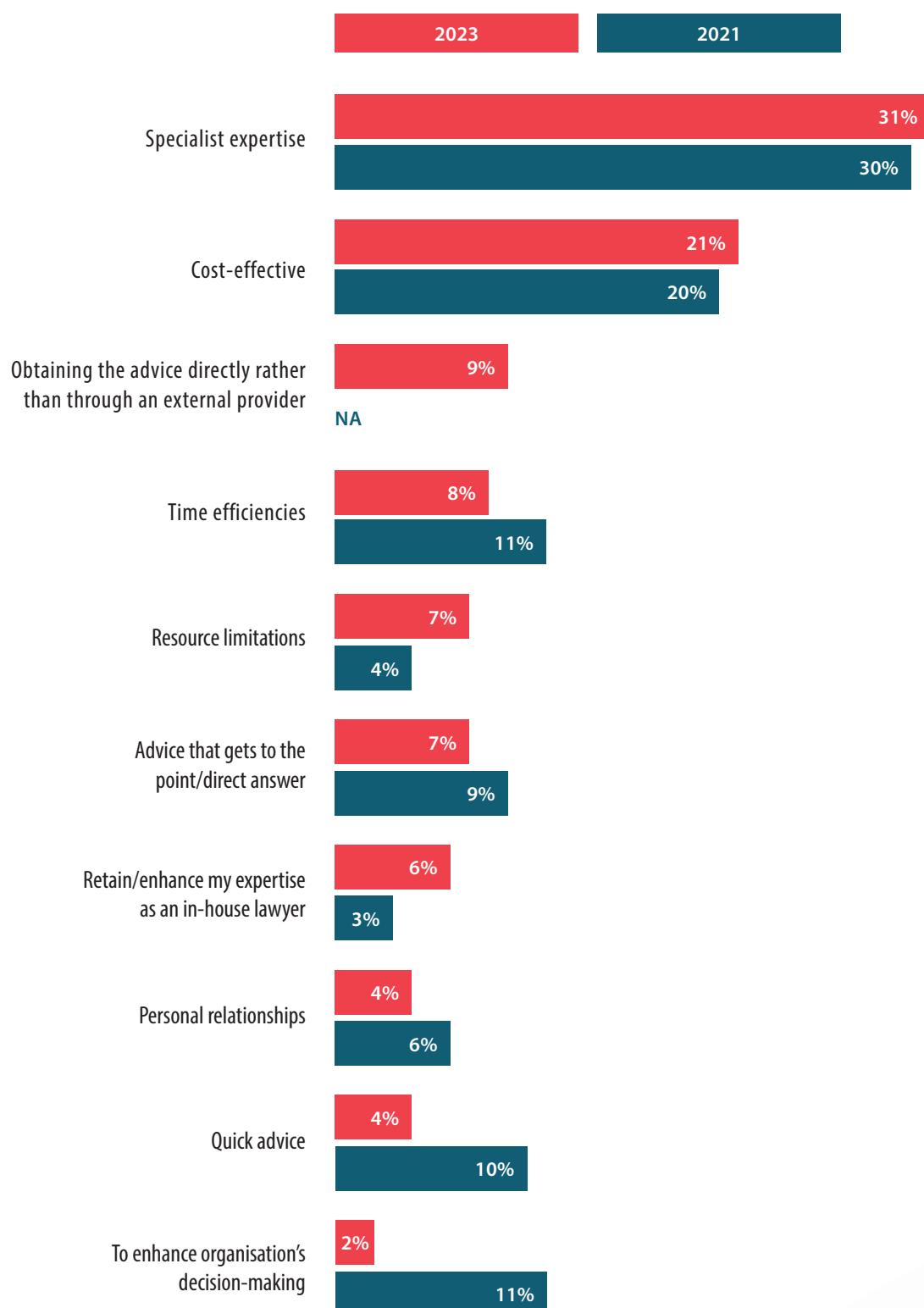
Reasons for directly briefing a barrister were on par with those given in the 2021 survey:



Major litigation continued to be the most common type of matter that led to legal teams seeking direct assistance from barristers. The full range of matters with comparisons of their relevance in the 2021 survey (where available) was:



What were the reasons for directly briefing a barrister?



What is the primary type of matter your organisation directly briefs a barrister on?

Governance and regulatory matters

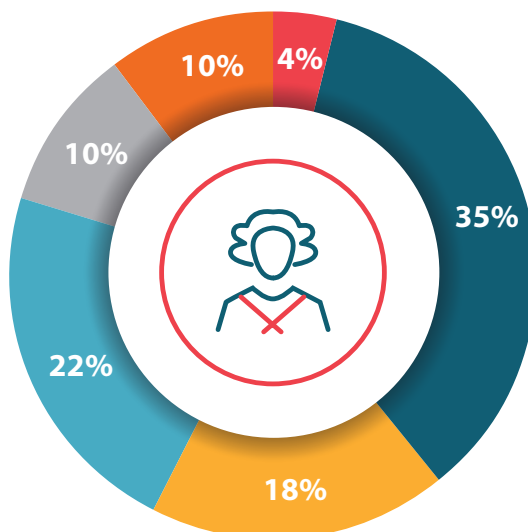
Major litigation (supreme court, federal court)

Minor litigation (tribunals, lower courts, less than \$50K in dispute)

Specialist advice (e.g. taxation, intellectual property, human resources etc.)

Specialist expertise in my particular industry (e.g. gaming, mining, labelling law etc.)

Specialist issues that my organisation is facing



Legal directories as a source of hiring external counsel

Roughly a third of respondents said their organisation used legal directories and rankings when choosing external counsel. Of these:

- **15%** referred to directories and rankings occasionally
- **8%** referred to them only in relation to new or unfamiliar jurisdictions
- **3%** referred to them only for finding general business information
- **1%** relied on them heavily for finding legal counsel.

Which of the following best describes how much your organisation relies on legal directory listings when choosing a lawyer/law firm?

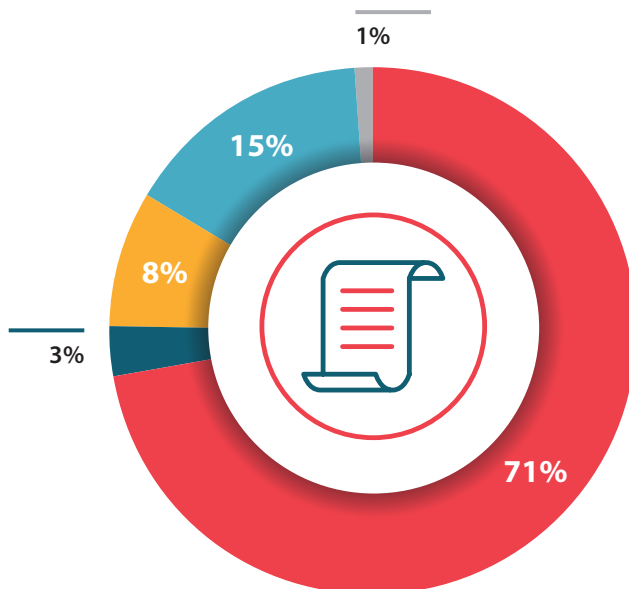
My organisation does not typically take into account directories and rankings

My organisation only uses directories for finding general business information

My organisation only uses directories for finding general counsel in new or unfamiliar jurisdictions

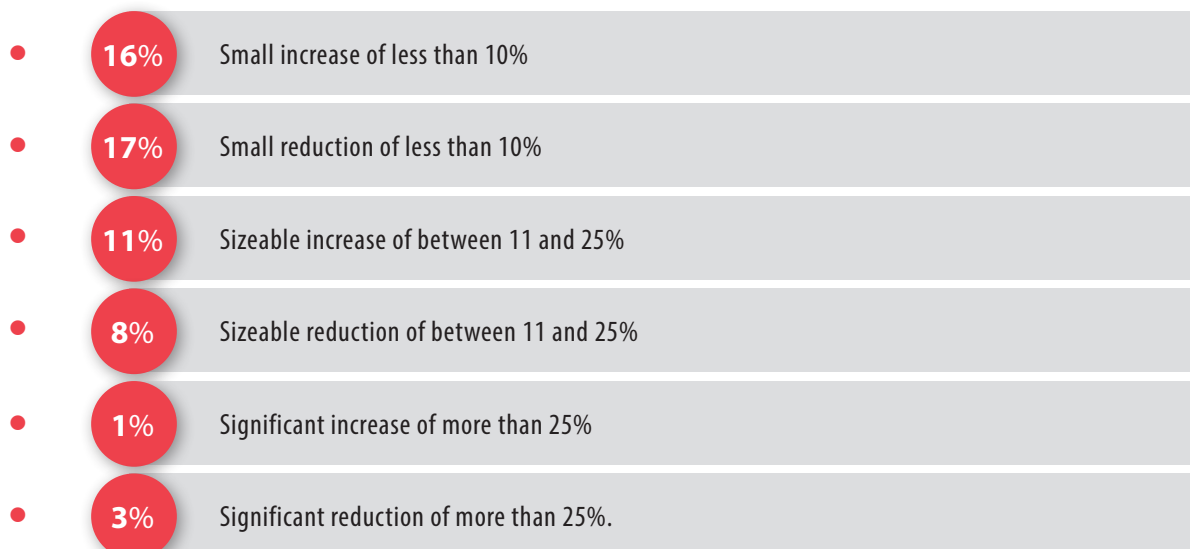
My organisation references directories and rankings occasionally but not extensively

My organisation relies heavily on directories and rankings for finding legal counsel



Expenditure on external counsel

Around a third of respondents said that their expenditure on external counsel was unlikely to change over the next 12 months. Other respondents reported that the following changes would be likely to happen:



NewLaw business models - rates of use

ACC Australia first acknowledged the growing use of NewLaw business models in its 2016 In-House Trends survey and has continued to investigate their levels of use in subsequent years.

Between 2021 and 2023, the **overall use** of NewLaw business models has increased significantly – by almost 20%. Budget cuts and the effects of the pandemic were thought to have contributed to the lower numbers in the previous survey. This year's result shows that there may be a renewed willingness to explore the benefits of NewLaw business solutions and to allocate a part of the legal team's budget to them.

	2023	2021	2019	2018
Legal teams that have never used NewLaw business models	25%	44%	34%	38%

Looking at the use of NewLaw business models since 2018, it seems that percentages of use have remained fairly steady for all the frequency bands surveyed except for a dip in 2021 in the number of teams in the most popular band (1-5):

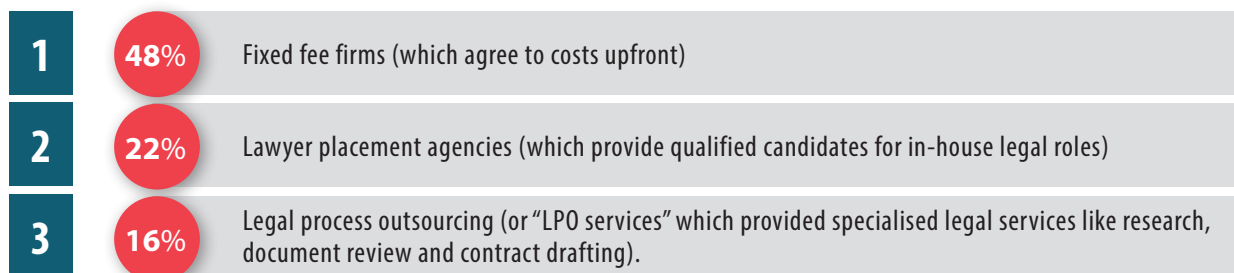
	2023	2021	2019	2018
Used 1 to 5 times	33%	17%	31%	29%
Used 6 to 10 times	3%	3%	3%	3%
Used more than 10 times	9%	8%	4%	5%

Thirty-one per cent said they were unsure about use.

NewLaw refers to an approach, process, or tool that delivers legal services in a substantially different way than traditional methods employed by the legal profession. This may include technology-driven solutions, alternative legal service providers and online legal platforms, often leveraging technology, data analytics and automation to provide innovative and tailored solutions for legal needs.

NewLaw business models - types used

In 2023, respondents were again asked about which **categories of NewLaw business models** their organisation has used in the past 12 months, and the three most popular were:



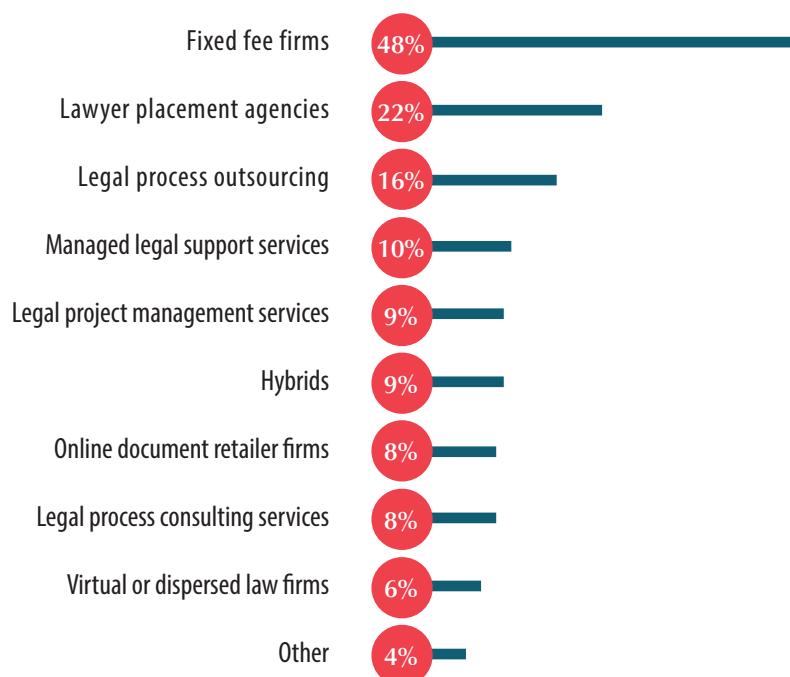
While these were also the most popular models in the 2021 survey, percentages for the use of each have risen substantially, by 34%, 10% and 13% respectively.

As in the past, survey respondents remain interested in deriving a variety of benefits from NewLaw business models. Others used by survey participants were:

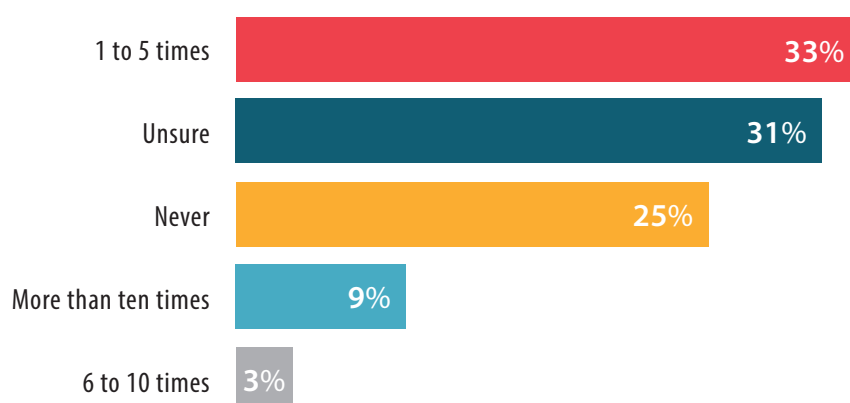


Four per cent of respondents listed "other" models like eDiscovery and firms attached to debt collection agencies.

Which of the following business models has your organisation used in the past 12 months?



How frequently has your organisation used the above business models in the past 12 months?



Legal process outsourcing

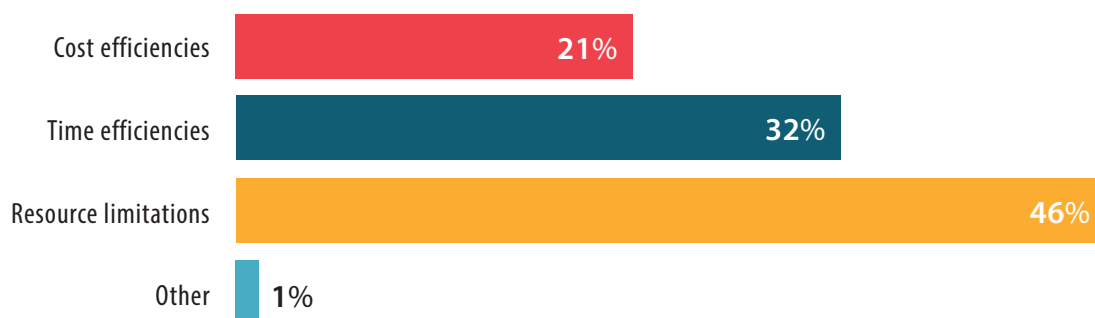
Legal process outsourcing (LPO) allows in-house teams to save time and concentrate on core business objectives by outsourcing tasks like legal research, document review, contract drafting, and more.

Fifty-two per cent of survey respondents said they used LPO services in 2023, with the most common reasons being:

- **46%** Resource limitations (up from 21% in 2021)
- **32%** Time efficiencies (up from 17% in 2021)
- **21%** Cost efficiencies (up from 19% in 2021).

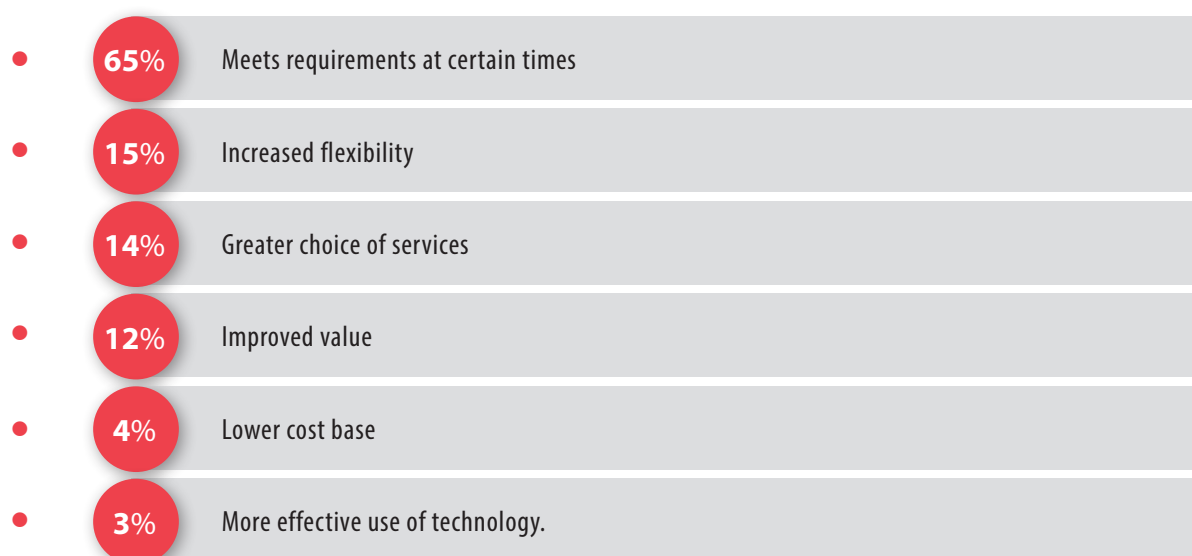
One per cent reported using LPO services for other reasons, including access to specialised knowledge.

Why do you use legal process outsourcing services?



Reasons for outsourcing

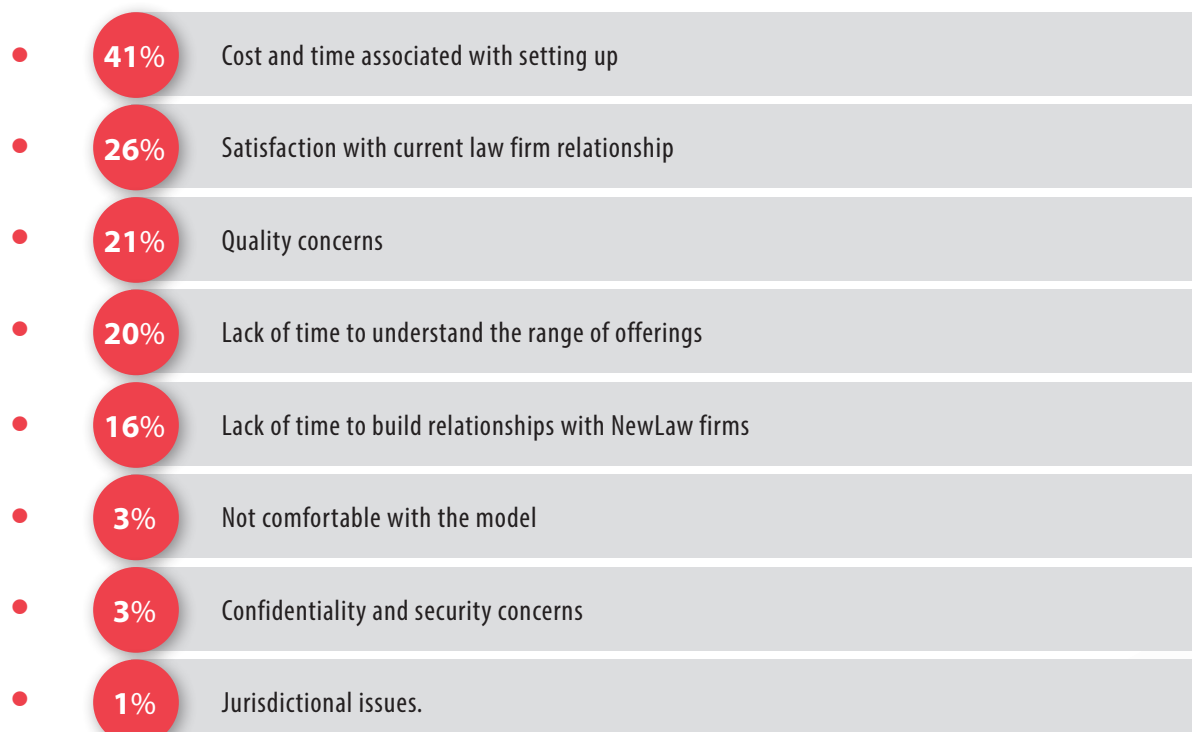
The main reasons for outsourcing legal work (respondents were asked to choose two) were:



Eight per cent listed a range of “other” reasons, and the most frequently cited among these were the need for specialist expertise, internal capacity constraints and risk sharing.

Barriers to outsourcing

The main barriers to outsourcing were (respondents were asked to choose two):



Seven per cent listed “other” reasons and the most frequently cited among these related to cost and budget constraints along with potential conflicts and wanting to guard existing relationships.

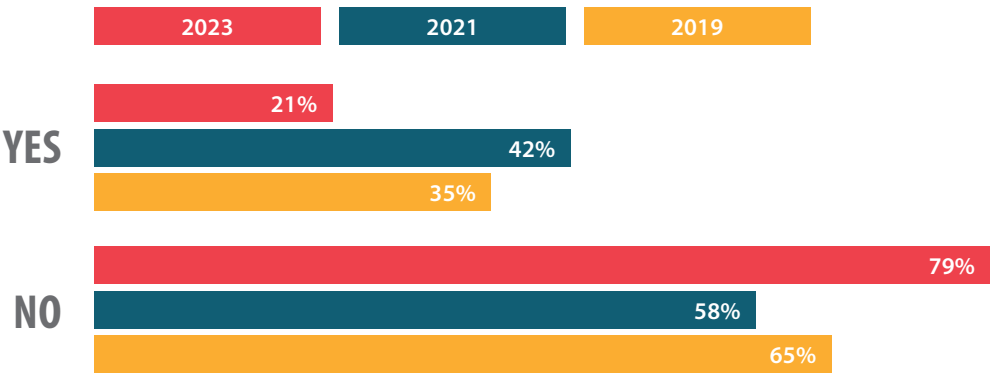
Privacy, cybersecurity and other areas of risk

Cybersecurity risk management

While actual data breaches among respondents have dropped from 42% in 2021 to 23% in 2023, this year's survey results show that both **"data privacy and governance"** and **"cybersecurity"** stand out as being of significant concern to in-house legal teams. In fact, they were listed by 50% and 41% of respondents respectively as issues that were both relevant and "keeping them awake".

This is in line with the global CLO Survey for 2023, which found that cybersecurity, regulatory compliance and data privacy ranked as some of the most important issues for business this year.

Has your organisation been the subject of a cybersecurity incident event in the last 12 months?



For organisations that experienced a breach, over a third (38%) of respondents considered that their organisations were fully prepared to respond, while 51% were only somewhat prepared. Ten per cent were not prepared at all.

Regarding the possibility of a future breach, 25% considered that they would be fully prepared, 68% would be somewhat prepared and 7% would not be prepared at all.

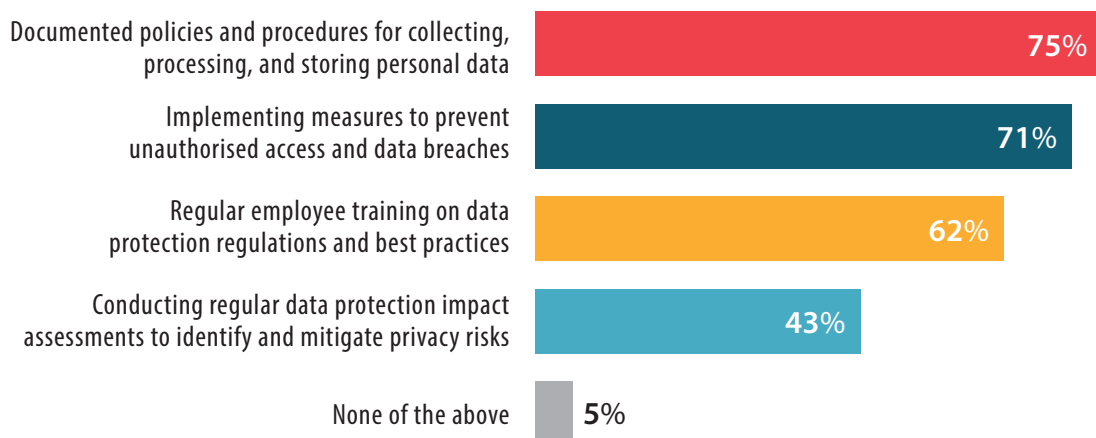
Compliance with data privacy laws

Survey results revealed that in-house teams are not only concerned about risks in these areas but are also taking active steps to ensure compliance with data privacy laws and to safeguard personal data. Namely:

- **75%** had documented policies and procedures for collecting, processing and storing personal data
- **71%** had implemented measures to prevent unauthorised access and data breaches
- **62%** had regular employee training on data protection regulations and best practices
- **43%** were conducting regular data protection impact assessments to identify and mitigate privacy risks.

Only 5% had not put in place any data privacy compliance measures.

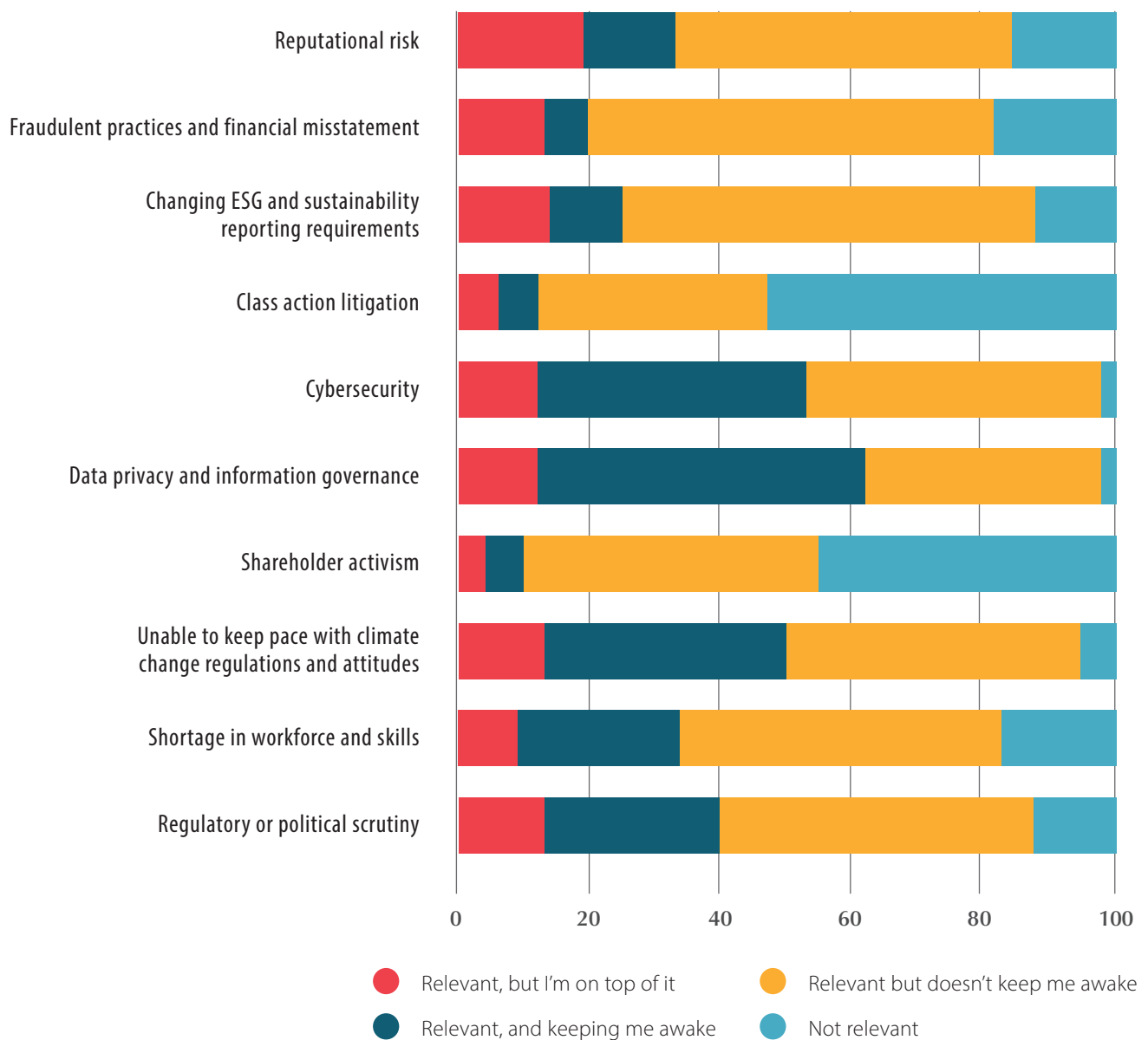
What steps has your company taken to ensure compliance with data privacy laws, and what measures are in place to safeguard personal data?



Other areas of risk

A further range of issues including reputational risk, fraud and financial mismanagement and changing ESG and sustainability reporting requirements are also currently occupying the minds of legal teams. These were divided into fairly equal percentages between being of concern but under control (i.e. “relevant but I’m on top of it”) to being of concern and significantly worrying (i.e. “relevant and keeping me awake”).

Which of these issues keep you up at night, and to what extent?



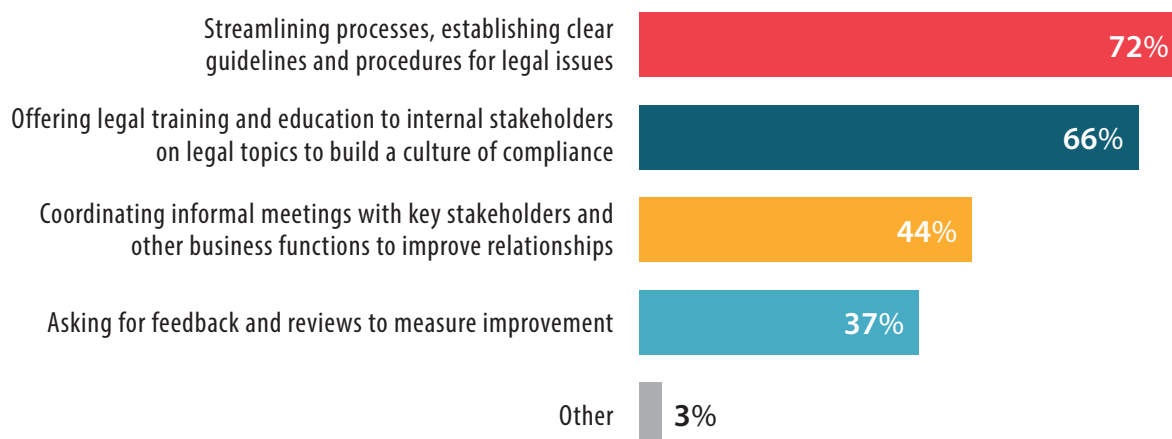
ACC 2023 CLO Survey - Cybersecurity, regulatory compliance and data privacy ran as the most important issues for business

Improving internal stakeholder satisfaction

Respondents reported that some of the ways their legal teams are looking to improve internal stakeholder satisfaction over the next 12 months include:

- Streamlining processes, and establishing clear guidelines and procedures for legal issues.
- Offering legal training and education to internal stakeholders on legal topics to build a culture of compliance.
- Coordinating informal meetings with key stakeholders and other business functions to improve relationships.
- Asking for feedback and reviews to measure improvement.
- Increasing headcount to accommodate the increase in demand.
- Improving legal workflow.
- Modernisation and simplification for engaging internal stakeholders.
- Agreed triage/intake of internal enquiries for example, single gateway.

If your legal team is looking to improve internal stakeholder satisfaction in the next 12 months, what are some of the actions being looked at?



EXTERNAL ENVIRONMENT

Key regulatory challenges

Respondents were asked what they considered would be the key regulatory challenges facing their organisations over the next 12 months. The perceived challenges (with corresponding percentages) were:

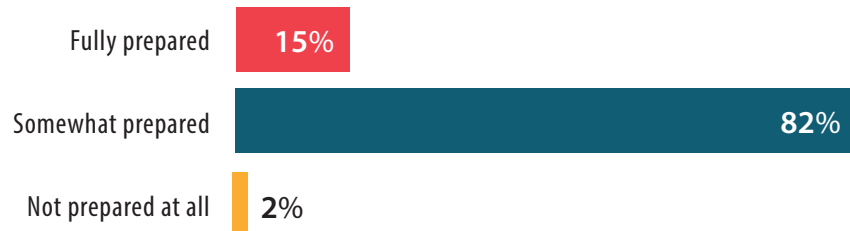


What do you see are the key regulatory challenges facing your organisation in the next 12 months?



Only 15% considered themselves fully prepared to meet these regulatory challenges, 82% considered themselves somewhat prepared and 2% said they were not prepared at all.

How confident are you in your organisation's ability to face these challenges?

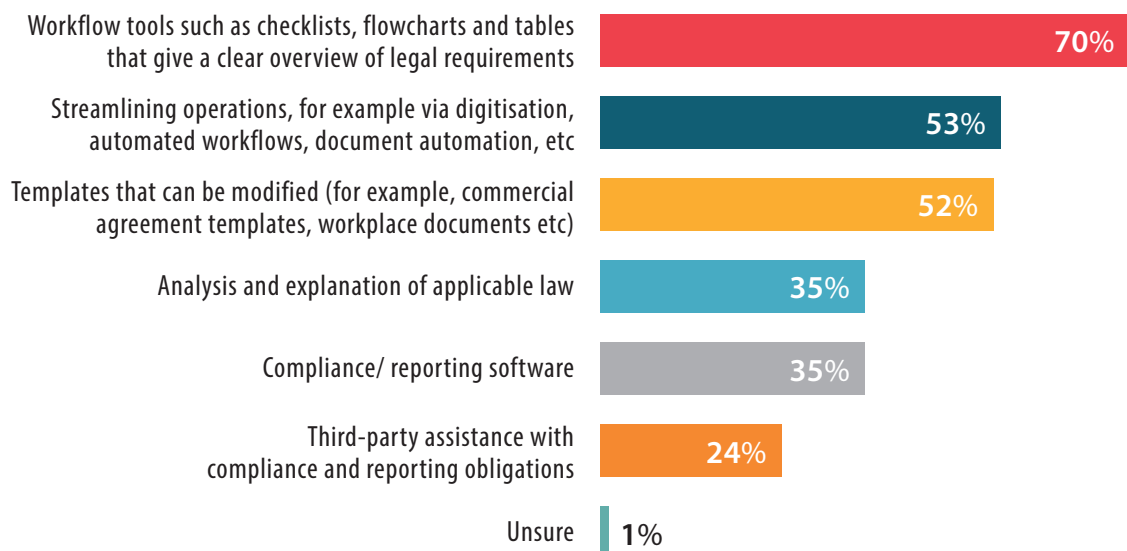


Compliance, record-keeping and reporting

Identifying and implementing methods to improve compliance, record-keeping and reporting is acknowledged by in-house legal teams as essential to meeting regulatory challenges. The sorts of systems and tools respondents said could be used over the next 12 months to achieve this objective were:

- **72%** Workflow tools such as checklists, flowcharts and tables that give a clear overview of legal requirements
- **53%** Streamlining operations (for example via digitisation, automated workflows and document automation)
- **52%** Templates that can be modified (for example, commercial agreement templates and workplace documents)
- **35%** Analysis and explanation of applicable law
- **35%** Compliance and reporting software
- **24%** Third-party assistance with compliance and reporting obligations.

What would make your team more efficient regarding compliance, record-keeping and reporting in the next 12 months?



Focus on ESG compliance and reporting

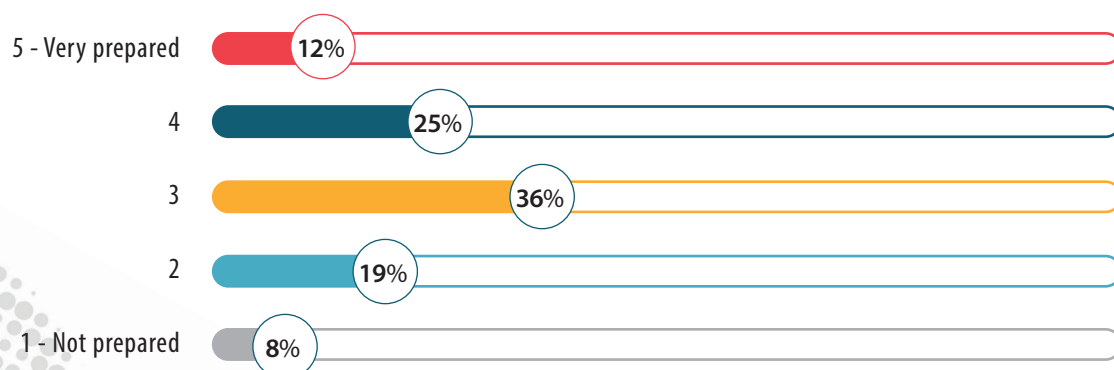
As a result of the increased executive focus on Environmental, Social and Governance (ESG) as a business driver, as well as increased external scrutiny of ESG practices, in-house legal counsel are experiencing a shift in their roles both in Australia and on a global scale.

According to ACC's 2023 CLO Survey, CLOs reported a need to increase compliance efforts due to growing ESG concerns, including environmental regulations, diversity, equity and inclusion (DEI) values, supply chain transparency, and third-party vendor dealings. The survey also shows that 23% of CLOs now oversee ESG initiatives.

In the current (Australian) survey, the largest percentage (36%) of respondents fell in the middle of the scale (3 on a scale of 1-5) when asked to rate how prepared they thought their organisation was in regard to ESG compliance and reporting.

Another twelve per cent considered themselves to be very prepared and 8% reported that they were not prepared.

On a scale of 1 to 5 please rate how prepared your organisation is with regard to ESG compliance and reporting?



Preparedness for regulatory investigation

Respondents were asked to pick up to five areas of the business which they thought would be the subject of an investigation by government or regulatory bodies over the next 12 months.

Data privacy (32%) and cybersecurity (21%) were pinpointed as the largest areas of potential concern for investigatory activity.

Other areas where the perceived risk of investigations was significant were business conduct (16%), sustainability and ESG practices (14%), relationships with public bodies on government contracts (14%) and competitive practices (11%).

Six per cent listed other potential areas of investigation, including:

- Consumer law
- ACMA (Australian Communications and Media Authority) regulation
- Aged care and charity compliance
- TGA
- Environmental compliance
- APRA and ASIC.

In which of the following areas do you expect your company to be investigated by regulatory / government bodies in the next 12 months? Please pick up to five.



LEGAL TECHNOLOGY

Technology has been rapidly transforming the role of in-house counsel over the past decade, and it continues to give legal teams the tools to automate low-level tasks, increase productivity and manage data more effectively. On the other hand, cost, budget restraints and time continue to hamper efforts to explore and implement new technologies and more fully digitise operations.

Level of take-up

The implementation of new technology by legal teams has remained fairly steady since ACC's 2018 survey. Thirty-three per cent reported that they introduced new legal software in that year and in 2019. In both the 2021 and current (2023) surveys, 29% had introduced new software.

In the past 12 months, has your legal team implemented any new legal software?

	2023	2021	2019	2018
Yes	29%	29%	33%	33%
No	68%	—	—	—
Unsure	3%	—	—	—

Technology use-cases

The most common types of technology used by respondents were:

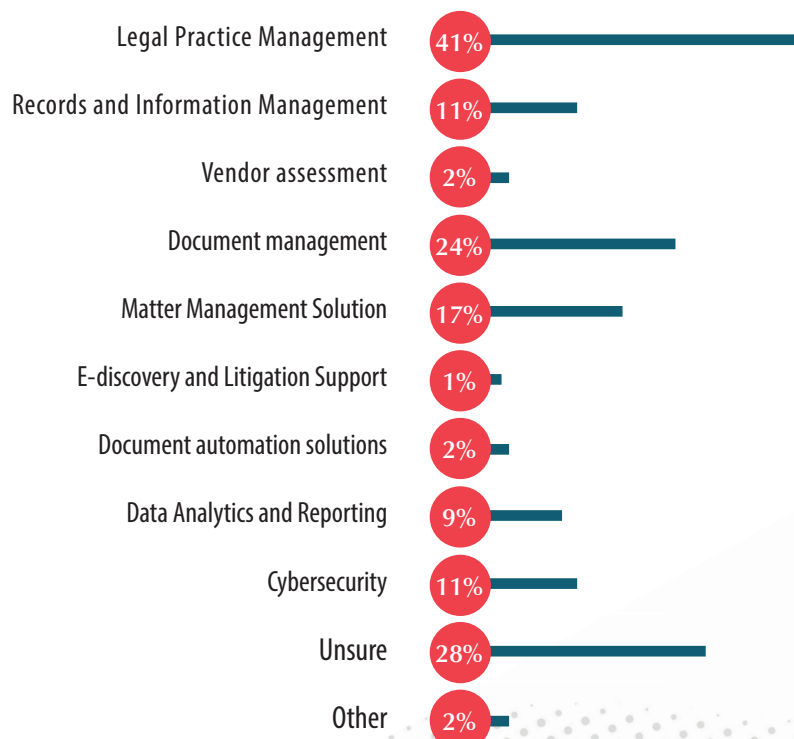
- **13%** Matter management solutions (up from 11% in 2021)
- **13%** Contract management software (down from 16% in 2021)
- **10%** Document management systems (down from 17% in 2021)
- **10%** Electronic signing
- **3%** Document automation solutions
- **3%** Data analytics and reporting.

Two per cent used other types of legal technology such as compliance registers, solutions to receive matters, workflow automation for non-legal processes and desk booking solutions.

Survey participants were asked to list their top priority investment areas for technology over the next 12 months (as many as were applicable). The results were:



What legal technology are you looking to make a priority investment in over the next 12 months?



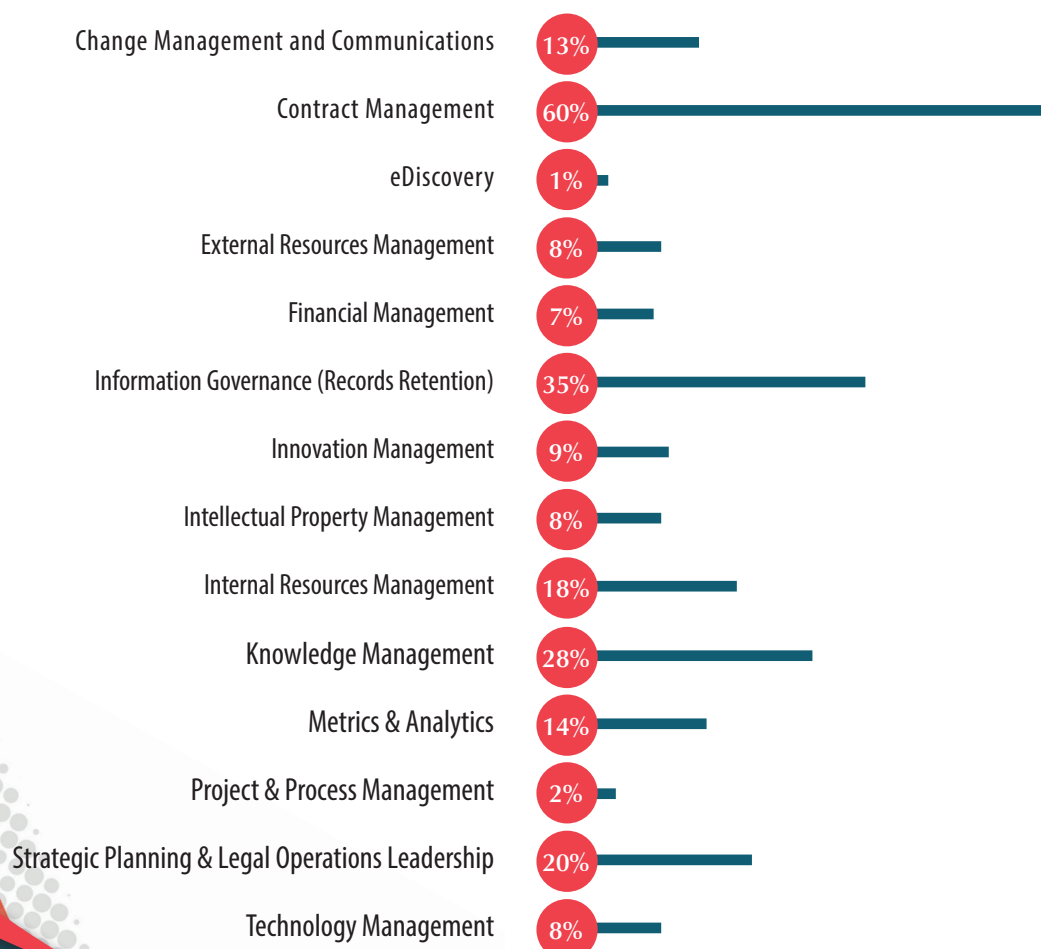
Legal operations

When asked what the top three priorities were for legal operations over the next 12 months, a hefty 60% said that it would be for contract management purposes. This aligns with ACC's 2023 CLO Survey, in which 67% of CLOs said contract management would be their top tech investment area over the next year.

The following priority areas also stood out:



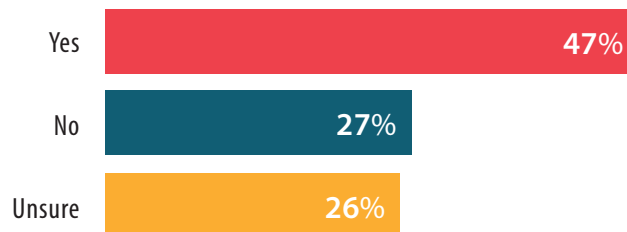
What are your top three priorities for legal operations over the next 12 months?



CLO survey - Contract Management is also the top tech area in which CLOs plan to invest over the next year (67%).

Almost half (47%) of survey participants said that legal operations software would play an increasing role in the function of their team over the next 12 months. The results are significant, although less so than in ACC's 2023 CLO survey, where 70% of CLOs said legal operations would be a top strategic priority in 2023.

Will legal operations software play an increasing role in your team's function over the next 12 months?

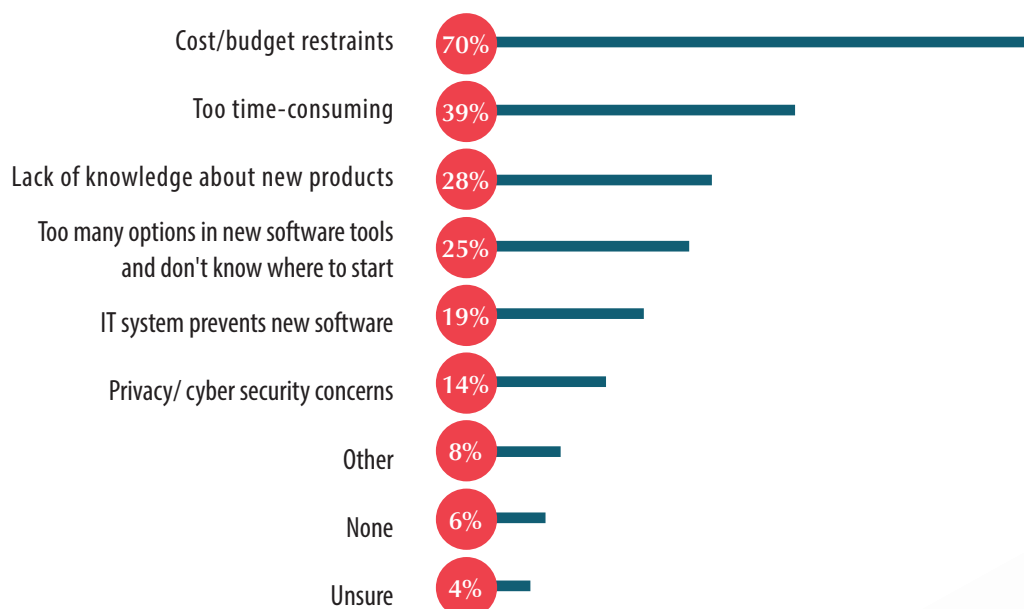


ACC 2023 CLO Survey - Investment in legal operations remains the top strategic priority for legal depts 70%.

Barriers to technology implementation

Cost, budget restraints and time were listed by respondents as by far the most significant barriers to implementing new legal technology, followed closely by a lack of knowledge about new products and confusion about the available options.

What barriers do you face in implementing new legal software?

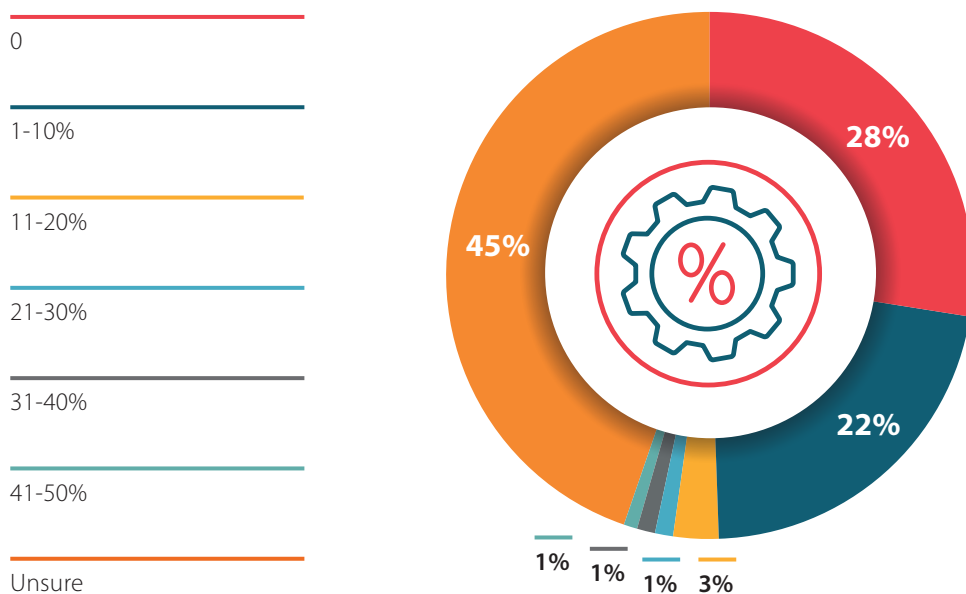


Legal technology budgets

When asked what percentage of the legal team's budget had been allocated for legal technology software, almost half were unsure. Of those that were able to provide an answer:

- **22%** said it was 1-10% of the budget
- **3%** said it was 11-20% of the budget
- **3%** said it was 21-50% of the budget.

What percentage of your budget has your department been allocated for legal technology software?



CAREER AND WORK-LIFE BALANCE

Hours and workload

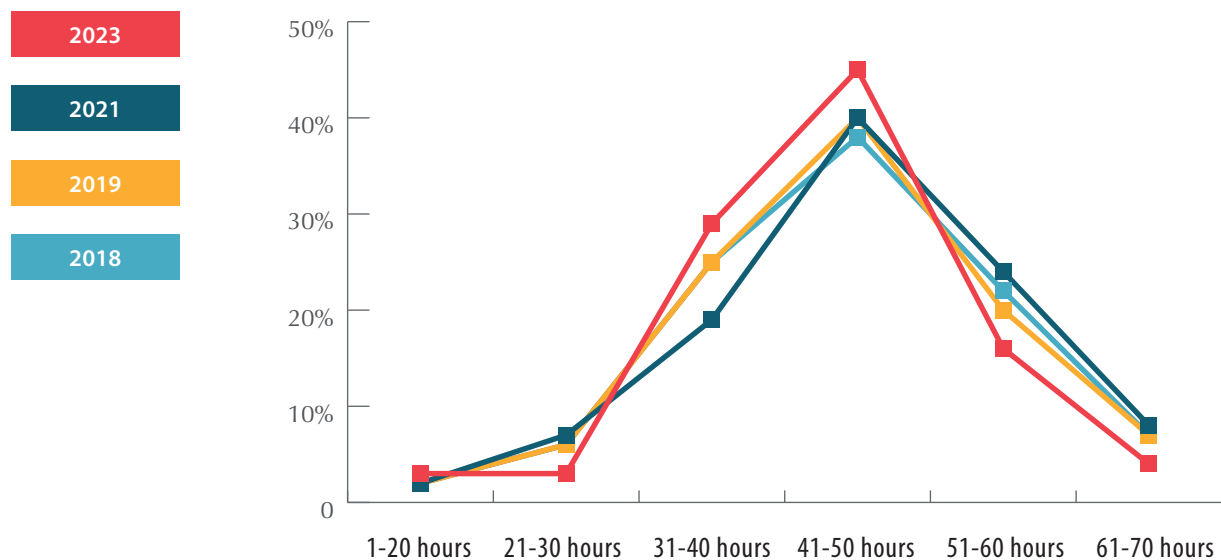
In the legal profession, where long hours and heavy workloads are the norm, striking a work-life balance while maximising career opportunities is a perennial challenge.

The pandemic was something of a circuit-breaker in terms of values, with flexibility and work-life balance assuming increasing importance. However, **ACC's 2021 In-house Counsel Trends** report showed that a significant proportion of in-house counsel continued to work long hours through lockdowns and economic slowdowns. A quarter, for example, worked 51-60 hours per week.

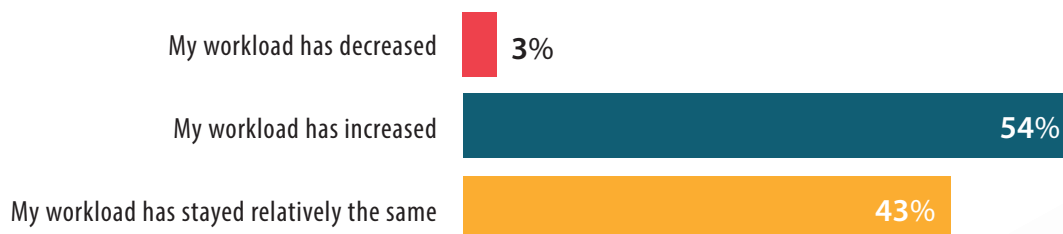
While figures for the **51-60 hour** band have dropped to 16% in the current survey, 41-50 hour working weeks have increased from 38% in 2018 to 45% in 2023, suggesting that core hours continue to increase steadily over time.

Fifty-four per cent of respondents, in fact, reported that their workload had increased over the past 12 months.

How many hours on average do you work for your primary employer each week?



Which statement best matches how you feel about your workload over the past 12 months?



Managing work-life balance

While 60% of respondents claimed to be either **“happy” or “very happy”** with their work-life balance in 2021 and 2023, this has dropped somewhat from previous survey results in 2018 and 2019 where over 70% reported the same feelings.

Respondents who are either **“unhappy” or “very unhappy”** with their work-life balance have remained fairly steady between 2018 and 2023, fluctuating between 7-13% and 2-4% respectively.

Based on the current demands of your job how happy are you with your overall work-life balance?

	2023	2021	2019	2018
Very happy	16%	18%	21%	21%
Happy	44%	42%	51%	50%
Neutral	26%	23%	17%	14%
Unhappy	13%	13%	7%	11%
Very unhappy	2%	4%	4%	3%

What are some of the ways you believe your organisation could support you better to achieve work-life balance?

“Improvements in work/life balance have come out of the pandemic such that working from home 1-2 days per week is now considered the norm for my workplace. I’d like to see an extension of working hours to ensure greater flexibility (before 7am or after 6pm) ...”

“More benefits and perks at work that would improve and boost employee morale such as a coffee truck, free or subsidised gym memberships, fortnightly company lunches, bonuses etc.”

“(We) need better resourcing (eg more lawyers or support staff to assist) or alter our timeframes/manage the organisation’s expectations better.”

“Have (flexible work) embedded into policies and procedures so employees are more aware of how the employer is offering to be more flexible and examples of other employees working flexibly.”

“Incorporate more legal technology to remove monotonous work so we can focus on high-value legal work.”

Pandemic effect on flexible working

A broader acceptance of flexible working is reflected in both the 2021 and 2023 survey results, with 62% and 68% respectively saying that flexible working was always accepted to a degree and has now gained wider acceptance and is likely to continue. The 6% increase between surveys supports this.

What stands out is the change in results for teams that did not support flexible work at all prior to the pandemic. In 2021 this accounted for 19% of respondents and in 2023 only 8% have that policy.

A further 19% (2021) and 21% (2023) said that their organisation had always supported flexible work.

Other ways in which the pandemic has changed attitudes to flexible working included the introduction of a set number of days in the office.

Additional comments from our survey respondents:

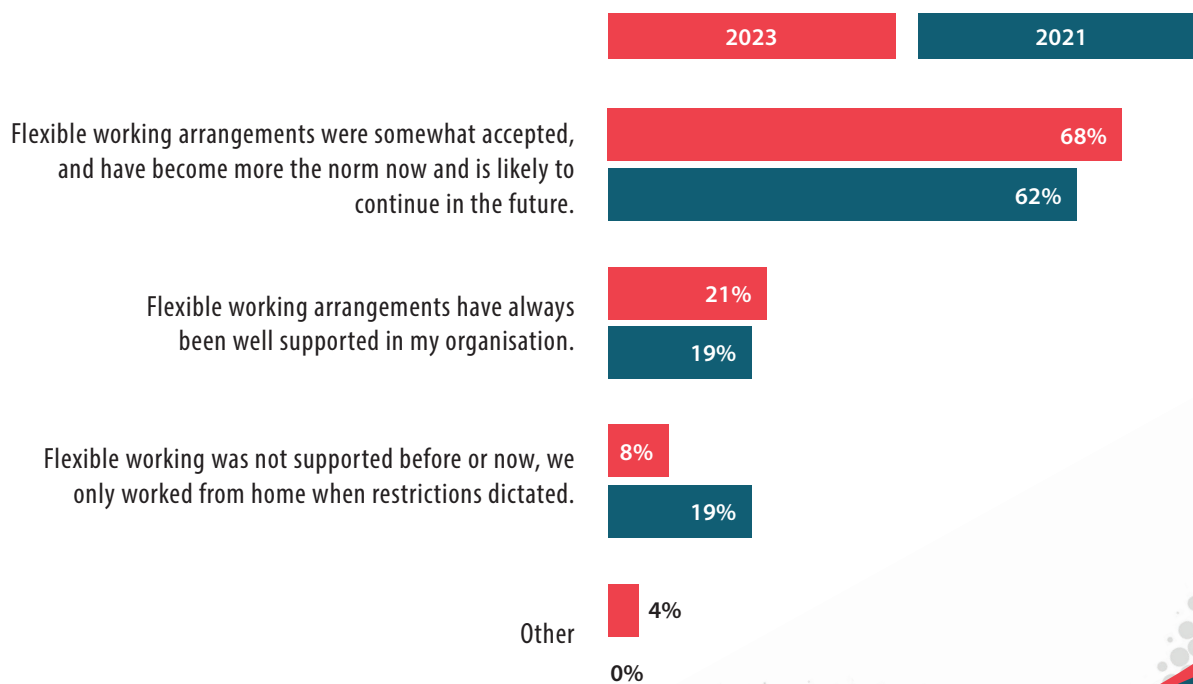
"Flexible working was not previously supported, now we all work from home 2 days per week"

"No flexible work before, only somewhat accepted now (or on a by-exception basis)"

"Flexible working arrangements were not supported prior to the pandemic, now they are and will continue that way"

"Flexible work was not generally accepted pre-pandemic. Now it is accepted, but there is an expectation of a certain number of days in-office."

How has the pandemic changed your organisation's attitude to flexible working?



Ongoing workforce effects of the pandemic

Survey participants were asked which changes to the workforce or workflow resulting from the pandemic were still in place now that restrictions have ceased.

While many continue to work remotely or in a hybrid situation, there is a definite “return to work” trend for a number of legal teams. Some respondents report that employers have general expectations that employees should return to the office and others say that they have actively set a mandatory number of hours for office work. It will be interesting to see whether, despite the general acceptance of flexible work, this trend continues to grow.

Explanatory responses given included:

- “Work from home is not promoted as much”
- “Work from home still prevails but efforts are being made to encourage people back (to the office) more”
- “Return to the office 3 days per week”
- “Mandatory 2 days in the office”.

Some respondents noticed other changes, such as wellbeing initiatives having dropped off and the use of technology to support remote working now being the norm.

Annual leave

While the number of respondents who took 1-2 weeks periods of leave over the past 12 months rose in 2021 to 47%, they have now returned to 26% – the same as in 2019.

The number of respondents who took full standard leave of 3-4 weeks dropped during the pandemic (2021) to 32% but bounced back to 51% in 2023.

While 2% took no leave at all, none reported having a request for leave denied.

In the last 12 months, how much annual leave did you take?

	2023	2021	2019
1 - 2 weeks	26%	47%	26%
3 - 4 weeks	51%	32%	45%
I've taken no annual leave	2%	7%	3%
Less than 1 week	6%	10%	9%
More than 4 weeks	15%	4%	17%

In the last 12-months, did you ask for time off and have your request refused?

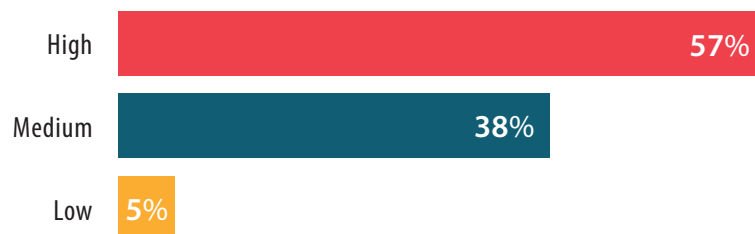
Not one respondent was refused leave

Job security

The pandemic and economic instability have created shock waves for some businesses with obvious consequences for job security. We asked survey participants about their levels of confidence in the security of their roles.

Overall, **57% of respondents reported having a high level of confidence in their job security**, a further 38% had a medium level of confidence and 5% had low confidence.

What level of confidence do you have in your job security?



These were broken down further by seniority and job function and compared with results in the 2021 survey.

Perhaps as an indicator that pandemic-related uncertainty is starting to ease, **high levels of confidence across all levels of seniority have risen between 2021 and 2023**, most notably among the ranks of junior lawyers:

- CLOs, General Counsel and Heads of Legal experienced a 6% increase
- Senior Lawyers experienced an 8% increase
- Junior Lawyers reported a 26% increase.

Career path

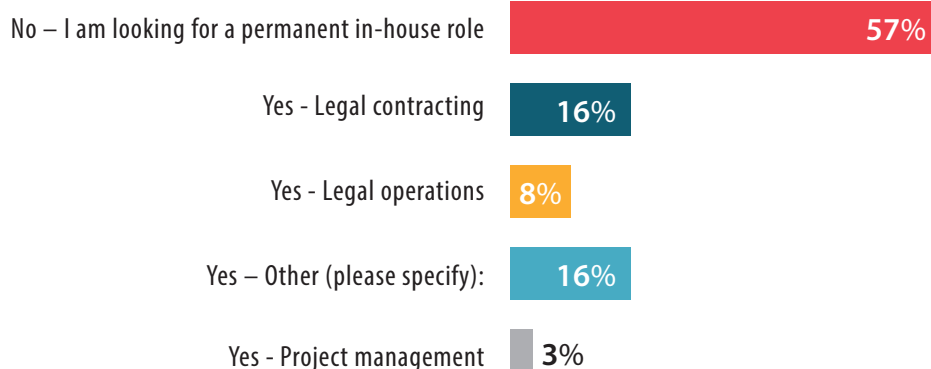
Satisfaction with current roles appears to be strong among respondents, with between 57% and 63% across all levels of seniority saying that they did not want to change jobs in the short term (6 months).

When asked whether they were contemplating an alternative career path or pivot, 57% replied in the negative, saying that they wanted a permanent in-house role.

Those considering a change were looking for contract, legal operations and project management roles.

	2023			2021		
	Yes	No	Unsure	Yes	No	Unsure
Chief Legal Officer/General Counsel/Head of Legal	15%	63%	22%	20%	54%	26%
Senior lawyer (>6 years experience)	19%	57%	24%	32%	44%	24%
Junior lawyer (1-5 years experience)	11%	63%	26%	30%	55%	15%
Other (please specify):	18%	45%	36%	55%	45%	0%

Are you considering a career pivot or alternative career path?



Training

Improving business, leadership, interpersonal and HR skills (as distinct from purely legal skills) are clearly highly important to in-house legal counsel, evidenced by their selection of priorities for further training. Priorities in order of importance included:

- **48%** General business skills
- **33%** Project management skills
- **33%** Executive presence
- **28%** Leadership
- **28%** Legal drafting
- **21%** Communication
- **19%** People management.

This is a priority for CLOs globally as ACC's 2023 CLO Survey shows, where in-house counsel listed leadership and executive presence as priority areas at 64% and 59% respectively.

Looking at your legal team's skills development, in what areas will you prioritise your training?



Disruptors to the traditional legal role and function

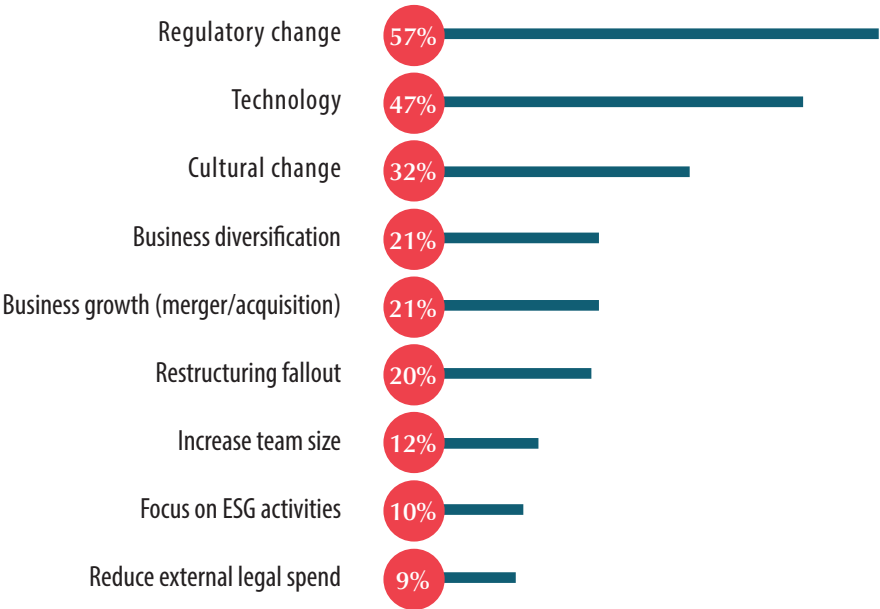
Regulatory, technological and cultural change were listed by survey participants as the top three disruptive forces impacting in-house legal roles and potentially the wider legal function:



A range of internal disruptors like business diversification, budgets, restructures and hiring levels were also listed as significant forces of change.

Others included macroeconomic factors, financial fortunes, compliance-related risk and ESG through to management bullying and pressure.

What are the biggest disruptors influencing or impacting your role as in-house counsel and the wider legal function?



What are the biggest disruptors influencing or impacting your role as in-house counsel and the wider legal function?

- Macroeconomic factors
 - Economic Factors
 - Culture
 - Financial position of the organisation
 - Lack of compliance and risk management functions
- Bullying/pressure from senior management
 - Project work and associated procurement
 - Competitive environment
 - Rampant increase in cyber attacks

FUTURE DIRECTION

In-house counsel hold a unique position as trusted advisors to businesses, often called upon to provide guidance beyond legal matters.

As technology continues to disrupt all corporate functions, legal departments are not immune, and in-house counsel will need to navigate the implementation of new tools and software solutions to stay competitive and serve their business effectively.

In addition to this, the regulatory landscape for data security is ever-evolving, posing a challenge for compliance and requiring in-house legal teams to stay up-to-date with new laws and regulations.

ESG is another area of growing concern for businesses, and in-house legal teams are expected to ensure compliance with regulations, identify and mitigate risks related

to ESG issues, and develop effective strategies for managing ESG-related legal challenges.

Although many organisations have returned to business as usual after the pandemic, concerns about losing the flexibility and workplace gains made during COVID remain. Legal teams have experienced a range of expectations from employers, with some mandating a certain number of hours for office work and others continuing with a flexible or hybrid approach. It will be interesting to observe if this trend continues to grow despite the general acceptance of flexible work.

The future for in-house counsel holds many opportunities. Deep understanding of legal considerations, company's operations, industry landscape, and company's risk appetite ensures the role of in-house counsel will remain vital in driving organisational success.



Your feedback on this report is welcome.

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