LexisNexis®

Legal AI and the Future of the Legal Profession

LexisNexis 2026
Australia AI Sentiment Survey Findings

Introduction

The Australian legal profession is undergoing rapid technological transformation, with generative AI emerging as a defining force. This report presents the findings from our 2025 AI Sentiment Survey of 1,037 legal practitioners across Australia.

Use of generative AI is accelerating across the legal profession, with more than two-thirds of practitioners surveyed using or planning to use generative AI tools for work-related purposes. Small firms (1–10 fee earners) are embracing AI quickly to stay competitive and agile, while mid-sized firms (11–50 fee earners) view it as a pathway for growth, and large firms (50+ fee earners) are investing strategically to manage scale, risk, and client expectations.

Confidence in AI use has grown significantly, rising from 75% in the 2023/24 survey to 90% in 2025. Familiarity, client acceptance, and the economic need to improve efficienc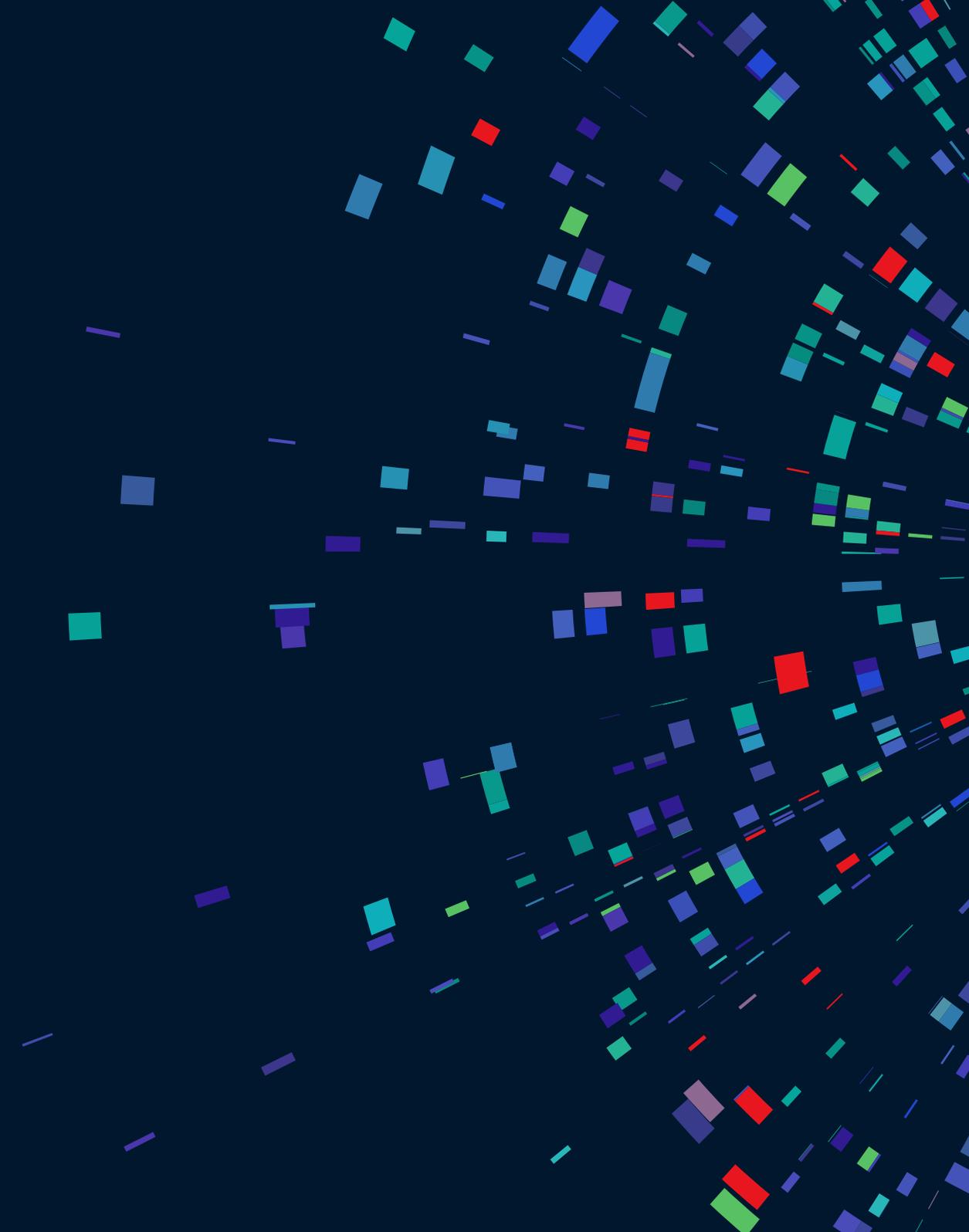y are driving this shift. Firms are focussing on tangible outcomes of AI adoption such as time savings, reliability, and improved client service, while prioritising risk management through trusted AI platforms.

At the same time, concerns around accuracy, confidentiality, and bias highlight the need for strong compliance and regulation to support responsible use. The most valued applications of Legal AI are research, comprehension of legal concepts, and summarisation, reflecting the profession's emphasis on efficiency and clarity. Looking ahead, lawyers expect greater competition from alternative legal service providers, a sharper focus on data-driven processes, and deeper client expectations for technology-enabled, strategy-oriented legal support.

The overall implication is clear. While the pace and focus of adoption differ across legal segments, the firms that successfully combine AI-enabled efficiency, robust risk management, and client-centric service will be best positioned to thrive in a rapidly evolving legal market.

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Use of Generative AI Tools

Our survey of Australian lawyers reveals that 69% are either using or planning to use generative AI tools for work-related purposes. Two-thirds of small law firms already use generative AI, representing the highest adoption of any legal segment. Smaller firms tend to adopt AI quickly because they are agile, and see AI as an opportunity to remain competitive, reduce costs, and grow their practices. They typically operate with fewer formal compliance frameworks than larger firms, and are more inclined to rely on accessible, open-source tools such as ChatGPT. This dynamic helps explain their comparatively higher reported rates of adoption.

Mid-sized firms represented the largest proportion planning to implement generative AI legal tools, with 40% indicating they intend do so, followed by 24% of large firms. For larger law firms, adoption is driven by both necessity and resources. They face pressure to deliver a compelling return on investment due to the high volume and value of their caseloads, and the need to demonstrate they are adopting the most advanced tools to remain competitive and retain major corporate clients. These firms also have the capital to fund AI pilots, partnership with vendors, and in-house innovation resources. For these firms, the perceived risks outweigh the potential benefits that AI might bring.

Not all law firms will embrace Legal AI, and some may never adopt it. More than 25% of respondents indicated they had not used and did not plan to use AI tools for work. Firms that avoid Legal AI tend to do so because of cost, lack of fit with their practice, cultural resistance, client sensitivities, liability concerns, regulatory uncertainty, or a preference with the status quo. For these firms, the perceived risks and potential disruption outweigh the potential benefits that AI might bring.

Adoption Rates

68.5%
Using or planning to use AI

31.5%
Not using AI

Confidence Growth

75.0%
Confidence in 2023–2024

90.0%
Confidence in 2025

Almost all lawyers are now comfortable using some type of Legal AI.

Value of Generative AI Tools

Nearly half of legal practitioners view generative AI as delivering a balanced set of benefits. Respondents reported that faster work delivery, increased billable hours, improved work-life balance, enhanced client service, and competitive advantage are all seen as equally important outcomes of adopting the technology.

Interestingly, it was found that in-house legal teams value the benefits of generative AI more highly than other legal segments. Unlike law firms that can offset costs through billable hours, in-house teams operate as cost centres. This makes them more receptive to the efficiency and productivity benefits of AI. In addition, in-house lawyers spend much of their time on repetitive, operational tasks such as compliance reviews and regulatory reporting. By automating these high-volume processes, AI allows in-house lawyers to focus on higher-value, strategic advisory work.

> "Legal AI frees up valuable time for me to focus on more complex legal issues and client interactions."
>
> **Partner, Large Law Firm**

Benefits of Generative AI Tools

Deliver work faster

46.0% Agree	Neutral	29.4% Disagree

Bill more hours / deliver more work

45.1% Agree	Neutral	25.1% Disagree

Have a better work-life balance

48.4% Agree	Neutral	26.0% Disagree

Provide a better service to clients / stakeholders

45.3% Agree	Neutral	26.6% Disagree

Give our business a competitive advantage

43.7% Agree	Neutral	23.9% Disagree

Faster turnaround and growth in billable hours are key benefits of Legal AI.

Encouraging the Use of Generative AI Tools

Hearing use cases from colleagues

30.6%

Conducting my own research

30.1%

Easier integration with existing workflows

25.0%

Clients / stakeholders demanding I use it

22.2%

Better communication around use guidelines

21.3%

**Better customisation options to tailor the output**

20.4%

More training

18.1%

More transparency on how AI models work

15.3%

Our survey findings indicate there is no single dominant factor encouraging greater use of generative AI tools among legal professionals, but rather a mix of drivers valued to varying degrees. The most frequently cited motivators were hearing use cases from colleagues (30.6%) and conducting independent research (30.1%), followed by easier integration with existing workflows (25.0%), and client or stakeholder demand (22.2%). These patterns suggest that legal professionals view AI uptake as dependent on both practical enablers, such as integration and training, and validation through peer and client influence.

The results also show that while there are broad themes for adoption across the legal profession, different segments place emphasis on different enablers for AI adoption.

AI

Prompt   Generate
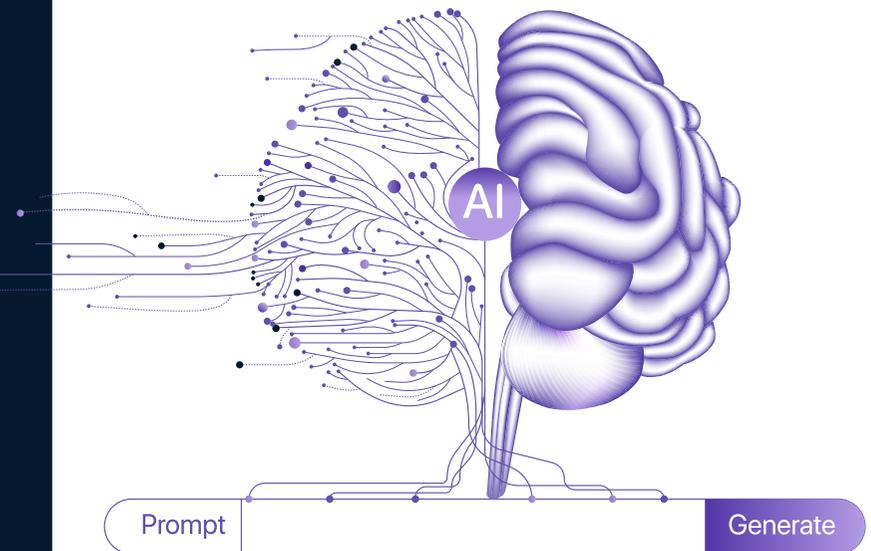
To understand the key performance indicators used by legal departments and firms to evaluate the value of AI adoption, respondents were asked how they currently measure the success of generative AI tools.

The leading measures of success are time savings (38.1%) and accuracy of outputs (36.6%), reflecting two core priorities in legal practice - efficiency and reliability. Cost savings (34.4%), client feedback (32.5%), and workflow integration (32.2%) also stand out as current measures of success.

Large law firms evaluate the success of AI tools primarily based on accuracy (41.9%), cost savings (40.9%), and integration with existing legal workflows (40.9%), all above the industry average. This reflects their focus on profitability, high-quality legal services, and alignment with established technologies and processes.

"By integrating Legal AI into my practice, I can improve the accuracy of legal research, reducing the risk of overlooking critical case law or statutes."

Senior Associate, Large Law Firm

Measuring the Success of Generative AI Tools

Measure	Percentage
Time Savings	38.1%
Accuracy of Outputs	36.6%
Cost Savings	34.4%
Client Feedback	32.5%
Integration with Exisitng Legal Workflows	32.2%
Improvements in billable hours or revenue	31.1%
Employee Feedback	28.4%
Adoption Rates	25.7%

Generative AI is being measured by its ability to free up lawyer time, improve accuracy and reduce routine workloads.

Generative AI Tools and Work Tasks

Respondents were asked how they use generative AI for legal work to identify the areas of practice with the greatest potential for adoption.

The leading use cases are legal research (45.6%), understanding legal concepts (39.5%), and case summarisation (37.1%), reflecting the profession's focus on efficiency and clarity in knowledge-intensive work. Other notable applications include correspondence support (35.8%), document analysis and review (34.4%), and drafting (32.9%). Large and mid-sized law firms show particularly strong interest in AI use for legal research (48.1% and 49.7% respectively), while government teams emphasise correspondence (40.7%), and document analysis (39.8%), consistent with their mandate to manage large volumes of regulatory and compliance materials.

While use of AI tools spans a wide range of tasks, priorities clearly reflect the profession's emphasis on research, comprehension, and efficiency.

Use of Generative AI Tools

Legal Research
45.6%

Understanding Legal Concepts
39.5%

Case Summarisation
37.1%

Correspondence
35.8%

Document Analysis & Review
34.4%

Drafting
32.9%

Due Diligence
24.7%

As part of our survey, respondents were asked what features of a legal drafting solution are most important to them. Our survey finds that the top priorities are multi-user collaboration (37.8%), automated contract management for templates and pre-set clauses (37.3%), and integration with legal research databases (37.3%). Small firms (44.4%) place the greatest emphasis on comprehensive clause libraries. Large firms (41.9%) prioritise the integration with legal research database, reflecting the importance of accurate AI responses.

The findings suggest that a drafting solution built on generative and agentic AI should scale automation for large firms, maximise collaborative efficiency for small firms, and ensure compliance for in-house and government teams, delivering both productivity gains and trust in AI-driven drafting.

"While AI can assist in drafting legal documents, it's crucial to maintain a human touch in the final review to ensure that the nuances of each case are accurately captured."

Lawyer, Mid-Sized Law Firm

Value of Legal Drafting Features

Multiple Users Working on the Same Document Simultaneously
37.8%

Automated Contract Management for Templates and Preset Clauses
37.3%

Connects With Legal Research Databases to Ensure Up-To-Date Content
37.3%

Comprehensive Clause Libraries That Can Be Inserted Into Documents
35.9%

Automatically Reviews Documents For Compliance
31.3%

I Can Do Everything Within Microsoft Word
21.8%

e-Signature Capabilitiies
20.3%

Robust Data Security
19.8%

User-friendly interface
15.8%

Proof-reading and sense checking capabilities
13.4%

Integrates with document management System (DMS)
8.4%

Perceptions of Generative AI Tools

I feel more comfortable using GenAI that's grounded on legal sources

| **61.9%** Agree | Neutral | **18.8%** Disagree |

Law firms should be making use of GenAI

| **61.5%** Agree | Neutral | **19.4%** Disagree |

Law firms will change how they bill because of GenAI

| **56.8%** Agree | Neutral | **21.3%** Disagree |

Law firms should inform clients when using GenAI

| **55.9%** Agree | Neutral | **22.1%** Disagree |

If my organisation failed to fully embrace AI, it would negatively impact my career

| **52.4%** Agree | Neutral | **25.5%** Disagree |

If my organisation failed to fully embrace AI, I would consider leaving

| **48.6%** Agree | Neutral | **26.6%** Disagree |

The Impact of AI on Legal Work

Our survey shows strong overall agreement that legal professionals are more comfortable using AI that's grounded on legal sources, with 61.9% in agreement. This highlights a clear preference for tools that are reliable, transparent, and based on accurate legal content.

Over 60% of practitioners believe law firms should be making use of generative AI, reflecting broad recognition that AI has a legitimate role to play in legal practice.
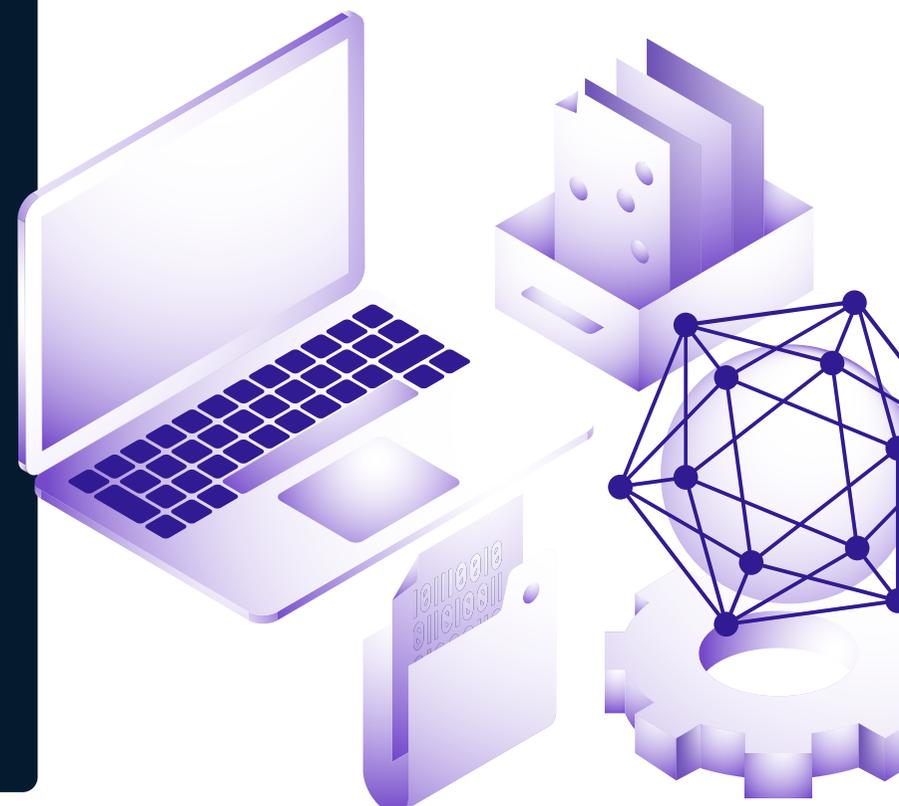
Two-thirds of respondents believe that Legal AI will disrupt the traditional billable hour model, shifting how legal services are delivered and charged.

While no single alternative pricing structure is expected to dominate, the prevailing direction is toward mutually beneficial models that strengthen client relationships. This marks a transition from process-driven billing to value-based metrics, with firms exploring fixed predictable pricing models, outcome-based billing, subscription approaches, and models that provide greater transparency for clients.

In response to alternative billing models, one respondent to our survey noted that value-based billing could replace the billable hour. *"The value-based model focuses on the outcome and value provided to the client rather than the time spent. It aligns better with efficiency gains from AI and offers more transparency and predictability for clients."*

Our survey data also suggests that barristers and large law firms are less convinced that AI will significantly affect billing models. Barristers see less impact on billing, because their work is highly bespoke and less tied to billable tasks that AI can accelerate. Large law firms, meanwhile, have the market power and flexibility to preserve the billable hour and may look to AI to boost efficiency and profitability without fundamentally changing client charges.

Is the billable hour under threat?

67.6%
Yes
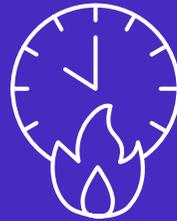
32.4%
No

AI is expected to disrupt the traditional billable hour model.

Adoption of AI Tools

Legal firms and legal departments are taking concrete steps to implement generative AI as these tools become more widely adopted. Our survey results suggest that purchasing tools grounded in credible legal sources (41.9%) and training staff to safely use AI (36.4%) are the most common measures being taken to implement AI.

The proportion of firms taking steps to implement AI grounded in credible legal sources rises significantly among large law firms (51.9%), where the stakes are amplified by scale, client base, and reputational exposure. Larger firms also have more resources to invest in premium Legal AI solutions and formal training programs, positioning them as adopters of structured, risk-mitigated approaches to generative AI implementation.

These actions directly address the two biggest concerns for legal professionals: accuracy and risk management. Unlike general-purpose AI, legal research platforms based on credible content provide greater reliability in research and drafting, reducing the risk of errors that could carry serious legal or ethical consequences. Similarly, structured training ensures lawyers and staff understand both the opportunities and the limitations of AI, helping firms manage confidentiality, compliance, and professional responsibility.

Purchasing decisions are driven by whether tools are based on credible legal sources.

Actions taken to Implement Generative AI Tools

41.9%
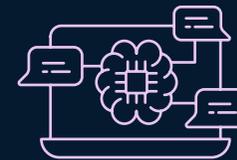Purchasing AI that's grounded on credible legal sources

36.4%
Training staff to use AI tools safely

35.0%
Using public-access AI

33.4%
Exploring new lines of business made possible by AI

33.3%
Creating a roadmap for future AI implementation

32.0%
Creating a policy for internal use of AI

27.9%
Altering pricing structure

Concerns Using AI Tools for Legal Work

The top concern using AI tools for research and guidance among legal professionals is reliance on inaccurate or fabricated information (hallucinations), cited by 39.3% of respondents. This underscores the critical importance of accuracy and credibility in legal contexts. Leaking confidential data (36.3%) and becoming too reliant on AI (35.7%) also stand out as significant risks, while accidental bias (33.3%) highlights fears of systematic bias in AI outputs.

Differences emerge across firm types: large firms (46.7%) and government departments (41.5%) are particularly concerned about hallucinations, while small firms (41.4%) are more concerned about accidental bias. While AI adoption is advancing, trust and risk management remain the dominant challenges for legal organisations.

"Ethical considerations must be addressed with the adoption of Legal AI, ensuring that client confidentiality and data protection remain a priority in all automated processes."

Lawyer, Mid-Sized Law Firm

Pain Points of Generative AI Tools

Relying on inaccurate or fabriacted information (hallucinations)

39.3%

Leaking confidential data

36.3%

Becoming too reliant on it

35.7%

Accidental bias

33.3%

Quality of work will decline

28.7%

Clients might not like it

28.4%

Accuracy of AI responses is the main concern.
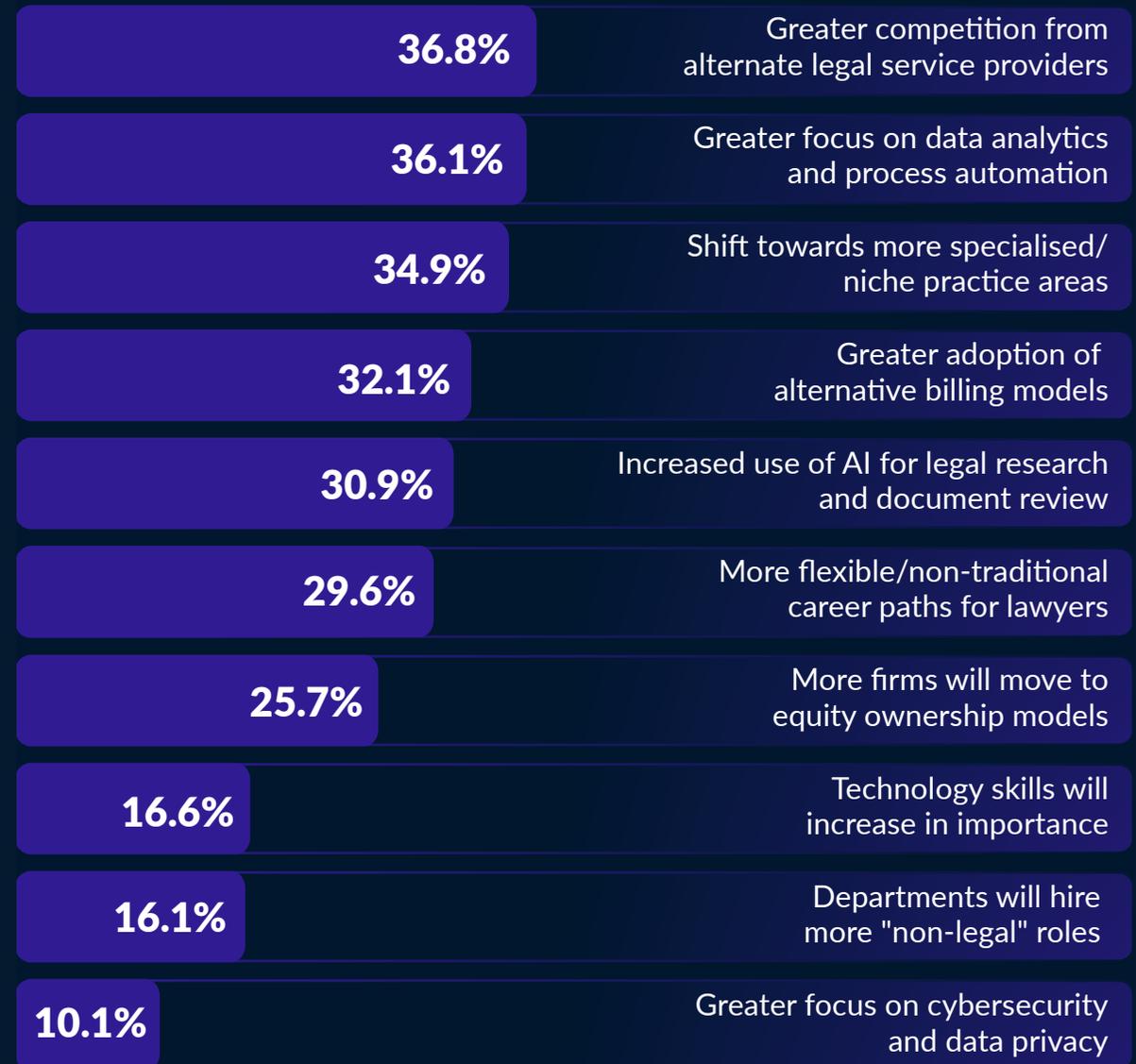
Legal Practice Transformation

Our survey shows that legal professionals expect the biggest changes, in the next 1–3 years, are to come from greater competition from alternative legal service providers (36.8%) and a stronger focus on data analytics and process optimisation (36.1%).

Large firms anticipate increased use of artificial intelligence for legal research and document review (42.6%), compared to the average of 30.9%. Mid-sized firms stand out with the highest expectation of greater competition from alternative legal service providers (45.7%), indicating exposure to efficiency and lower-cost alternative providers such as large accounting firms, technology-led providers, and on-demand legal services.

A shift towards more specialised or niche practice areas (38.3%) and a move to equity ownership models (37.6%) were highest among small law firms, highlighting their strategy of differentiation and structural flexibility.

Changes to the Legal Industry in the Next 1 to 3 Years

Percentage	Change
36.8%	Greater competition from alternate legal service providers
36.1%	Greater focus on data analytics and process automation
34.9%	Shift towards more specialised/ niche practice areas
32.1%	Greater adoption of alternative billing models
30.9%	Increased use of AI for legal research and document review
29.6%	More flexible/non-traditional career paths for lawyers
25.7%	More firms will move to equity ownership models
16.6%	Technology skills will increase in importance
16.1%	Departments will hire more "non-legal" roles
10.1%	Greater focus on cybersecurity and data privacy

A Client-Centric Partnership

Clients are looking for a more client-centric approach from their law firms, with our survey showing tailored solutions (38.3%) and specialist expertise (36.4%) as top priorities, alongside leveraging cutting-edge technology (36.2%). Other priorities include strategic advisory services beyond traditional legal counsel (35.4%) and cost-effectiveness (34.0%), highlighting a shift in expectations from purely transactional legal advice to strategy-oriented solutions.
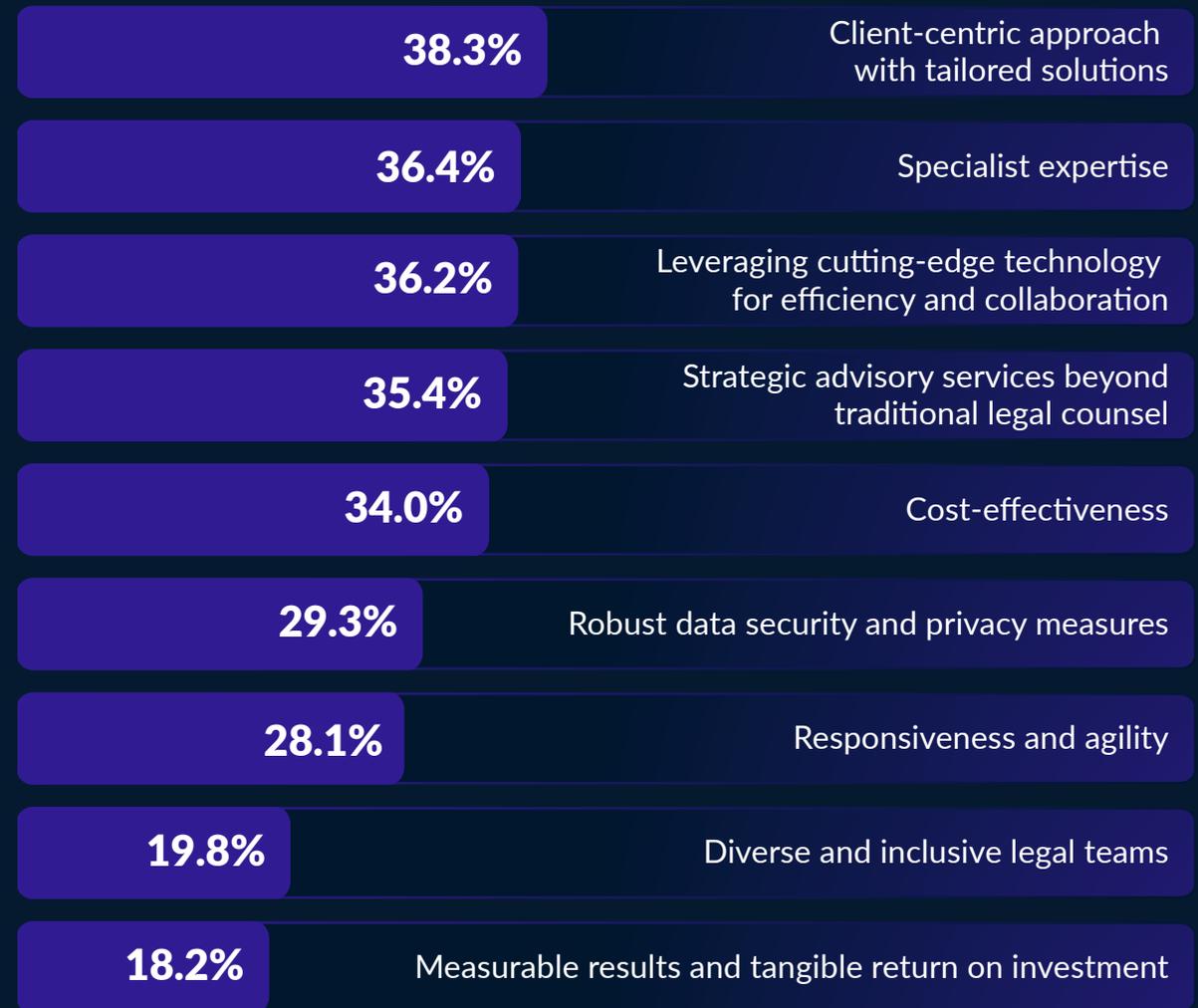
Large and mid-sized firms believe their clients expect tailored solutions and a client-centric approach (43.0% and 42.9%) compared to the average of 38.3%. Small firms, by contrast, are more likely to be evaluated on their specialist expertise, reflecting their focus in particular areas of practice.

The survey indicates that legal professionals believe their clients view law firms as strategic partners rather than legal technicians. With greater efficiencies from adopting AI, firms of all sizes need to broaden their advisory role and offer technology-enabled solutions at competitive prices.
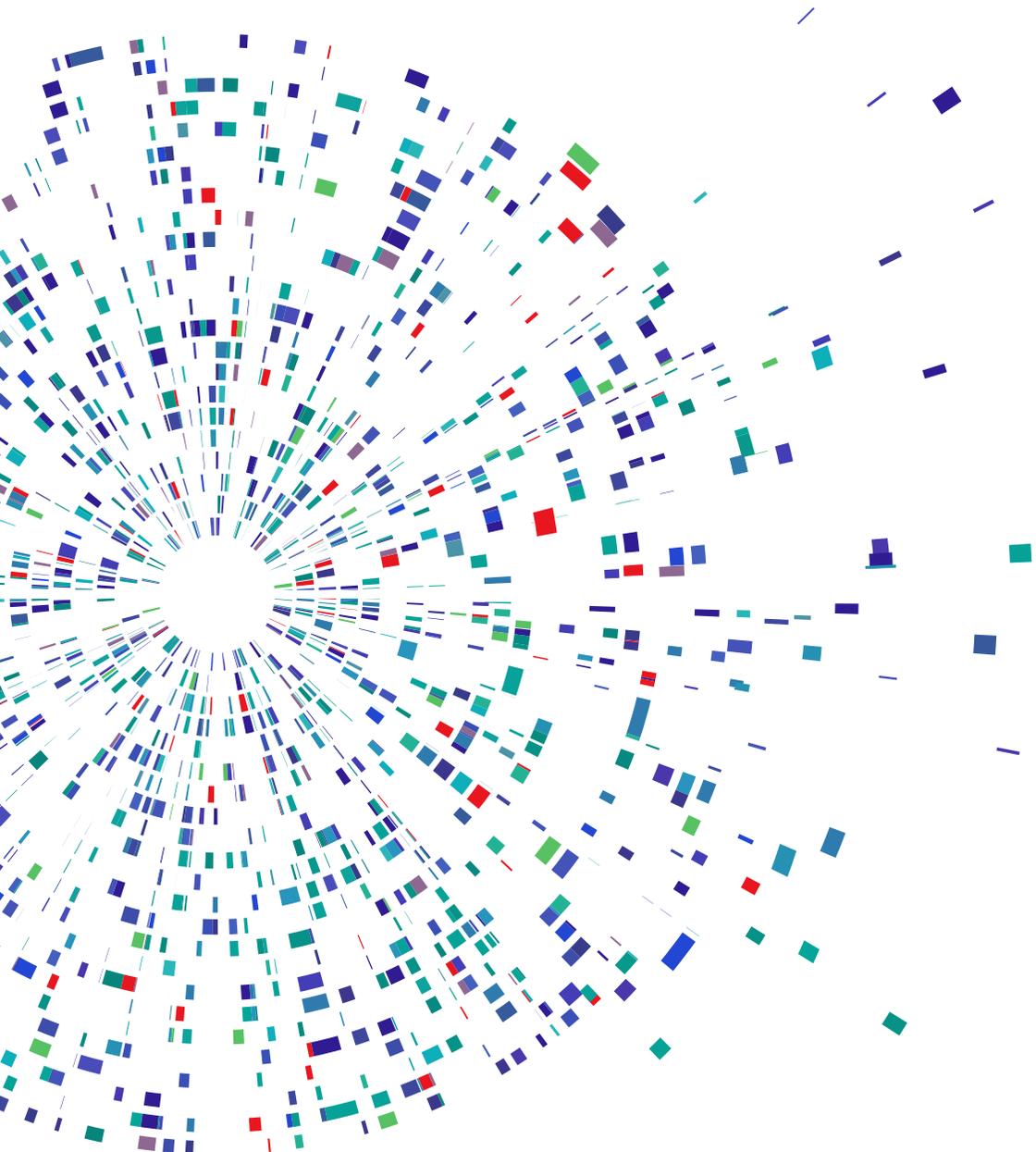
"Early adopters who embrace Legal AI by blending technology with human expertise will lead the future of law."

Lawyer, Mid-Sized Law Firm

Client Expectations in Today's Legal Market

Percentage	Category
38.3%	Client-centric approach with tailored solutions
36.4%	Specialist expertise
36.2%	Leveraging cutting-edge technology for efficiency and collaboration
35.4%	Strategic advisory services beyond traditional legal counsel
34.0%	Cost-effectiveness
29.3%	Robust data security and privacy measures
28.1%	Responsiveness and agility
19.8%	Diverse and inclusive legal teams
18.2%	Measurable results and tangible return on investment

Legal firms need to offer tailored client engagement to remain competitive.

Survey Methodology

The research was conducted to evaluate attitudes, adoption patterns, usage, and concerns regarding generative AI tools among lawyers and barristers in Australia. The findings are intended to support informed decision-making, evidence-based policy, and forward-looking collaboration across the legal sector.

Our survey included 18 primary questions, combining multiple choice, Likert scale, and open-ended formats, and represented a broad cross-section of the legal profession, including lawyers in firms (small to large), in-house corporate lawyers, government lawyers, barristers, and academics. Subgroups with fewer than 30 responses were excluded from the quantitative analysis.

The study employed a quantitative cross-sectional survey design, supplemented with qualitative insights from open-text responses. Participation was voluntary and anonymised. Data was collected through a structured online survey distributed to legal professionals across Australia. The survey was distributed via a phased approach. Additional questions were added after the survey was distributed as they were deemed to provide valuable insight. This accounts for a discrepancy in the sample size for some questions.

Our survey examined AI adoption rates and tools used, frequency and purpose of use, perceived benefits and pain points, and levels of AI adoption. Quantitative data were analysed using descriptive statistics, and qualitative responses were thematically coded to highlight recurring concerns, barriers, and sentiments. Comparative insights were drawn from 'Generative AI and the future of the legal profession. LexisNexis 2023–2024'

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