

FOR AUSTRALIAN LAW FIRMS

The Five Point AI Check

The AI decisions every law firm has to make. Written for
boutique firms, not corporate compliance departments.

If this reached you and you aren't the person who would own AI decisions
at your firm, pass it to whoever is.

Why the usual advice does not fit you

Almost everything written about AI governance assumes an in-house compliance function, a security team and a working group spanning IT, legal and risk.

You have a practice manager already doing three jobs. You probably have an IT provider too but they keep the machines running. They do not decide what goes into a chat window.

The enterprise frameworks are not wrong. They are written for organisations many times your size. Applied to a sole practitioner or a boutique firm they produce a document nobody reads and nothing changes.

This is the version that fits. Five points, then a bonus one. Each is a decision rather than a piece of technology, which is why it costs time rather than money.

One thing worth saying up front. Your people have almost certainly started using AI tools already. Adoption has run well ahead of anyone deciding how it should work. That is not a discipline problem. It is what happens when a tool is useful, free and one click away. The point of this is not to catch anyone out. It is to make the decisions that should have been made before they started.

2 in 3

small Australian firms already use generative AI, the highest rate of any firm size.

LexisNexis 2026

~40%

of Australian lawyers report AI policies or guidelines at work. Governance has not kept up.

Clio 2026 · VLSB+C 2026

65%

General-purpose tools like ChatGPT, Claude, Gemini and Copilot are by far the most used.

VLSB+C 2026

How to use it

Work through the five points in order. Each one ends with three questions about your own firm. If you can answer all three, that point is settled. If you cannot, you have found something worth an hour of someone's time. Most firms are strongest on points two and four and weakest on one, three and five.

All eighteen questions, including the bonus point, are collected on a one-page scorecard at the back. That page is fillable on screen.

WHO WROTE THIS

Jabran Chaudhry, a practising Sydney solicitor. I have used AI in my own practice since 2023, including building an internal agent to help run it. DisruptionProof acts as an External AI Partner for Australian law firms, filling the role larger firms give to a Chief AI Officer.

If your firm's position is that you do not use AI

That position deserves to be taken seriously. It also deserves to be checked, because in most firms it is a belief rather than a fact.

Three things are probably already true:

- 1 Your Microsoft or Google subscription has AI features switched on that nobody asked for, because they arrived in an update rather than a decision.
- 2 Someone on your team has used a free account on their own phone for something tedious and did not think of it as a firm matter.
- 3 Your practice management provider has almost certainly shipped something with AI in it in the last year.

None of that required anyone to sign up for anything.

So the question in front of you is not whether to adopt AI. It is whether the use already happening is use you have looked at. A firm that decides against it and can show it checked, has made a real decision. A firm that assumes it is not happening has made none.

Points one to five apply either way.

A PATTERN I KEEP SEEING

In conversations with law firm partners, a common approach is to roll AI out to partners or senior lawyers only. Those partners often say it has made their own work several times faster. The reasoning for stopping there is usually that juniors need to learn the law properly first.

I do not agree with that. I think everyone in a firm needs to learn this together. But set my view aside, because the more useful point is the statistical one. Those juniors are almost certainly already using AI, on their own accounts, with none of the guardrails the partners have. The decision does not stop the use. It moves it somewhere nobody can see.

IMPORTANT

This document is a general issue spotting tool prepared by DisruptionProof, a consulting business. It is not legal advice and it does not certify anything about your firm. It does not replace your own professional judgment, your conduct obligations, the rules or practice notes of any Court or Tribunal, your privacy obligations, your insurer's requirements or the terms of any AI product you use. What your obligations are and whether you are meeting them, are matters for your firm.

Court practice notes on AI change often, so check the current version for each court you appear in. Written for Australian practice and current as at October 2026.

Find out what is actually being used

Ask. Do not audit.

The instinct is to check logs and lock down browsers. That tells you what left a trace on firm equipment. It will not tell you about the personal account on someone's phone and that is the account you actually care about.

Say clearly that nobody is in trouble, then ask everyone what they use and what they use it for.

Many firms end up with a longer list than they expect. Somebody is running a personal account. Somebody has a subscription the firm does not know it is paying for. Somebody has an AI feature switched on inside software you already licence and does not think of it as AI at all.

Write the list down and date it. This is your starting position. Every other point depends on it.

When you write the list, note what each tool actually does with your material. Some only file, tag or schedule things. Others read your documents and produce new text. The second kind is the one point two is really about.

WHERE FIRMS GET STUCK

Staff tell an outsider what they will not tell the principal. Ask the question yourself and you tend to get the sanitised list. The subscription nobody mentions and the personal account on the phone stay off it, which is how a firm ends up confident about a list that is missing the part that matters.

ASK YOUR FIRM

- ☐ Has anyone asked the whole team, in plain terms, what they use?
- ☐ Do you know which tools are running on personal accounts rather than firm ones?
- ☐ Do you know which AI features are already switched on inside the software you pay for?

Decide what client material can go in

This is the decision most firms make without noticing they have made it.

The first person in your firm to use a tool made it on your behalf. They made it in about four seconds, on a Tuesday, under deadline. Everyone who followed assumed their use was fine.

You do not need a taxonomy. You need a line a solicitor can hold in their head while they work. Client names and identifying details. Anything from a matter protected by privilege. Anything you would be uncomfortable explaining to the client. If you run litigation, anything produced under compulsion, because the Harman undertaking does not stop applying when the tool is new.

Draw the line where your firm wants it drawn, then say it out loud to everybody. Regulators in three states have already said jointly where the floor sits. Confidential client information does not belong in public AI tools.

Free consumer tiers and paid business tiers usually differ in how the provider handles what you put in. That difference sits in the terms rather than the interface.

One more distinction catches out almost everyone. Where a tool stores your data and where it processes it are different questions. A product can keep your files in an Australian data centre and still send each prompt offshore to be run through the model. "Australian hosted" usually answers the first question. A client with onshore requirements is usually asking the second.

WHERE FIRMS GET STUCK

Reading the data handling terms of every tool actually in use is most of a day's work and those terms change. Firms start, find the answer sits three documents deep and stop. The line then gets drawn on assumption. In a 2026 survey, 44% of Australian lawyers said they would need to check their contract to confirm they own their own client data, in software they have used for years.

ASK YOUR FIRM

- ☐ Could every fee earner state today what they are not allowed to put into an AI tool?
- ☐ Has anyone read the data handling terms of the tools actually in use, including where each one processes what goes in?
- ☐ Do you know which of those tools are running on free tiers?

Name who decides

Not a committee. A person.

Someone needs to be the person a solicitor asks before trying something new. Someone needs to notice when the ground moves. Someone needs to own the list from point one and keep it current.

It does not need to be a partner and it certainly does not need to be a technologist. It needs to be someone with enough standing that a decision from them holds and enough time that the question gets answered the same week it is asked.

If nobody owns it, the default answer to "can I use this?" is silence. In many cases, silence becomes a "yes".

The Federal Court has already looked at what that costs. In *Murray v Victoria*, a junior solicitor working remotely filed a document whose references were mostly non-existent or wrongly cited. The tool was a search engine rather than a chatbot, which is the point. The Court described the error as centrally a failure to check and verify the output, contributed to by the principal not having systems in place to make sure the work was supervised and checked.

This is the cheapest point on the list to fix and the one most firms have not done.

WHERE FIRMS GET STUCK

Naming the person is the easy half. That person then has to answer questions nobody in the firm has had to answer before, with nothing to answer them from. Without a short playbook covering the questions that actually come up, the named person becomes the bottleneck, the queue builds and the firm quietly goes back to silence.

ASK YOUR FIRM

- ☐ If a solicitor wanted to try a new AI tool tomorrow, who do they ask?
- ☐ Does that person know they are the one being asked?
- ☐ Do they have the standing to say no to someone senior?

Put a named human on anything client facing

Every piece of work that leaves the firm has a person's name on it. That does not change because part of it was drafted by a machine.

The rule is simple to state. Nothing goes to a client, a court or the other side without a named person having read it and being accountable for it. Not skimmed. Read.

Skimming is where errors get through. A wrong answer from an AI tool is written just as confidently as a right one. If the tool does not have a fact, it will often invent something plausible and carry on. One bar association's guidance puts the citation rule plainly. Never cite a case you have not read.

Two patterns are worth avoiding entirely in legal work. A chatbot talking directly to your clients for anything other than general advice and a tool running on its own toward a goal with no checkpoint. Both remove the review step necessary for proper legal advice. A paid legal product gets the same read as a free chatbot and so does work from the most senior person in the firm.

Australian courts have already dealt with practitioners who filed authorities that did not exist and the consequences have gone well past embarrassment. In one matter the regulator varied the practitioner's practising certificate. He can no longer practise as a principal or handle trust money and must practise under supervision for two years. That matter was not really about the technology. It was about the absence of a person who checked.

Keep the record as well as the review. The prompt, what came back and who signed off. Professional guidance in more than one state now suggests keeping it and it is the only way to show later that the review happened.

WHERE FIRMS GET STUCK

Everyone agrees with this point. It is the one firms are most confident about and the one that quietly fails under deadline. What is usually missing is not the will to review. It is a defined review step in the workflow, one that somebody notices when it gets skipped.

ASK YOUR FIRM

- ☐ Is there a point in every workflow where a named person signs off?
- ☐ Does someone verify every citation and authority against the source, every time?
- ☐ If you had to reconstruct it in two years, would the file show the prompt, the output and who reviewed it?

Review it when the tools change

This is not an annual calendar item. It is a trigger list.

Your policy describes tools as they behaved on the day it was written. Those tools do not hold still. Providers update their terms, switch on features nobody asked for, change what happens to what you put in and move functions between tiers. None of it arrives as a letter to the principal.

The courts are moving too. At least fifteen Australian courts and tribunals, across the federal jurisdiction and five states, have now issued AI practice notes, directions or guidelines. Several have been issued or replaced in 2026 alone. A firm that appears in three jurisdictions has three sets to track. In one state's 2026 census of lawyers, 60% had not read their own courts' AI guidelines or the regulator's statement, including close to half of those already using AI.

Review when a provider updates its terms. When a new AI feature appears inside software you already use. When you move subscription tier. When a court you appear in issues or changes its AI practice note. When a client asks a question about your AI use that you cannot answer.

That last trigger is already firing. Seven in ten Australian firms using AI say it has prompted client questions about transparency and disclosure.

Skip all of this and you end up with a policy that is technically in force and practically fiction. Put the trigger list in front of the person from point three. That is the whole mechanism.

WHERE FIRMS GET STUCK

Somebody has to watch the tools, the terms and the courts every month. In a boutique firm nobody has that job and it is not anybody's billable time. The trigger list is easy to write and hard to keep alive, which is why this is the point that decays first.

ASK YOUR FIRM

- ☐ Who reads the update notices from the tools you use?
- ☐ If a court you appear in changed its AI practice note next month, who would notice?
- ☐ When did you last check that the tools in use still match what your policy assumes?

Ground it in your own material

This one is different from the five above.

Those five are decisions every firm has to make, including the firms that decide against using AI at all. This one only applies if you have decided to use it and it only pays off once the five are settled.

The order matters. Grounding a tool in your precedents before you have decided what can go in is backwards, because you would be handing over your material without having settled what happens to it.

If the five are settled, though, this is where the value actually sits.

A tool that has been given nothing of yours produces work that sounds like everyone's. That is the real complaint behind "the output is generic". It is not a quality problem with the model. Nobody gave it your precedents, your firm's style or the way your firm words a clause it has argued about for years.

Grounding is the difference between a tool that saves a junior twenty minutes and one that produces something a partner will sign. It is also a quiet risk control, because output built from your own material is easier to check against a source.

Some AI tools have this built in, so a good deal of it may already be happening. A tool connected to your documents and email can draw on them by default. That is grounding you did not have to build, which is useful. It is also the reason point two matters more than it looks.

Otherwise, start with one document type. The one you produce most often.

WHERE FIRMS GET STUCK

The work is in choosing what to ground it in, not in the technology. Which precedent is the good one? Which version? Firms stall here because the answer needs someone senior to make calls about the firm's own material and that person is the busiest person in the building.

ASK YOUR FIRM

- ☐ Has anyone deliberately given an AI tool your precedents or your firm style?
- ☐ Which single document type do you produce most often?
- ☐ When output comes back wrong, does the correction go back in or does the fee earner just fix it and move on?

What to do with your answers

Count the questions you could not answer. Three or more across points one, three and five means the firm has a policy nobody is maintaining, which is the most common position and the one that looks safest from the inside.

Most firms do well on points two and four, because both get covered the moment a firm writes an AI policy and a policy is the first thing firms reach for. The bonus point often looks healthy too, usually by accident. Documents get uploaded as people work and over enough cycles the tool starts to reflect the firm's style without anyone having decided it should.

The gaps sit in one, three and five. Nobody has checked what is being used. Nobody owns the decision. Nobody revisits it when the tools or the courts move underneath it.

The problem is rarely that a firm has no policy. It is that nothing behind the policy is alive. A policy without points one, three and five is a document rather than a control and it describes the firm you were on the day you wrote it.

The cost of that is not abstract. It arrives as a question you cannot answer, from a client, an insurer or a court, about something that happened months ago. Capability can wait. Exposure cannot.

WHAT EACH GAP ACTUALLY NEEDS

Points one to four	A one-off engagement. Find out what is in use, draw the lines, name the owner and build the review step into the workflow with the people who do the work.
Point five	An ongoing one. Someone outside the firm watching the tools, the terms and the courts, then telling you when something moved. The part no boutique has anyone to do.
Bonus point	A build, inside either. One document type grounded properly, then the next.

IF YOU WANT A SECOND SET OF EYES ON IT

Send me your answers.

Fill in the scorecard at the back and email it to me. I'll come back with the one point I would fix first at your firm and why. No charge and no obligation to do anything with it.

No software to sell and no vendor commissions. That is the whole point of the position.

Jabran Chaudhry · jabran@disruptionproof.com · disruptionproof.com

Sources and further reading

Everything this check relies on, in one place. None of it is a substitute for reading the current version of the guidance that applies to you.

Cases and regulatory action

- *Murray on behalf of the Wamba Wemba Native Title Claim Group v State of Victoria* [2025] FCA 731
- *Dayal* [2024] FedCFamC2F 1166; Victorian Legal Services Board + Commissioner, Statement on the 'Mr Dayal' matter (2025)

Professional and regulatory guidance

- Bar Association of Queensland, *Guidelines for the Use of Artificial Intelligence in Legal Practice* (November 2025)
- Law Society of NSW, Legal Practice Board of Western Australia and Victorian Legal Services Board + Commissioner, *Statement on the use of artificial intelligence in Australian legal practice*
- Law Society of NSW, *A Solicitor's Guide to Responsible Use of Artificial Intelligence* (January 2026)
- Legal Practitioners' Liability Committee, *Supervising AI* (2026)

Data

- Victorian Legal Services Board + Commissioner, *Generative AI Use in the Legal Profession: Findings from the 2025 Victorian Lawyer Census* (2026)
- Clio, *Australian Legal Insights Report 2026*
- Clio, *The Australian State of Legal Tech 2026*
- LexisNexis, *2026 Australia AI Sentiment Survey*

Courts and tribunals with AI practice notes, directions or guidelines

- | | | |
|---|---|--|
| ■ Federal Court of Australia | ■ Land and Environment Court of NSW | ■ Supreme Court of Queensland |
| ■ Federal Circuit and Family Court of Australia | ■ NSW Civil and Administrative Tribunal | ■ Queensland Civil and Administrative Tribunal |
| ■ Administrative Review Tribunal | ■ Personal Injury Commission (NSW) | ■ Supreme Court of South Australia |
| ■ Supreme Court of NSW | ■ Supreme Court of Victoria | ■ Supreme Court of Western Australia |
| ■ District Court of NSW | ■ County Court of Victoria | |
| ■ Local Court of NSW | | |

Practice notes change often. Check the current version for each court you appear in.

The Five Point AI Check

DisruptionProof.

FIRM

COMPLETED BY

DATE

POINT ONE · FIND OUT WHAT IS ACTUALLY BEING USED

- ☐ Has anyone asked the whole team, in plain terms, what they use?
- ☐ Do you know which tools are running on personal accounts rather than firm ones?
- ☐ Do you know which AI features are already switched on inside the software you pay for?

POINT TWO · DECIDE WHAT CLIENT MATERIAL CAN GO IN

- ☐ Could every fee earner state today what they are not allowed to put into an AI tool?
- ☐ Has anyone read the data handling terms, including where each tool processes what goes in?
- ☐ Do you know which of those tools are running on free tiers?

POINT THREE · NAME WHO DECIDES

- ☐ If a solicitor wanted to try a new AI tool tomorrow, who do they ask?
- ☐ Does that person know they are the one being asked?
- ☐ Do they have the standing to say no to someone senior?

POINT FOUR · PUT A NAMED HUMAN ON ANYTHING CLIENT FACING

- ☐ Is there a point in every workflow where a named person signs off?
- ☐ Does someone verify every citation and authority against the source, every time?
- ☐ Would the file show the prompt, the output and who reviewed it, two years from now?

POINT FIVE · REVIEW IT WHEN THE TOOLS CHANGE

- ☐ Who reads the update notices from the tools you use?
- ☐ If a court you appear in changed its AI practice note next month, who would notice?
- ☐ When did you last check that the tools in use still match what your policy assumes?

BONUS POINT · GROUND IT IN YOUR OWN MATERIAL

- ☐ Has anyone deliberately given an AI tool your precedents or your firm style?
- ☐ Which single document type do you produce most often?
- ☐ When output comes back wrong, does the correction go back in?

Tick a box only where you can answer the question today. An honest blank is more useful than a generous tick.

This page is fillable on screen and a Word version is at disruptionproof.com/scorecard. Send it back to jabran@disruptionproof.com and I'll come back with the one point I would fix first.

UNANSWERED

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