

**A comparison of the
impact of COVID-19
on Australian and
Singaporean corporate
legal departments**

Contents

Introduction	3
Industry breakdown	4
Pandemic preparedness	5
Business continuity plans	6
Trends for essential vs non-essential businesses	7
Legal technology acquisitions	8
Size of legal teams	9
Impact of COVID-19 on legal budgets	10
Impact of COVID-19 on workload	11
Increased workload and decreased budgets	12
Impact of COVID-19 on the economy and businesses	13
Impact on organisations	14
Conclusion	15

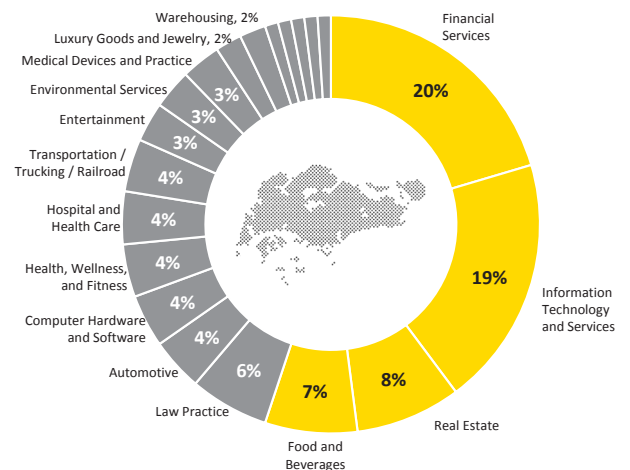
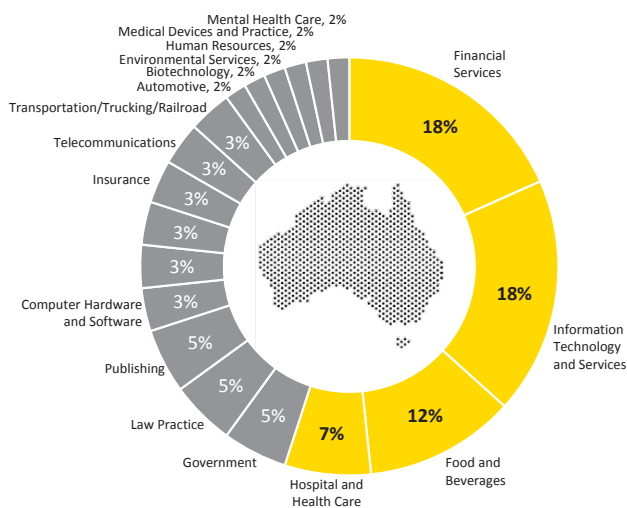
Introduction

Recently, the Dazychain team conducted a qualitative and quantitative survey of corporate counsel in Singapore to explore the effect of COVID-19 on corporate legal teams in association with the Singapore Corporate Counsel Association, the Association of Corporate Counsel (Australia) and Alpha Creates.

Industry breakdown

A majority of the respondents to our recent study in both Australia and Singapore share similar industry profiles as general counsels from financial services, information technology and food and beverage make up a large proportion of the respondents.

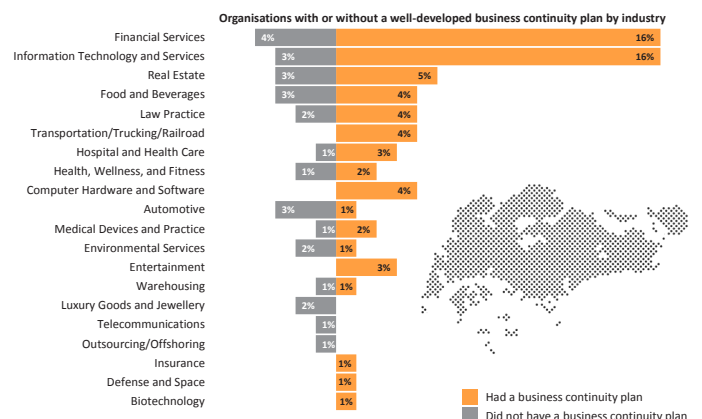
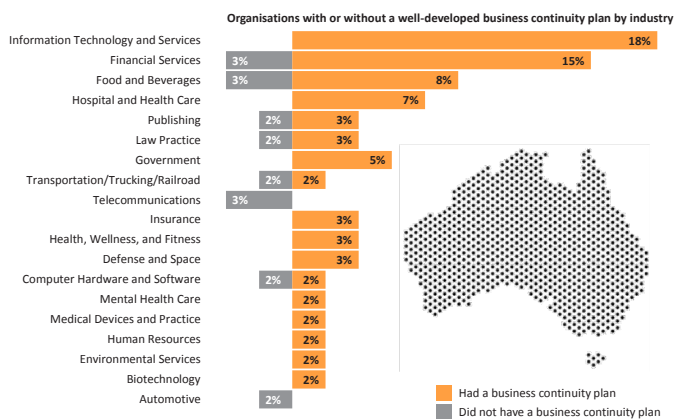
Chart 1: Breakdown of Australian and Singaporean respondents by industry



Pandemic preparedness

Interestingly, there were similarities in both markets when gauging respondents' organisational preparedness for the pandemic. In both Australia and Singapore, organisations in financial services and information technology were the most well prepared. In addition, those that were least prepared were, surprisingly, in telecommunications in both jurisdictions.

Chart 2: Comparison of organisations with or without a well-developed business continuity plan by industry in Australia and Singapore

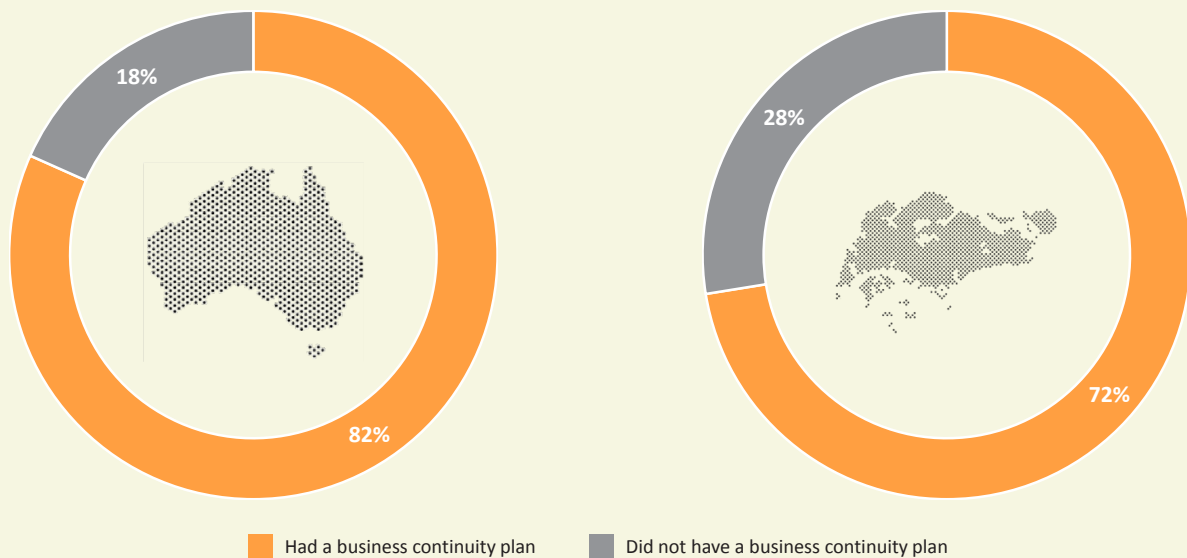


Business continuity plans

Business continuity planning is a key process in emergency preparedness, and involves documenting a range of scenarios and the required responses the organisation will take in the event of an emergency.

Surprisingly, proportionately more respondents in Australia (82%) had a business continuity plan compared to those in Singapore (72%) where they have weathered multiple pandemics and epidemics like SARS, Bird Flu and Swine Flu.

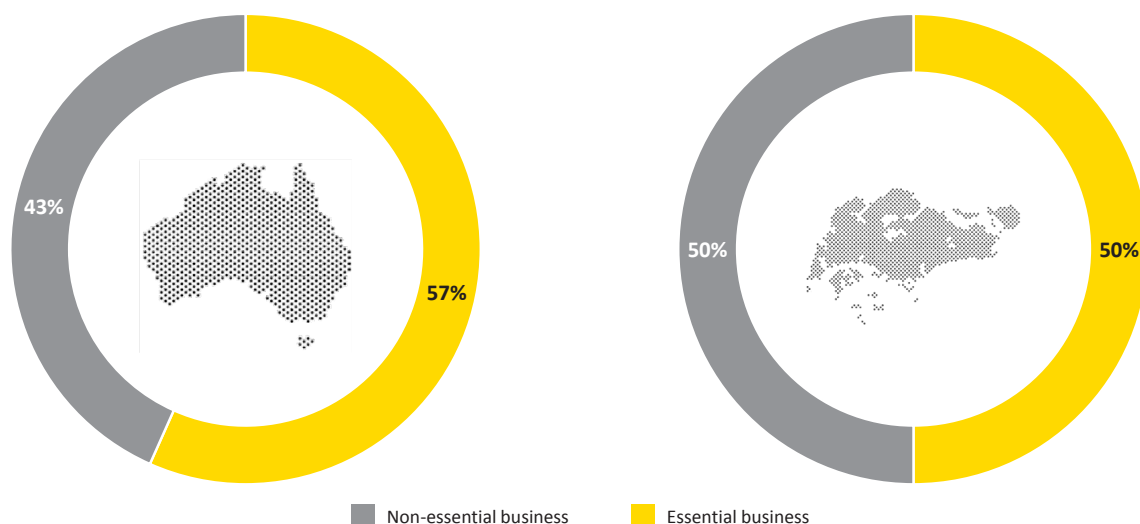
Chart 3: Proportion of respondents with a business continuity plan



Trends for essential vs non-essential businesses

Respondents from varying sizes of organisations participated in the study and more than half of the respondents from both the Australian and Singaporean surveys were classified as essential businesses. This provides interesting insight into how both essential and non-essential businesses in these jurisdictions responded to the lockdown rules and to remote working challenges.

Chart 4: Proportion of Australian and Singaporean respondents that are classified as essential businesses

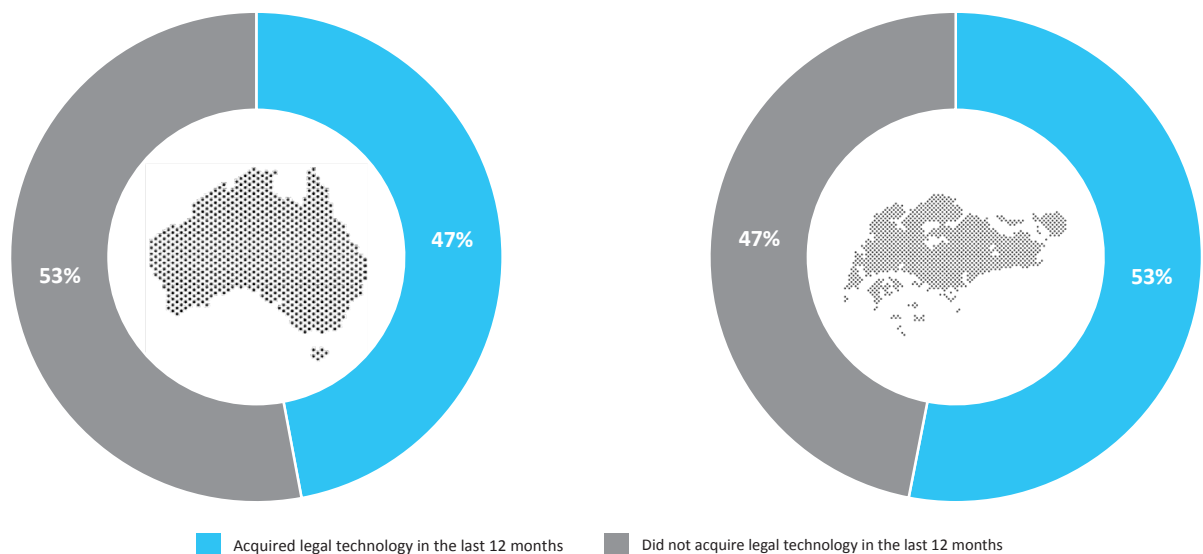


A majority of essential businesses in Australia (79%) and Singapore (76%) had a business continuity plan in place when the pandemic struck. Interestingly, 85% of non-essential businesses in Australia also had a business continuity plan, compared to only 65% of non-essential businesses in Singapore. This may be due to the benefit of geographic distance between Australia and the centre of the pandemic, China, which bought corporate Australia more time to develop business continuity plans while closer Asian countries, like Singapore, were immediately impacted by COVID-19.

Legal technology acquisitions

Legal technology consumption in both Australia (45%) and Singapore (46%) was similar in both jurisdictions, however usage by essential business in both Australia and Singapore outnumbered use by non-essential businesses. Interestingly, slightly more essential businesses in Singapore (53%) have acquired legal technology in the last 12 months than in Australia (47%).

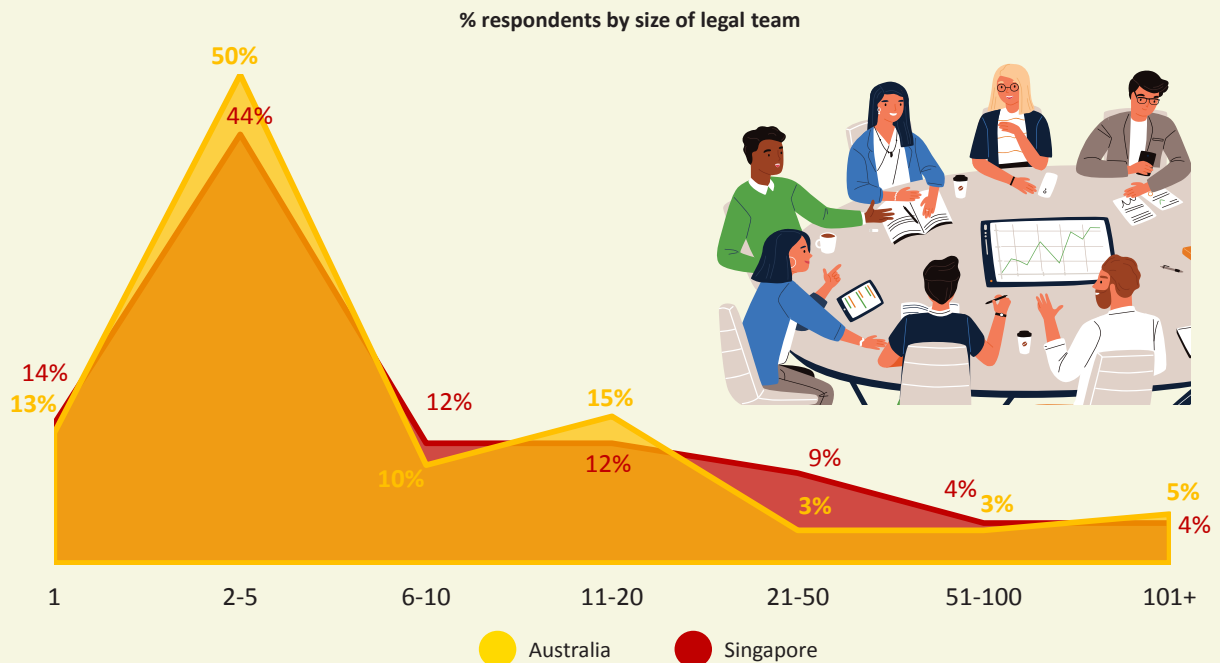
Chart 5: Proportion of Australian and Singaporean respondents that are classified as essential businesses that have acquired legal technology in the last 12 months



Size of legal teams

A comparison of legal team sizes at respondents' organisations in both Australia and Singapore reveals a preponderance of legal teams with 2-5 staff.

Chart 6: Percentage of respondents by size of legal team in Australia and Singapore



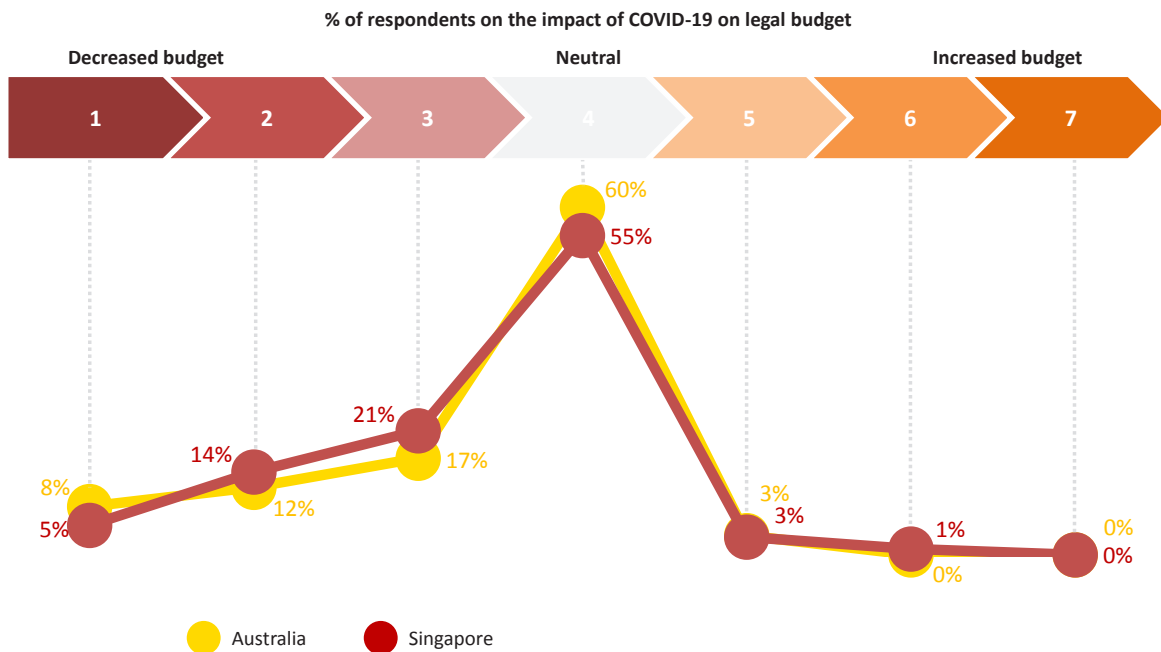
Interestingly, size of legal team alone does not indicate a greater likelihood of legal technology consumption in either Australia or Singapore. It is a combination of factors that drive general counsels' decisions on legal technology.

Impact of COVID-19 on legal budgets

Our research into the impact of COVID-19 on legal budgets reveals similar trends in both jurisdictions. Over half of respondents in both Australia (60%) and Singapore (55%) reported no impact to their legal budgets. Of those who did report an impact:

- In Australia, 37% reported a decrease in legal budgets while only 3% reported an increase in legal budgets.
- In Singapore, 40% reported a decrease in legal budgets compared to only 4% that reported an increase in legal budgets.

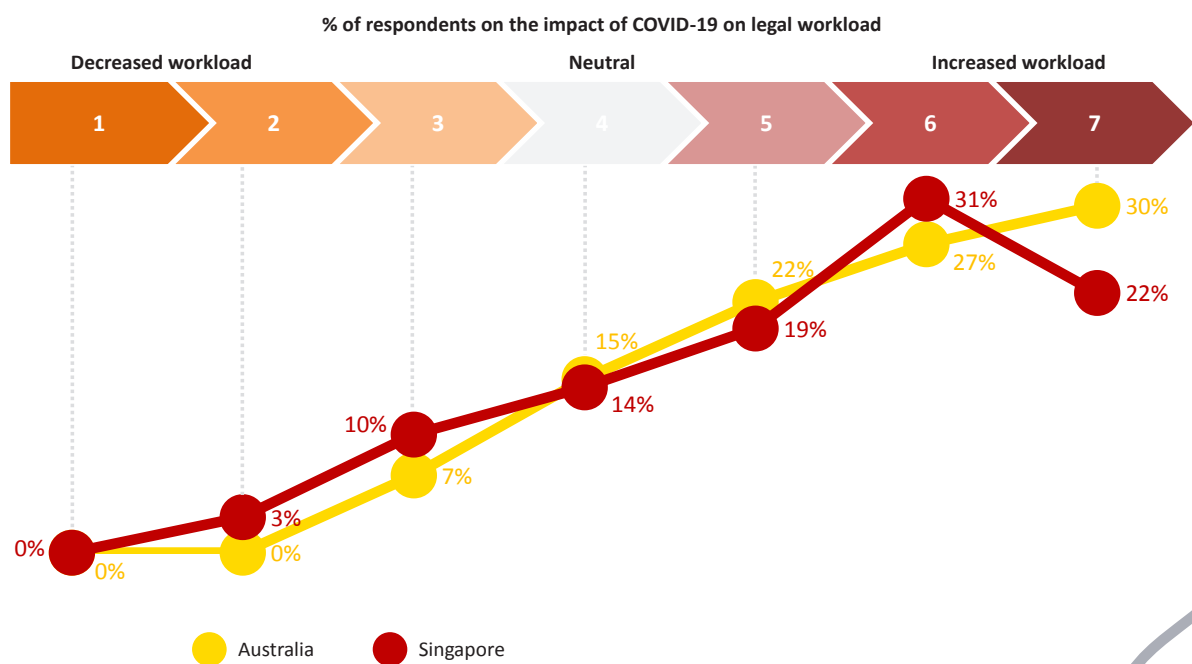
Chart 7: Impact of COVID-19 on legal departments' budgets in Australia and Singapore



Impact of COVID-19 on workload

Similarly, workload has increased for the majority of the legal departments across Australia (79%) and Singapore (72%).

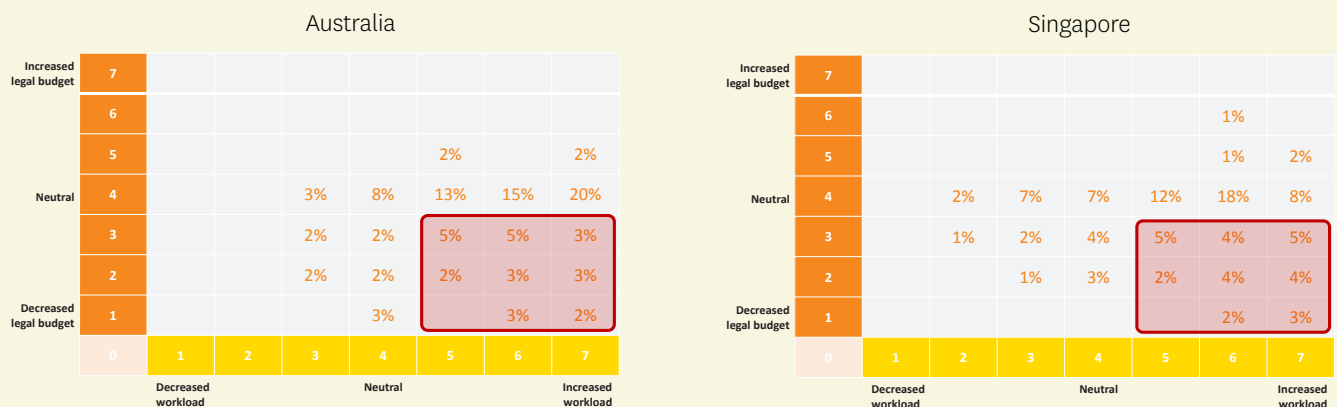
Chart 8: Impact of COVID-19 on legal departments' workload in Australia and Singapore



Increased workload and decreased budgets

For 30% of respondents in Singapore and 26% of respondents in Australia, the pandemic has both increased workload and decreased legal budget, accelerating Susskind’s ‘More for Less’ challenge for legal departments.

Chart 9: Impact of COVID-19 on legal departments’ budgets and workloads in Australia and Singapore

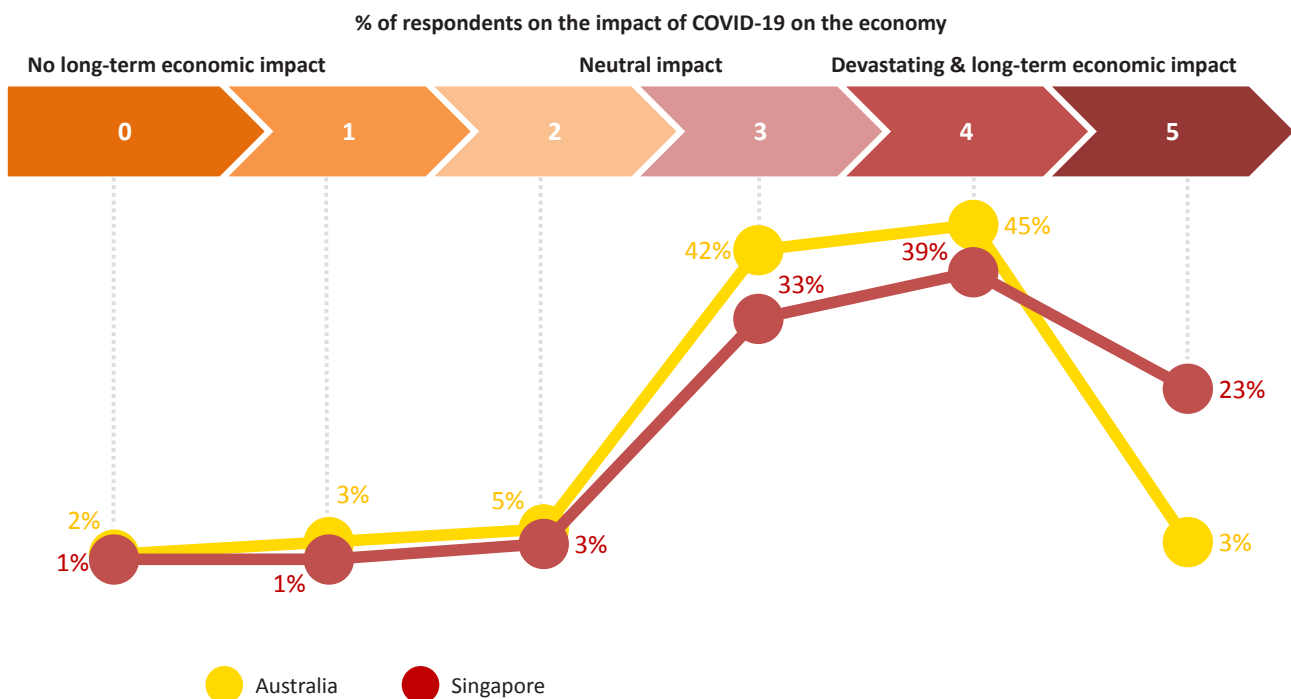


As a result, non-essential projects are being postponed or cancelled for many legal departments in Australia (33%) and Singapore (45%). Staffing changes, temporary adjustments to staff compensation, and reduced or withdrawn staff professional development were some of the other measures reported in both locales.

Impact of COVID-19 on the economy and businesses

Both countries introduced lockdown measures to control the COVID-19 outbreak, producing long term negative impacts on the economy. As a more internationalised economy, most of the respondents in Singapore (62%) foresee a devastating and long-term economic impact from COVID-19, compared to 48% of respondents who predict this outcome in Australia, whose larger domestic economy that is less reliant on the international markets may have created some buffer.

Chart 10: Impact of COVID-19 on the economy in Australia and Singapore

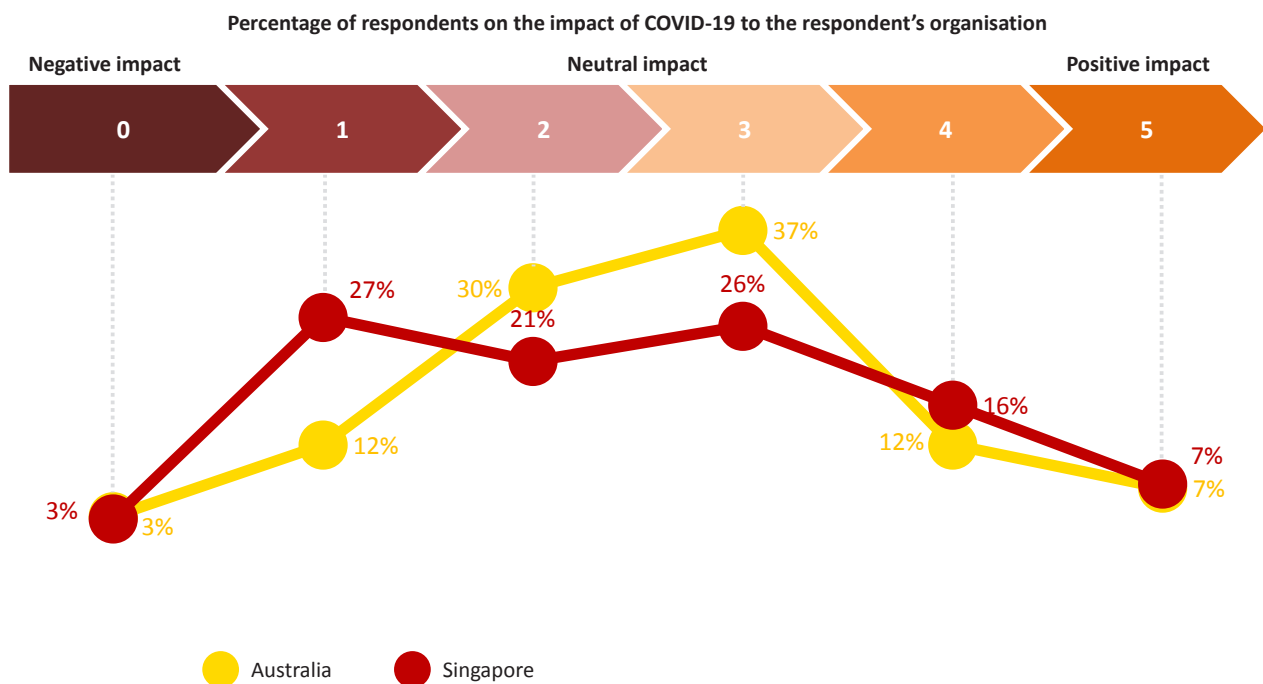


As you would expect, business confidence has also waned. Respondents in Singapore show the most divide in how respondents foresee that their organisations' financial performance will be impacted by COVID-19.

Impact on organisations

Slightly more respondents in Singapore (30%) are bracing for a negative COVID-19 impact on their organisations' financial performance than in Australia (15%). At the same time, more respondents in Singapore (23%) predict positive COVID-19 impact on their organisations' financial performance than in Australia (19%).

Chart 11: Impact of COVID-19 on the respondents' organisations in Australia and Singapore



Conclusion

There were overwhelming similarities in both Australia and Singapore to how respondents predict that work life will change in a post-COVID-19 world. Close to half of the respondents in both countries foresee working life will change forever, as remote working and flexible working are embraced as a result of the pandemic.

Legal teams are working remotely in Australia (97%) and Singapore (95%). This produces its own challenges as the lines between work and home are blurred. A stark difference exists in how legal departments in Australia and Singapore are dealing with the transition to remote working. While the focus of legal departments in Singapore has been on 'hard' issues like technology infrastructure and business continuity planning, Australian legal departments have been more focused on "soft" issues such as inclusive conversations throughout the organisation and other endeavours to ensure the well-being of employees.

Nevertheless, a fair proportion of legal departments in both Australia and Singapore conveyed that the crisis would make their organisations more open to remote working and other flexible resourcing post-pandemic, with recovery from the crisis likely to take more than 12 months.