Submission Template —Enabling corporate legal practitioners to support related entities of their employer

Please complete all relevant sections. Use plain language and provide evidence or examples where possible. You may attach supporting documents.

A. Submitter details

- **Organisation (if applicable):** Royal Melbourne Institute of Technology
- **Primary contact name and role/title:** [redacted]
- **Email:** [redacted]
- **Phone:** [redacted]
- **Jurisdiction(s):** NSW / VIC/ WA / Other (specify): VIC

B. Confidentiality and publication

- **Do you request that your submission (in full) be treated as confidential?** No
- **If 'No', may the Council publish your submission on its website, including your name/organisation?** Please do not publish our contact name, role/title, email or number. Organisation name can be published.

C. Detailed responses to consultation questions

Question 1 — Practical operation of the current framework

Does the current definition of "related entity" present practical difficulties for corporate legal practitioners employed by entities that are not a company within the meaning of the Corporations Act?

1. **Position:**
   Yes
2. **Please provide details of any practical difficulties experienced:**

   In RMIT's experience, the current definition restricts the ability of in-house legal practitioners employed by the primary RMIT University entity to provide legal services across the broader RMIT group, notwithstanding that those entities form part of an integrated organisational structure with common strategic objectives and governance frameworks. Similar difficulties are likely to arise for other higher education entity groups, and entity groups without Corporations Act companies more broadly.

   As a practical matter, the current position creates inefficiencies in the delivery of legal services. While RMIT entities in other jurisdictions maintain their own legal teams, it is not financially feasible or operationally efficient for each Australian RMIT entity to establish and maintain a standalone legal function given the comparatively limited volume of legal work required by many of those entities. Requiring separate legal teams also gives rise to duplication of resources and increases complexity when matters impact multiple RMIT entities, particularly as it becomes more difficult to effectively coordinate legal advice or share information on group-wide issues across separate teams.

Given that it is not feasible to stand up legal functions for each Australian RMIT entity, the restrictions imposed by the current definition could also increase reliance on external law firms for routine or lower risk matters that could otherwise be managed by RMIT University's existing in-house legal team. This can result in additional legal expenditure, delays in obtaining advice, and exacerbate the potential for inconsistent legal positions across different entities within the RMIT group.

From a governance and risk management perspective, the current definition could also create difficulties in applying emerging legal and regulatory requirements consistently across the RMIT group. This could in turn reduce alignment on group-wide legal and governance issues and create challenges in maintaining consistent risk management practices.

Finally, the practical difficulties mentioned above collectively hinder the ability of the RMIT group to pursue its strategic objectives in a coordinated and efficient manner.

3. **Additional comments (optional):**

   N/A

Question 2 —Reliance on the concept of "control" under section 50AA of the Corporations Act

If this issue is addressed by an amendment to the Uniform General Rules, do you support relying on the definition of "control" in section 50AA of the Corporations Act to capture related entities of entities that are not a company?

1. **Position:**
   Support

2. **Are there any alternative approaches the Council should consider?**

   N/A

3. **Rationale:**

   We generally consider the Council's proposed approach to be an effective and seamless change that would align with the related entities regime for Corporations Act companies. However, we would recommend that consideration is given to explicitly contemplating control of downstream entities. For example, if:
   1. entity X controlled entity Y;
   2. entity Y controlled entity Z; and
   3. entity X can determine the outcome of decisions about entity Z's financial and operating policies,

we recommend that entity X and Z should be considered related entities under this approach.

4. **Additional comments (optional):**

   N/A

Question 3 —Potential implications and unintended consequences

If the potential reforms outlined at Q2 are progressed, could this cause any unintended consequences, and if so how should these be addressed?

1. **Position:**
   No

2. **Please identify any potential implications or unintended consequences:**

   While RMIT has not identified any potential negative implications or unintended consequences relating to the potential reforms, we have responded to each of the considerations flagged by the Law Council in its Consultation Paper below:

   a. Subjectivity of section 50AA of the Corporations Act

   RMIT acknowledges that the control test in section 50AA of the Corporations Act is broader and more subjective than similar test in the Corporations Act, and that there may be value in guidance to assist practitioners in determining whether the requisite degree of control exists in particular circumstances.

   However, we do not believe that this issue should prevent adoption of the proposed approach. Similar questions regarding the existence and scope of corporate relationships already arise under the current Corporations Act framework for related entities. To the extent uncertainty exists, it reflects the operation of the underlying control test rather than a deficiency in the proposed amendments to the definition of related entity. Any concerns in this regard would be more appropriately addressed through guidance on the application of section 50AA itself rather than by limiting the availability of the proposed regime.

   b. Inappropriateness of Legal Services in certain contexts

   RMIT does not consider that the existence of particular kinds of entities or services for which corporate legal practitioner services may be inappropriate should preclude expansion of the definition of related entity.

   Questions regarding whether a corporate legal practitioner should act in a particular matter can arise within traditional corporate groups that already fall within the existing Corporations Act framework. Such questions are appropriately managed through existing professional obligations, governance arrangements and the exercise of professional judgment. In our view, the possibility that certain matters may require additional scrutiny is not a reason to maintain a definition that otherwise creates practical inefficiencies for organisational groups operating outside a traditional corporate structure.

c. Additional Guidance Required on Professional Conduct Rules

RMIT does not consider that expansion of the related entity definition would, of itself, necessitate additional professional guidance on confidentiality or conflicts of interest.

Corporate legal practitioners are already required to comply with their professional and ethical obligations, including duties relating to confidentiality, independence and the management of conflicts. Those obligations apply regardless of the legal structure of the entities for whom services are provided. In our view, professional standards and practitioners' duties to the court provide an appropriate framework for managing these issues, and the proposed amendments do not fundamentally alter the nature of those obligations or require any additional guidance.

d. Professional Indemnity Insurance

RMIT does not consider that the proposed amendments should give rise to a separate requirement for corporate legal practitioners providing services across a controlled entity group to hold professional indemnity insurance.

In many non-company based organisational groups, insurance arrangements are likely to extend across the relevant entities within the group. Further, the same concern could be raised in relation to corporate legal practitioners providing services within traditional Corporations Act related entity structures. We therefore do not consider this issue to be unique to the proposed amendments or a sufficient basis to limit the expanded operation of the related entity regime.

Taken together, RMIT considers that these issues warrant careful consideration and, where appropriate, supporting guidance. However, none of them raise concerns that should prevent implementation of the Legal Services Council's proposed amendments and alignment between traditional and non-traditional corporate structures. Rather, they reflect considerations that already arise, to varying degrees, within existing related entity arrangements and can be appropriately managed through existing legal, professional and governance frameworks.

3. **Are there any safeguards, limitations or clarifications the Council should consider?**

   N/A

4. **Additional comments (optional):**

   N/A

D. Attachments (optional)

N/A

Lodgement and deadline

- **Submit by email: submissions@legalservicescouncil.org.au**
  (If you require an alternative lodgement method or accessibility adjustments, please contact the Council.)
- **Closing date:** *22 July 2026*
- **General enquiries: lsc@legalservicescouncil.org.au**