



Pricing Report - Employment & WHS Sydney Legal Market, 2016

Two features sit as the key pricing factors in the Sydney employment law market:

1. The aggressive mid tier operating around the \$600 per hour mark;
2. That 60% of the market uses retainer agreements.

Hourly Rates

Firstly, when examining the figures below it's important to note that the percentages listed take into account employee-side lawyers and also those individuals who act on behalf of both employee and employer matters. The increased price sensitivity on the employee side does blur the line somewhat and the sheer volume of firms acting for employees in the Sydney market skews our results. As such employer-only side lawyers should view the percentages listed at the upper pricing levels as on the low side.

Some 31% of Sydney's employment lawyers set their hourly rack rate at over \$700 per hour and, as a general rule when looking to individuals at the upper levels of our rankings figures of \$800 per hour or more should be considered "standard". There are certainly a number of quality employment lawyers and law firms who can be retained below these lofty pricing levels however feedback suggests that in employment, perhaps more than many other areas, the trappings that push prices up also delivers greater service.

Notwithstanding the lofty pricing levels mentioned above, pricing in the NSW employment law market is really all about the "mid-tier". The majority of firms continue to flirt with the \$600 per hour mark, unsure of just where to position themselves in relation to it. For the majority of firms this flirtation is beset by a lack of self-confidence and the fear of other suitors produces a desperation that results in a downward pricing trend. In short, Sydney's mid-tier employment law offerings despite some successes haven't really found their true groove and this is reflected in a pricing mismatch - hopefully time will sort this out.

Hourly Rate	Market Share
\$350 - \$400	4%
\$400 - \$450	2%
\$450 - \$500	9%
\$500 - \$550	4%
\$550 - \$600	26%
\$600 - \$650	10%
\$650 - \$700	11%
\$700 - \$750	6%
\$750 - \$800	14%
\$800 - \$850	8%
\$850 - \$900	3%
\$900 - \$950	2%
\$950 +	1%

Alternative Pricing

Some 69% of Sydney's employment lawyers who moved away from an hourly rate model in the past 12 months used retainer agreements. It's highly likely this figure is distorted by the classification of "hotline" style services on "employment" matters that firms and individuals classify as a "retainer" however the limited scope of such makes the use of this term questionable. Nonetheless it's a remarkable figure and reflective more than anything of the competitiveness of the Sydney employment law market and the desire of its participants to keep at the forefront of their client's minds.