



Patron, the Acting Honourable Justice Jane Mathews AO

LAW FIRM COMPARISON PROJECT SUMMARY

2018 Launch - 24 October 2018

Origins



The Law Firm Comparison project was started in 2012

Original aims:

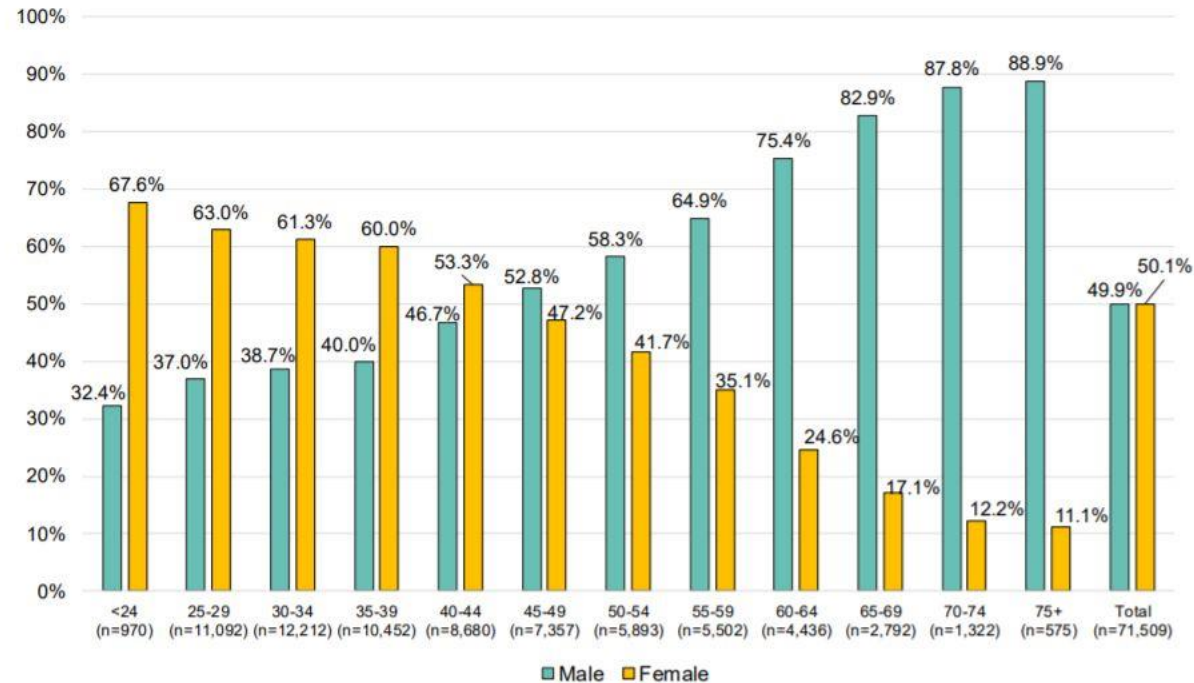
- transparency
- ease of comparison
- identification of trends and leading practice

The range of information has increased immensely due to WGEA reporting, but some information also comes from other sources, and now includes adoption of the Model Equitable Briefing Policy.

The project this year has benefitted from support from the University of Sydney Policy Lab, with Susan Price a Policy Lab Fellow for 2018.

Why focus on women?

Figure 6 – Age profile of solicitors by gender



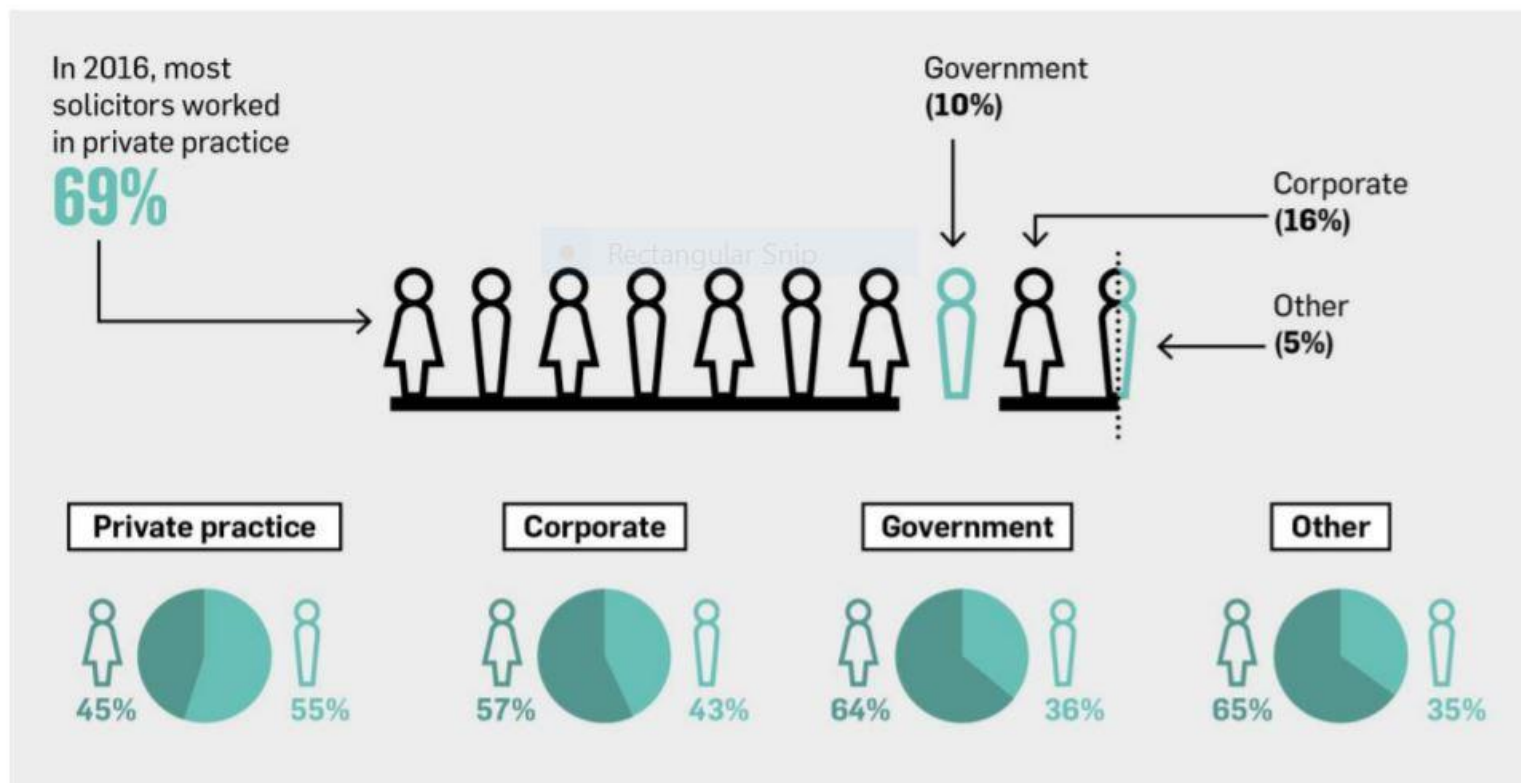
Given the stronger representation of female solicitors in younger age brackets, the mean age of females (38.8 years) was markedly lower than that of male solicitors (46.0 years). Moreover, this trend has not changed considerably since 2011.

More specifically, Table 7 shows that in 2016, over four in ten (42.3%) of all female solicitors were aged 34 years or younger, compared to one quarter (25.6%) of male solicitors. Conversely, 11.2% of male solicitors were aged 65 years or older, compared to 2.0% of females.

Figure 6 from the National Profile of Solicitors 2016 Report, Urbis, commissioned by The Law Society of NSW

Why focus on women in law firms?

7. EMPLOYMENT SECTOR



Graphic from the National Profile of Solicitors 2016 Report, Urbis, commissioned by The Law Society of NSW

Why a focus on partners?

Figure 21 – Gender division of all partners in private firms by firms size



Figure 21 from the NSW Profile of Solicitors 2016 Report, Urbis, commissioned by The Law Society of NSW

What do we compare?

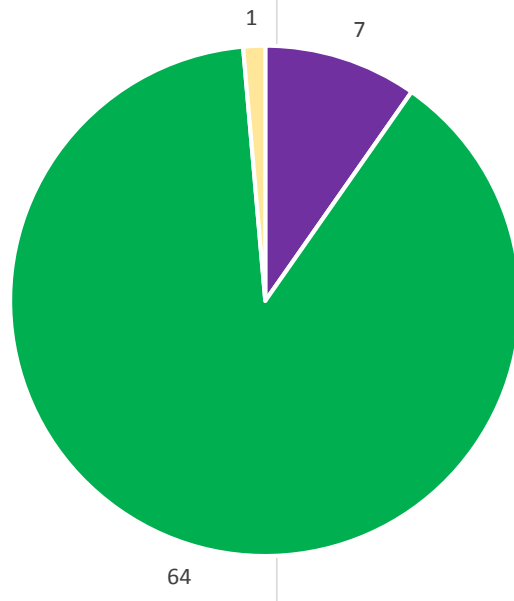
- Total partner numbers
- Partner composition broken down by male and female, full-time and part-time
- Benchmarked against average partner number for the profession
- New internal partner appointments – male/female
- Graduate intake – male/female
- Parental leave - amount of leave for primary and secondary carers, and who is taking it (male/female)
- Remuneration analysis – has it been done? What actions have been taken?
- Employer of Choice, Equitable Briefing Policy adoption, other measures

2018 overview

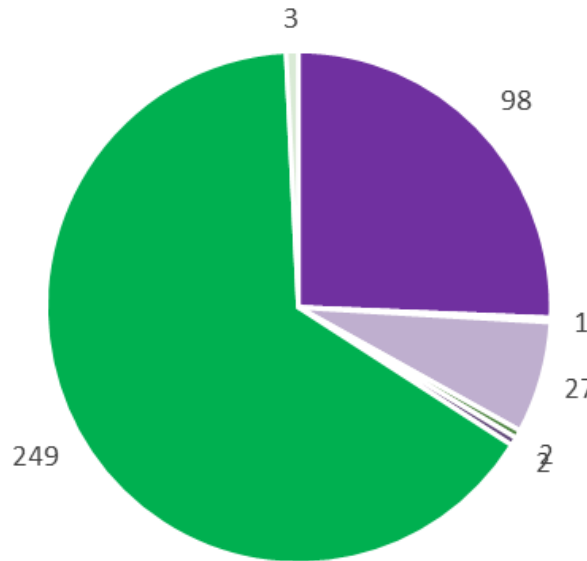
- Ownership and leadership is still predominantly male – at Board, CEO, and KMP level
- Partner progress is incremental at best, and too slow. Active interventions are needed to drive change
- Current promotion rounds are not representative of the underlying gender split in the profession
- Flexible work is still largely the domain of women, and while 33% of female partners work part-time, only 3% of male partners do
- Parental leave is still the domain of women
- While the legal profession is better than all industries on analysing pay, there is still room for improvement in taking tangible actions to address the gender pay gap, and driving analysis
- Adoption of the Model Equitable Briefing Policy has stalled, with significant room for improvement in take-up
- Some firms are leading the way, but many are still lagging, and falling further behind

Leadership

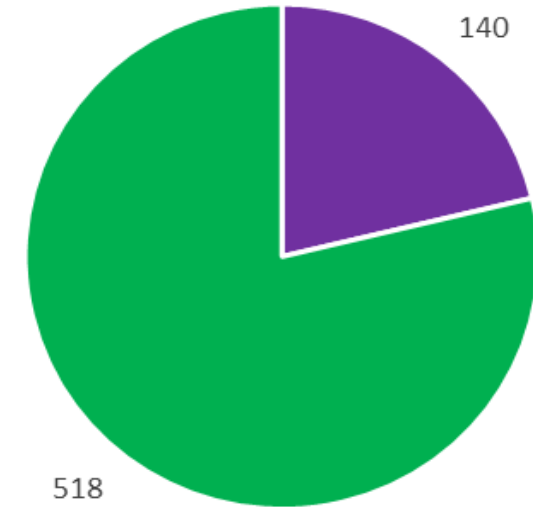
CEO - 2016-17 period



KMP composition 2016-17 period

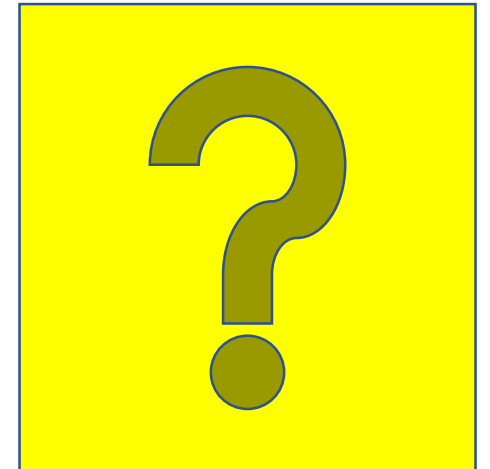
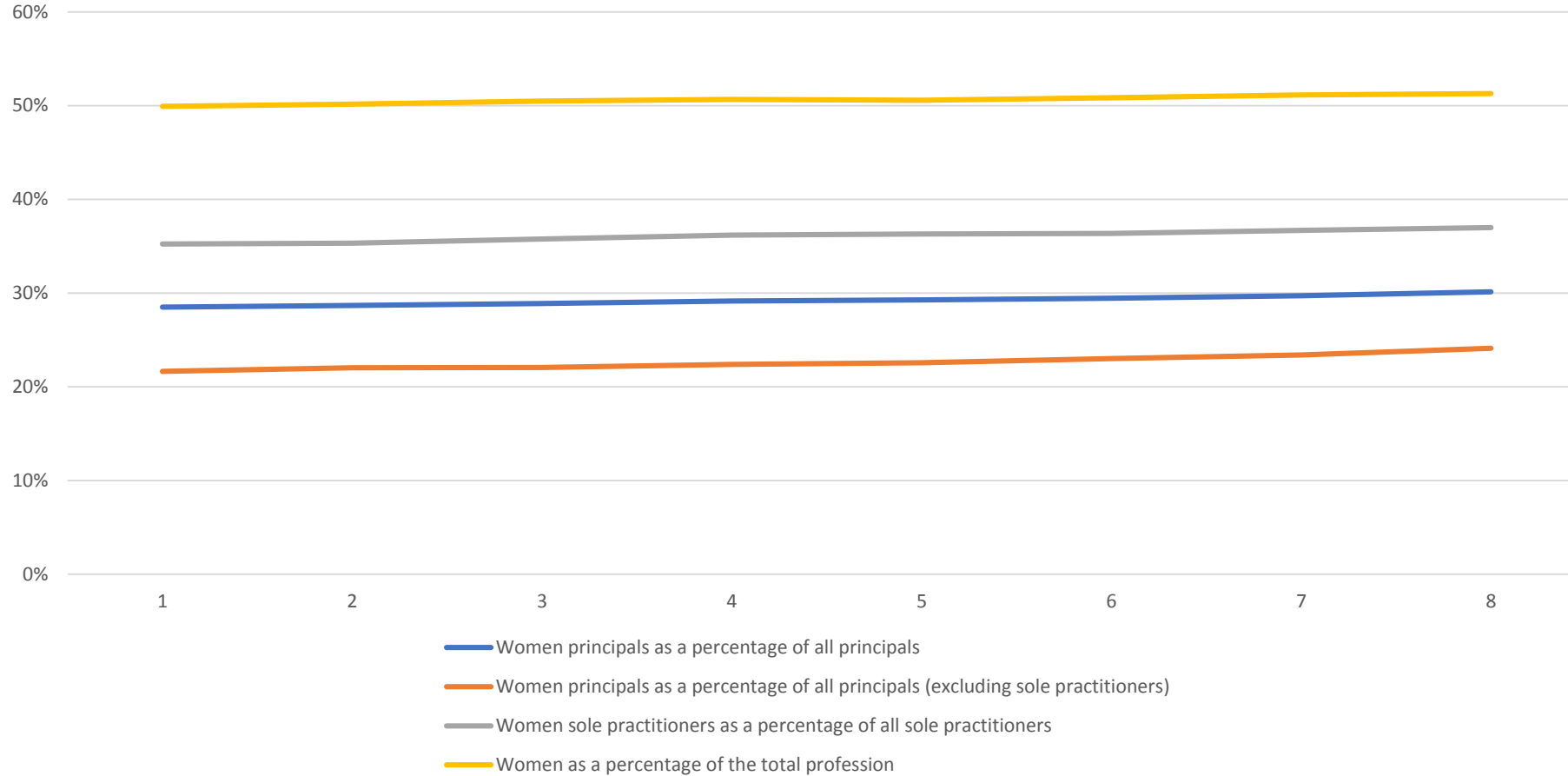


Director split by gender 2016-17 period



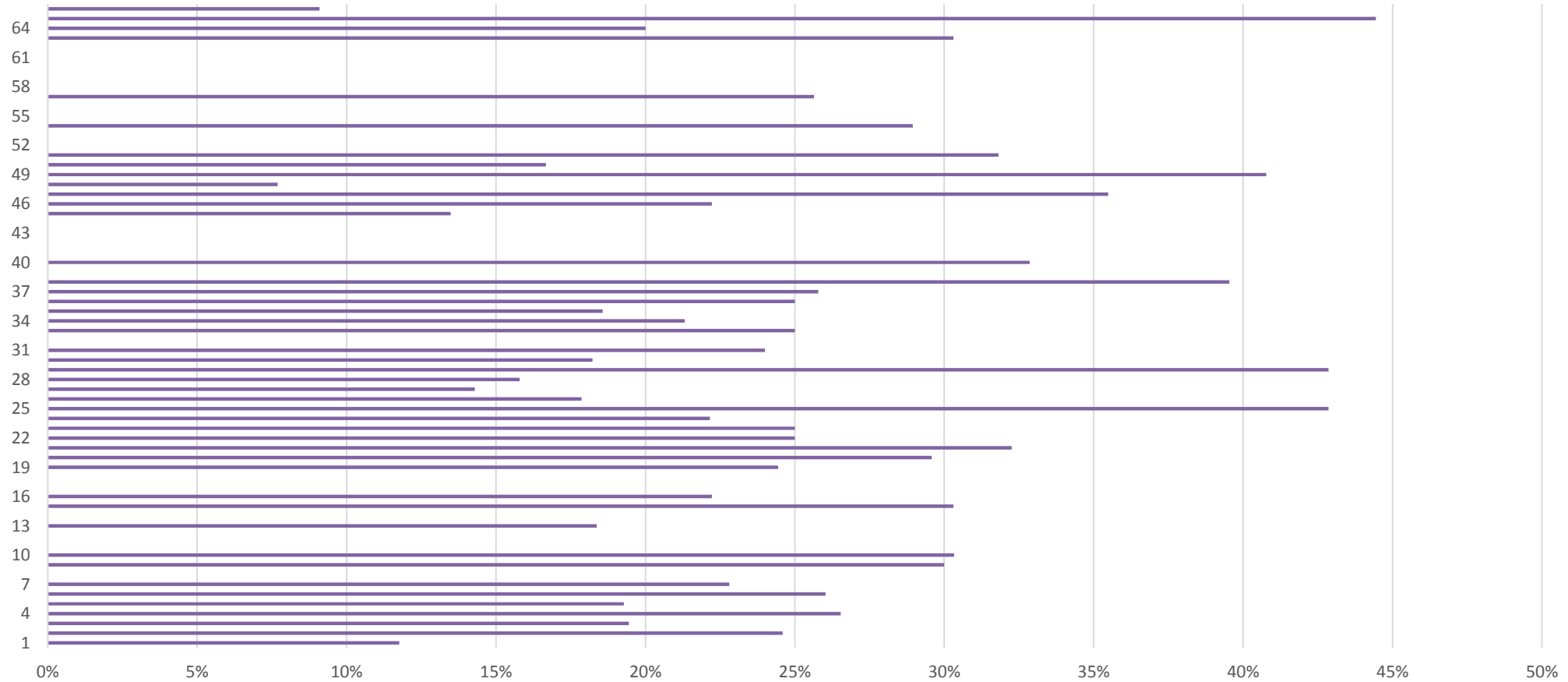
Partners and principals

NSW profession proportions by gender - 2016 - 2018



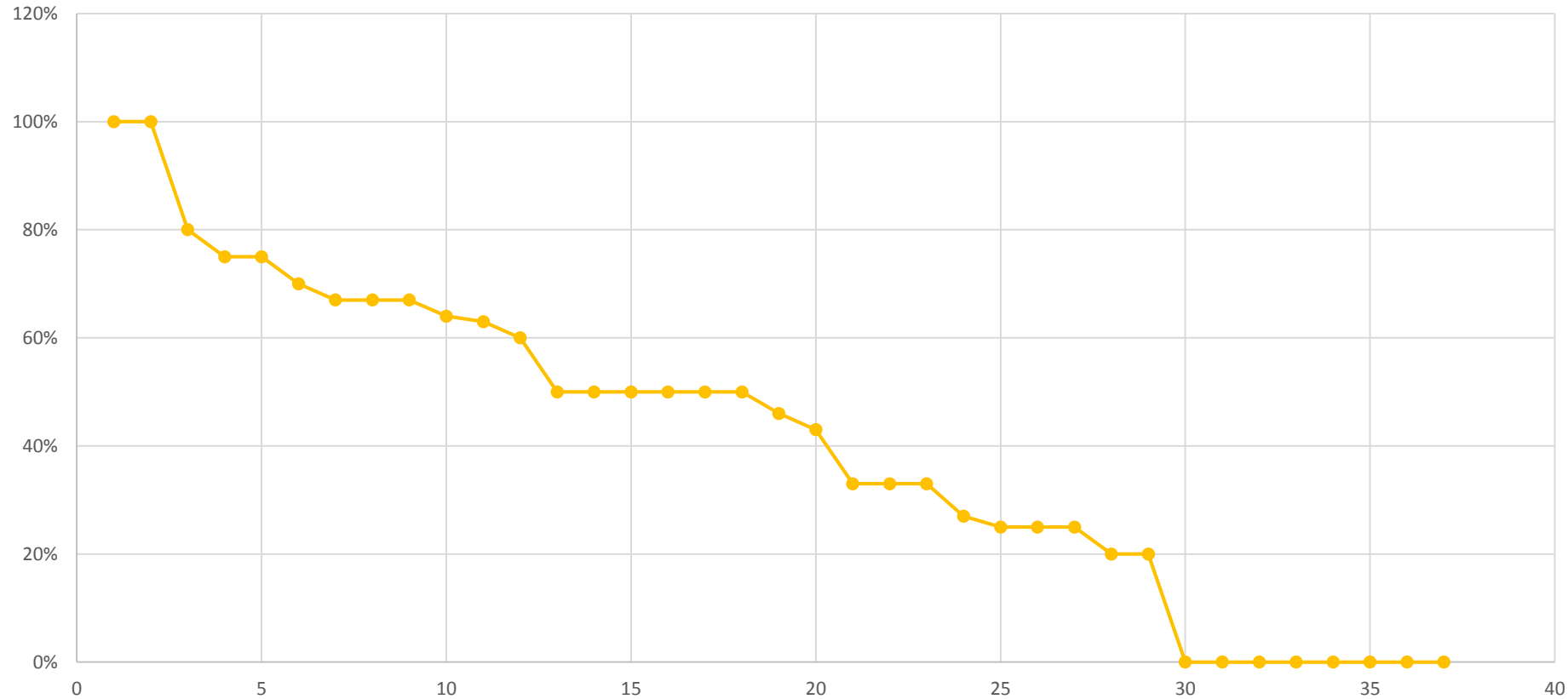
Partners and principals

Female Partner percentage distribution across firms 2016 - 17 period



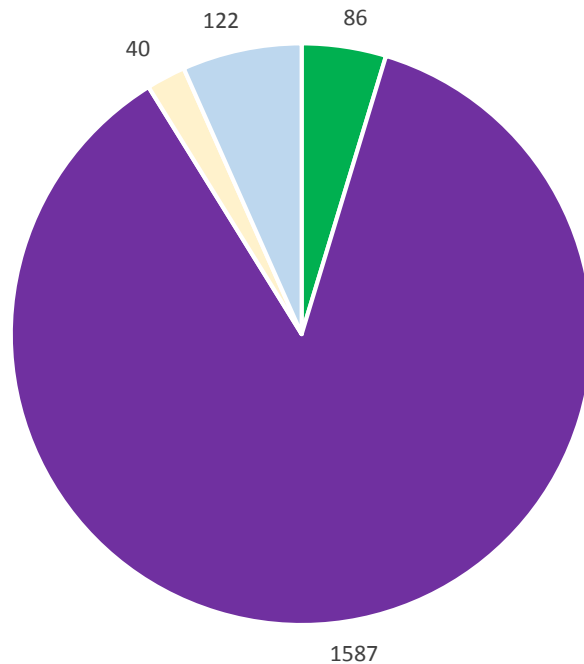
Partner promotions

New Partner/Principal Promotions from within in 2018 - female percentage across 37 firms

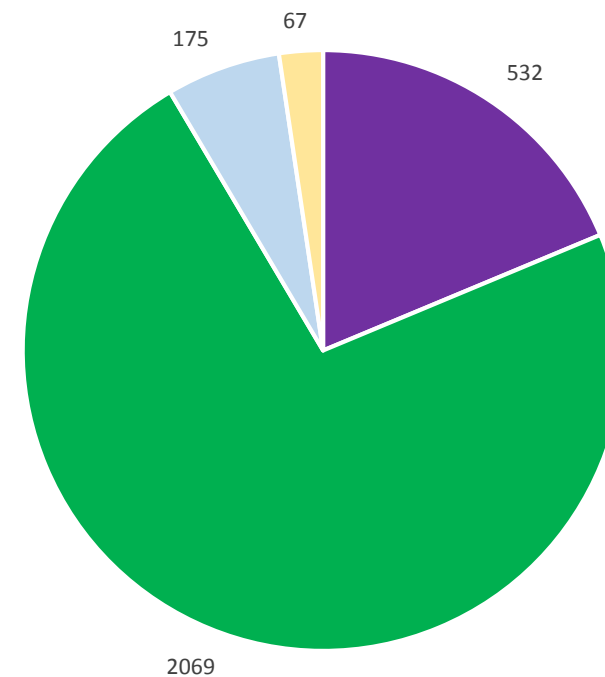


Flexible work

Part-time work - professional staff, permanent and contract
2016 - 17 period

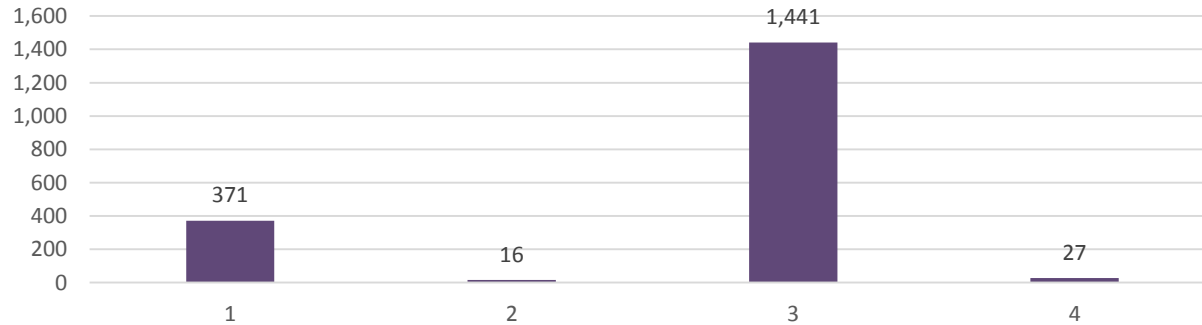


Partners - full and part time 2016 - 17 period

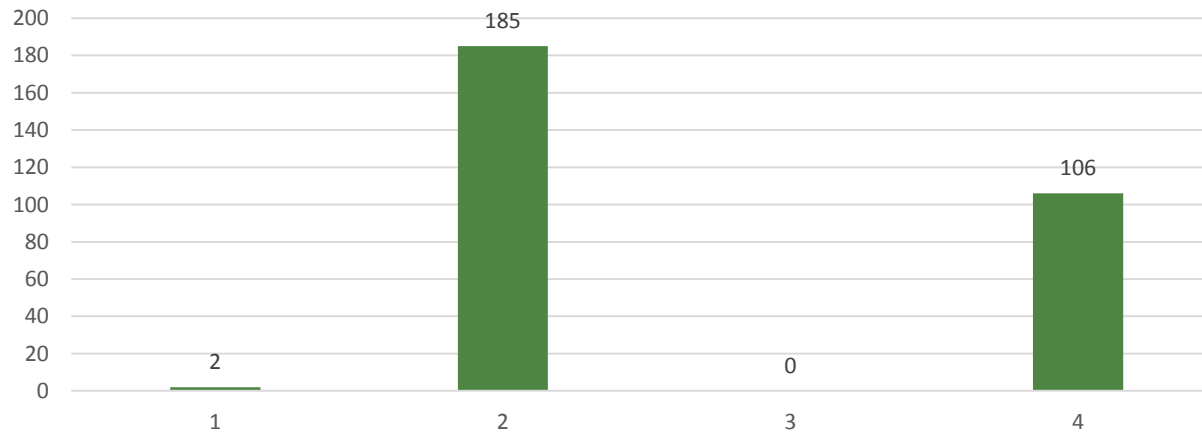


Parental leave

Who is taking primary carer's leave 2016 - 17



Who is taking secondary carer's leave 2016 - 17



1. Female managers	2. Male managers	3. Female non-managers	4. Male non-managers
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Parental leave

- Of the 68 reporting entities, 57 provided some form of paid leave for primary carers, and 55 for secondary carers
- On average, the amounts of paid leave provided are 10 weeks and 9 weeks leave respectively.
- 10 firms provided no paid leave
- Although the *Fair Work Act* no longer refers to “primary” and “secondary” carer – most firms are still applying this distinction in their paid leave policies, and the WGEA is asking questions based on that that categorization
- The *Fair Work Act* grants the entitlement to parental leave to an employee if “(b) the employee has or will have responsibility for the care of the child.” The very concept of “primary” and “secondary carer” denotes a hierarchy of care, and normalises the idea that there is a pecking order in terms of which parent is delivering the care.
- Significant improvement can be made in both the sharing of parental care, and the resulting flow-on into a more even distribution of flexible work by both parents.

Pay – how big is the gender pay gap?

“The overview of the [ATO’s 2015-16 income and tax status of Australians](#) also showed that among Australia’s ranks of magistrates, income tipped in favour of the fairer sex during 2015-16. It was the only legal category where women (who made up about 37 per cent of professionals to identify in the occupational category) took home a higher average income than their male peers.”

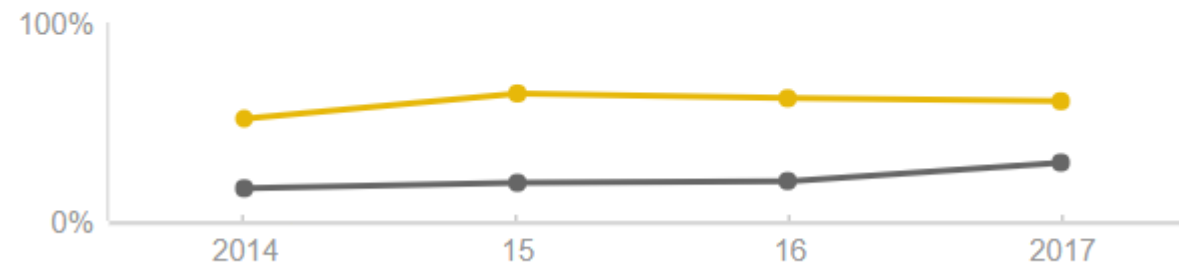
Occupation	Gender	Number of Individuals	Average taxable income	Median taxable income
Barrister	Female	858	68,287	29,775
Barrister	Male	767	173,389	100,348
Judge - law	Female	215	363,544	369,996
Judge - law	Male	546	383,642	382,989
Lawyer; Solicitor	Female	29,831	106,475	85,420
Lawyer; Solicitor	Male	21,484	143,206	108,296

As reported in *Lawyers Weekly* 1 May 2018

Are law firms looking at pay?

Employers that have conducted a remuneration gap analysis **collapse**

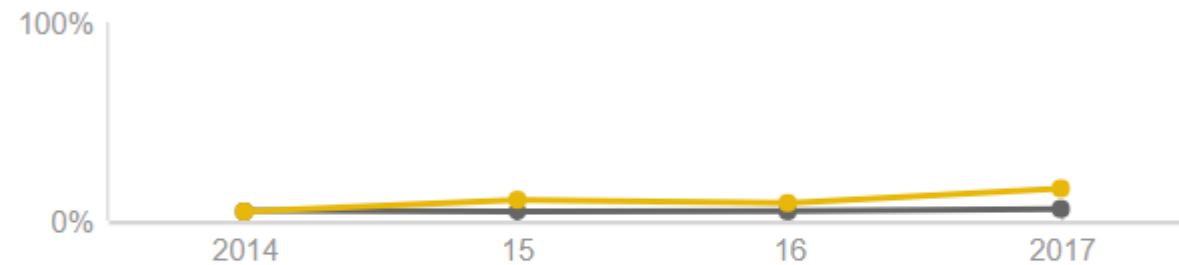
Within last 12 months



[View change](#)

2017	
All industries	29.3%
Legal Services	60.3%

Within last 1-2 years



[View change](#)

2017	
All industries	5.9%
Legal Services	16.2%

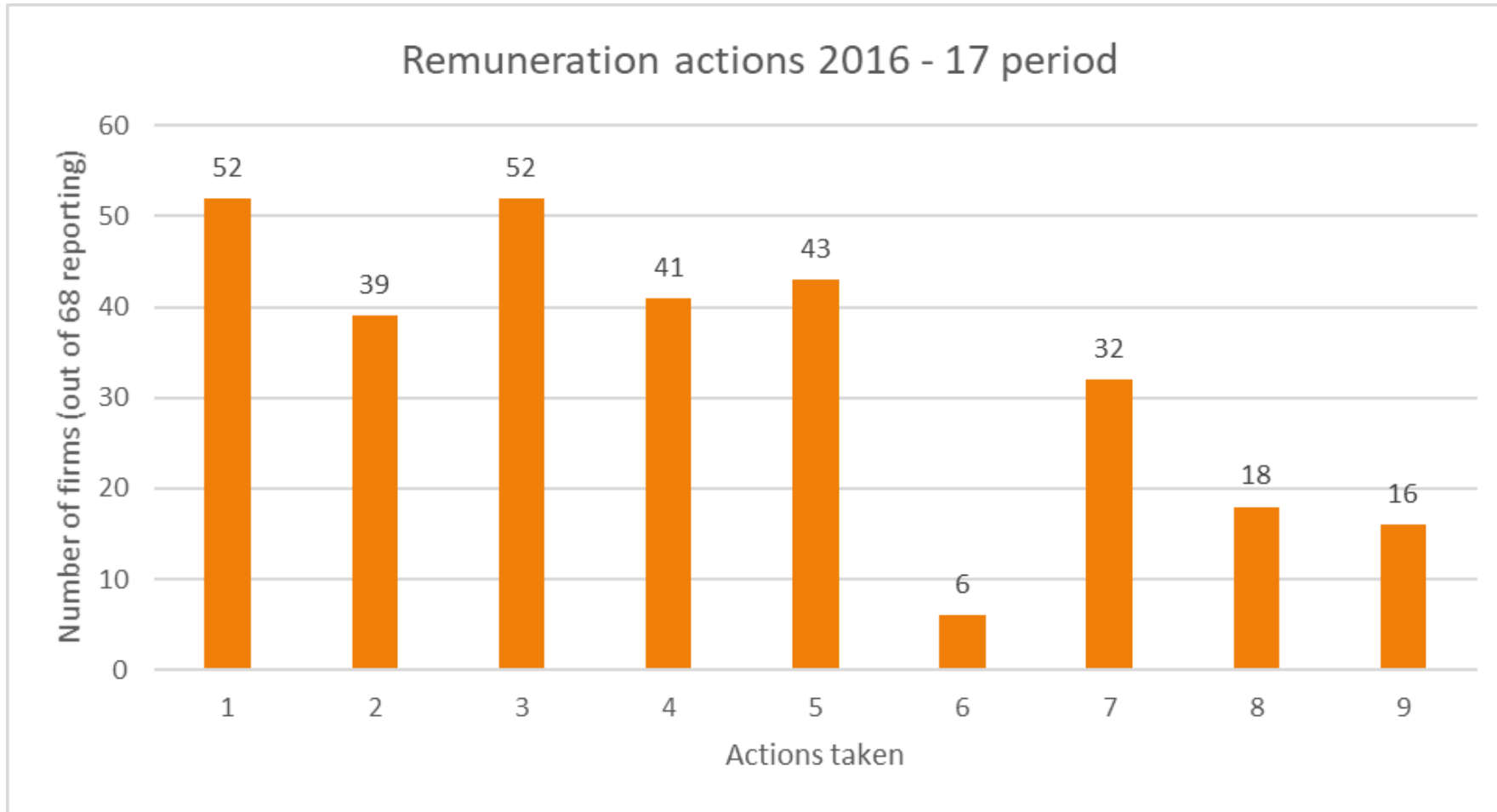
More than 2 years ago but less than 4 years ago

100%

[View change](#)

WGEA data explorer figures for 2016-17 – Legal Services

What are they doing about it?



1.	Have an overall remuneration strategy or policy
2.	That includes pay equity objectives
3.	Remuneration gap analysis done
4.	Within the last 12 months
5.	Taken action as a result of analysis
6.	Have a gender pay equity action plan
7.	Identified causes of gaps
8.	Report to Board on analysis and step taken
9.	Fixed like-for-like gaps

Which firms are doing this well?

- Research shows us that a combination of actions are the most effective to drive change in gender pay outcomes (BCEC WGEA Gender Equity Insights), and that must include reporting to the Board and Executive
- 6 firms are doing well on pay equity, and taken 8 or 9 of the key steps to drive change. Those firms are: Russell Kennedy, Norton Rose Fulbright Australia, Dentons Australia, DLA Piper Australia, Gilbert & Tobin, and Corrs Chambers Westgarth
- 14 of the 68 firms had not conducted any remuneration analysis
- 18 of the 68 had reported the pay metrics to their Board

Other measures

- Model Equitable Briefing Policy adoption
- Sexual harassment
- Employer of Choice for Gender Equality
- Firm specific initiatives

Best firms for gender equality

The Gold firms are:

- **Norton Rose Fulbright Australia**, with a female partnership ratio of 41%, and having undertaken 9 of the 9 pay equity actions that WLANSW considers will drive change.
- **Corrs Chambers Westgarth** – 30% female partnership ratio, and having undertaken 8 of the 9 gender pay actions.
- **Gilbert & Tobin** – a consistently strong performer in this area, with 30% female partnership ratio, and having undertaken 8 of the 9 gender pay actions

The Silver firms are:

- **Maddocks**, with 33 % female partnership ratio, and having undertaken 7 of the 9 pay actions
- **Ashurst** with 27% female partnership ratio and having undertaken 6 of the 9 pay actions
- **Allens** with 25% female partnership ratio and having undertaken 7 of the 9 pay actions

The Bronze firms are:

- **Minter Ellison SA/NT** with a 35% female partnership ratio and having undertaken 3 of the 9 gender pay actions
- **King & Wood Mallesons** with a 26% female partnership ratio and having undertaken 6 of the 9 pay actions

Recommendations

WLANSW's top 5 recommendations are:

1. Firms should ***set targets for admission to partnership, based on a 40/40/20 model***, with 40% of any new admissions in any year being 40% male, 40% female, and the remaining 20% varying depending on the candidate pool. If firms are unable to meet this in any one year, (say due to a merger with another firm) then a 3 year rolling average should be adopted.
2. All legal firms should ***undertake an annual gender pay analysis of employees and partners*** and take concrete steps to address any gaps found.
3. The results of that analysis should be ***reported to the board and partnership*** group, with progress tracked, and at a minimum, any like-for-like gaps eliminated, and ***analysis taken to understand the causes*** of those gaps developing.
4. Firms should ***publicly disclose their remuneration in quartile bands***, like the UK model for pay disclosure requires.
5. Firms should ***adopt targets for men taking up parental leave and flexible work arrangements*** and ***develop strategies to actively encourage all employees and partners to share caring responsibilities***.

Further information

Please visit the Women Lawyers NSW website. All analysis and commentary from 2012 onwards is available under the Workplace Practices tab, including the University of Wollongong Research Report

<https://womenlawyersnsw.org.au/workplace-practices/>

Contacts:

Larissa Andelman , WLANSW Acting President

Andleman@153phillip.com.au

Susan Price or Louise Mallon, WLANSW Sub-committee members

susan@susanpricelegal.com.au, lmallon@chalkbehrendt.com.au