

# DOYLES

## Pricing Report – Insolvency & Reconstruction Adelaide Legal Market, 2016

### Hourly Rates

Pricing of Adelaide’s Insolvency & Reconstruction lawyers over the past year appears to have taken a forked-tongue approach. Some firms have responded to a tight market with a focus on elevation and lifted hourly rates while others have sought to target “affordability” as an attracter of work and reduced hourly rates accordingly. Compared to 2015 where some 67% of the market sat between \$400-\$500 per hour now only 45% of the market sits in this bracket. Of the 22% who have moved bands – 12% have reduced their rate and 10% have increased their rate.

There’s no clear link between firm size or type and pricing strategy but it does appear that the majority of Adelaide firms without an Eastern states based presence or affiliation have seen a sub-\$450 per hour rate as appropriate. Those with an Eastern states based link have noted the increase in pricing levels in those jurisdictions and seemingly followed suit.

Hourly Rate	Market Share
\$300 - \$350	0%
\$350 - \$400	18%
\$400 - \$450	25%
\$450 - \$500	20%
\$500 - \$550	22%
\$550 - \$600	12%
\$600 - \$650	0%
\$650 - \$700	0%
\$700 - \$750	2%

### Alternative Pricing

South Australia’s Insolvency lawyers continue to lag behind the rest of the country when it comes to the adoption of alternative pricing. A comparatively low 56% of the market adopt pricing outside of the traditional hourly rate (in other Australian jurisdiction sin excess of 70% of the market use alternative pricing). Fixed pricing is the most common alternative pricing used, a pattern reflective of that in the majority of other Australian jurisdictions and practice areas.

Pricing Method	Market Share
Fixed Price	89%
Capped Fees	33%
Stage-Based Costing	45%
Performance/Outcome Based Fees	22%
Retainer	22%