



National Law Firm Pro Bono Survey

Australian Firms With More Than Fifty Lawyers

Interim Report

October 2012

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Contents

1. Introduction	2
2. Methodology	3
3. Survey Results	4
3.1 Respondent firms	4
3.2 Pro bono hours	5
3.3 Participation rates	10
3.4 Percentage of total practice income	11
3.5 National Pro Bono Aspirational Target	11
3.6 Pro Bono Clients – Individuals or Organisations?	13
3.7 Sources of Pro Bono Work	14

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1. Introduction

This is an interim report of responses to the National Law Firm Pro Bono Survey ('the survey'), conducted by the National Pro Bono Resource Centre ('the Centre') in August 2012.

The survey targeted all 51 Australian law firms with more than 50 full time equivalent lawyers, of which 36 responded.¹ When the Centre conducted the National Law Firm Pro Bono Survey in July 2010 there were only 39 firms in Australia with more than 50 lawyers. The growth has come from nine additional firms with between 50-200 lawyers with four firms moving up (and one down) into the 201-350 lawyer category. This change in the structure of the industry has meant that trends in pro bono performance have mainly been established by analysing the data of firms that reported in both 2010 and 2012.

This report focuses on the amount of pro bono work done in the 2011-2012 financial year, participation rates of lawyers, pro bono as a percentage of practice income, the performance of Aspirational Target signatories, the breakdown of pro bono work undertaken for individuals and organisations, and the sources of pro bono work.

This interim report presents a snapshot of some key issues – a final report with a comprehensive analysis of all the data collected will be published later in 2012. The final report will cover issues including budgets and how pro bono is treated and managed within the firm, areas of law and practice, disbursements, constraints, international pro bono work, the effect on pro bono of the internationalisation of Australian based law firms, work done in Regional, Rural and Remote ('RRR') areas, secondments and pro bono, and government tender arrangements for the purchase of legal services.

¹ These firms were identified using a combination of data from the Australian Financial Review, The Australian and original research.

2. Methodology

This is the third biennial National Law Firm Pro Bono Survey conducted by the Centre. The previous surveys were conducted in 2008 and 2010. The survey questionnaire was developed by the Centre to obtain a picture of pro bono work in Australia from the perspective of large and 'mid-tier' law firms and to elicit information about practice and policy issues.² The survey is conducted every two years in order to provide a longitudinal picture of the pro bono work done by law firms in Australia.

The survey was conducted online using online software provided by SurveyMonkeyTM.³

Targeted law firms were approached by the Centre and encouraged to participate. E-mails were then sent to nominated pro bono contacts in each firm providing a link to the online survey. Survey data could be provided anonymously, but all firms had the opportunity to identify their survey response and most chose to do so. Those firms that are signatories to the National Pro Bono Aspirational Target also had an opportunity to report on the Target in conjunction with the survey. All survey responses are treated as confidential, and data is reported in this report in a de-identified form.

Where possible, the results of this survey are compared with the results of the last survey in 2010. Any possible comparisons with data from the 2008 survey will be made in the final report.

² The questionnaire was also sent to a number of law firm pro bono coordinators for comment. The Centre wishes to thank all those who provided valuable feedback.

³ <http://www.surveymonkey.com>

3. Survey Results

3.1 Respondent firms

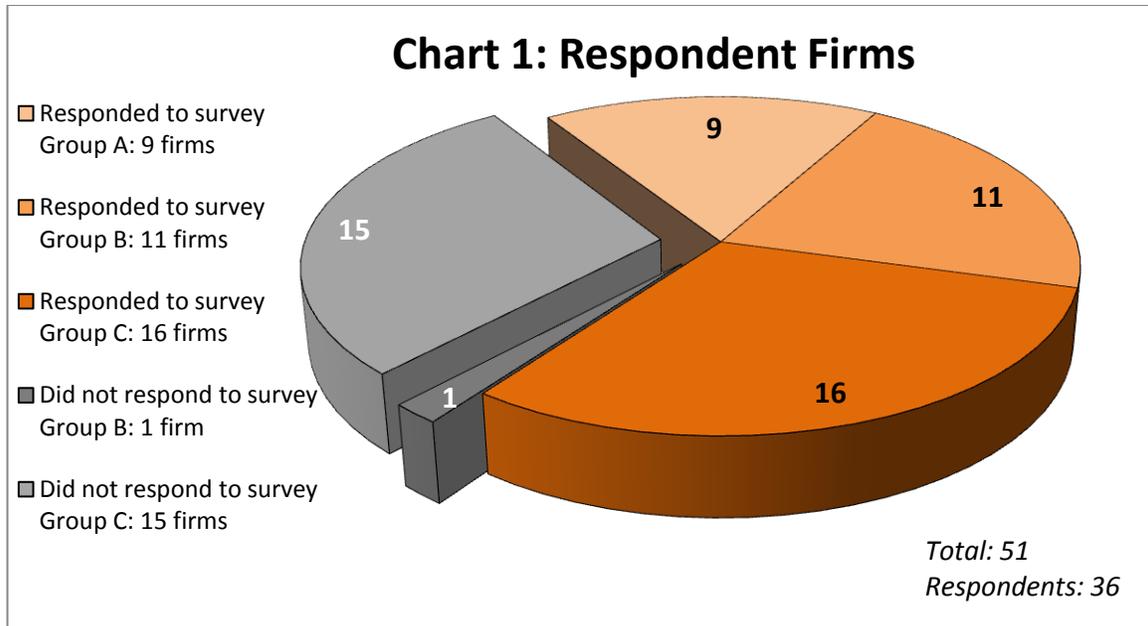
A total of 36 firms responded to the survey, representing 70.5 percent of the survey sample, compared with 74 percent (29 firms) response in 2010. The respondent firms again fell naturally into three groups by size. Nine of the firms had between 450-1000 full time equivalent (FTE) lawyers (“**Group A**”), a further 11 firms had between 201-350 FTE lawyers (“**Group B**”) and 16 firms had between 50-200 FTE lawyers (“**Group C**”). There were no firms with between 350-450 lawyers.

Altogether, the respondent firms to the 2012 Survey employed 11,460 FTE lawyers in Australia, up 10 percent from 2010, representing approximately 19 percent of the Australian legal profession.⁴

Thirty-two out of 36 firms had more than one office, and 12 firms also had offices overseas. Ten of the respondent firms had either joined or merged with another firm (domestic or international) in the last two years.

All targeted Group A firms responded to the survey. Of the 16 firms that did not respond, one firm would have been placed in Group B and 15 firms would have been in Group C. Firms that did not respond indicated variously that their firm’s pro bono practice was not well-developed and therefore they did not want to respond this year, that their lawyers did little or no pro bono work, with one firm indicating that it undertakes a large amount of work for community organisations that is not legal work and they did not believe that their contribution would be adequately reflected in the survey results.

⁵ As at October 2011, there were 59,280 practising solicitors in Australia: see the Law Society National Profile Final Report, July 2012, (prepared by Urbis for The Law Society of New South Wales), available at: <http://www.lawsociety.com.au/idc/groups/public/documents/internetcontent/640216.pdf>



Twenty-seven of the 36 respondent firms (75%) had completed the Centre’s previous National Law Firm Pro Bono Survey in 2010. These firms are hereinafter referred to as the ‘**repeat respondents**’. The nine firms in group A are the same nine firms that responded to the 2010 survey making comparisons between 2010 and 2012 feasible.

While 10 out of 11 firms in Group B, and 8 out of 16 firms in Group C responded to the 2010 survey, a number of firms in Groups B and C have moved Groups due to changes in their number of FTE lawyers (five firms were re-categorised as Group B firms and one firm re-categorised as a Group C firm) and there are a significant number of new respondent firms in Group C. Therefore meaningful comparisons from 2010 to 2012 cannot be made between firms in Groups B and C.

Accordingly, in order to reveal trends between 2010 and 2012, some comparisons⁵ are drawn only between the responses of the repeat respondents.

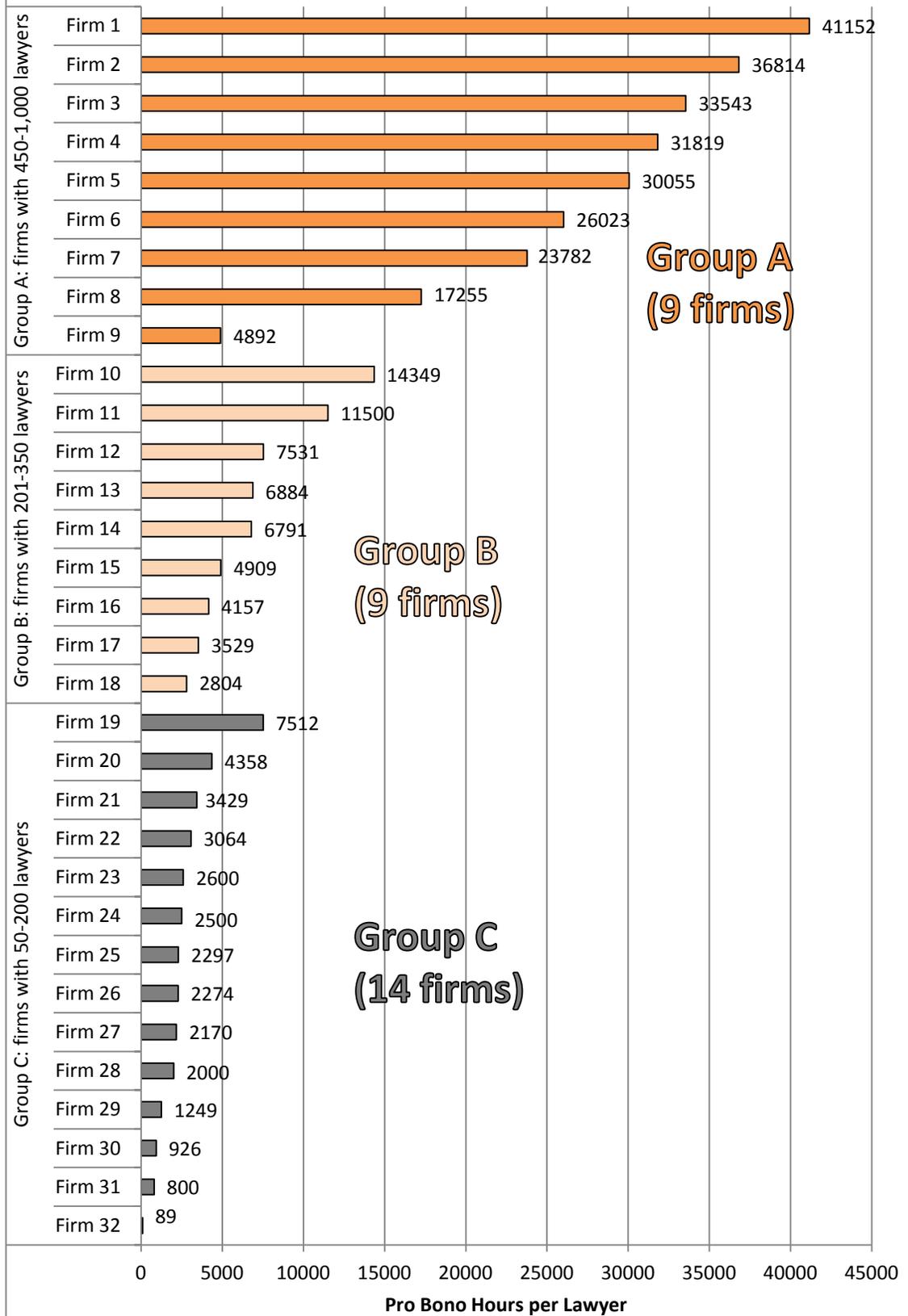
3.2 Pro bono hours

Total hours of pro bono (see Chart 2)

Thirty-two out of 36 respondents (89%) were able to provide information on the amount of the pro bono work undertaken by the firm as a whole. In the 2011-2012

⁵ The repeat respondents’ analysis includes data from firms that were in the relevant Group in 2010 even though they may have now changed Group.

Chart 2: Total Pro Bono Hours- Firm by Firm



financial year, these 32 firms did a total of 343,058 hours of pro bono work. This total represents an average of 6,597 hours of pro bono work completed each week⁶, and is the equivalent of 191 lawyers doing pro bono work full-time for a year.⁷

The total number of hours reported by individual firms varied greatly from 41,152 hours (a Group A firm) to 89 hours (a Group C firm). Four other respondent firms reported total pro bono hours of over 30,000 (Group A), two more reported total hours over 20,000 (Group A) and a further three firms reported total hours of over 10,000 (two from Group B, one from Group A).

Hours per lawyer (see Chart 3)

Thirty-two of the 36 firms (89%) were able to provide figures on pro bono hours per lawyer undertaken in the 2011/2012 financial year. The average number of pro bono hours per lawyer across all firms that reported hours per lawyer was 29.9 up 0.9 hours from 2010. However, figures varied greatly between firms from 4.9 to 64.2 hours per lawyer per year. (See Chart 2)

Firms in Group A (9 firms) recorded the highest average of 38 hours per lawyer per year. Firms in Group B (11 firms) reported an average of 20.4 hours per lawyer and firms in Group C (16 firms) reported an average of 15.7 hours per lawyer per year.

Repeat Respondents

A total of 22 firms reported the number of hours per lawyer in both 2010 and 2012. Collectively, these 22 firms reported an average of 38.8 hours per lawyer in 2012, up slightly (0.4%) from 30.7 hours in 2010. However, significant variance exists between different Groups of firms.

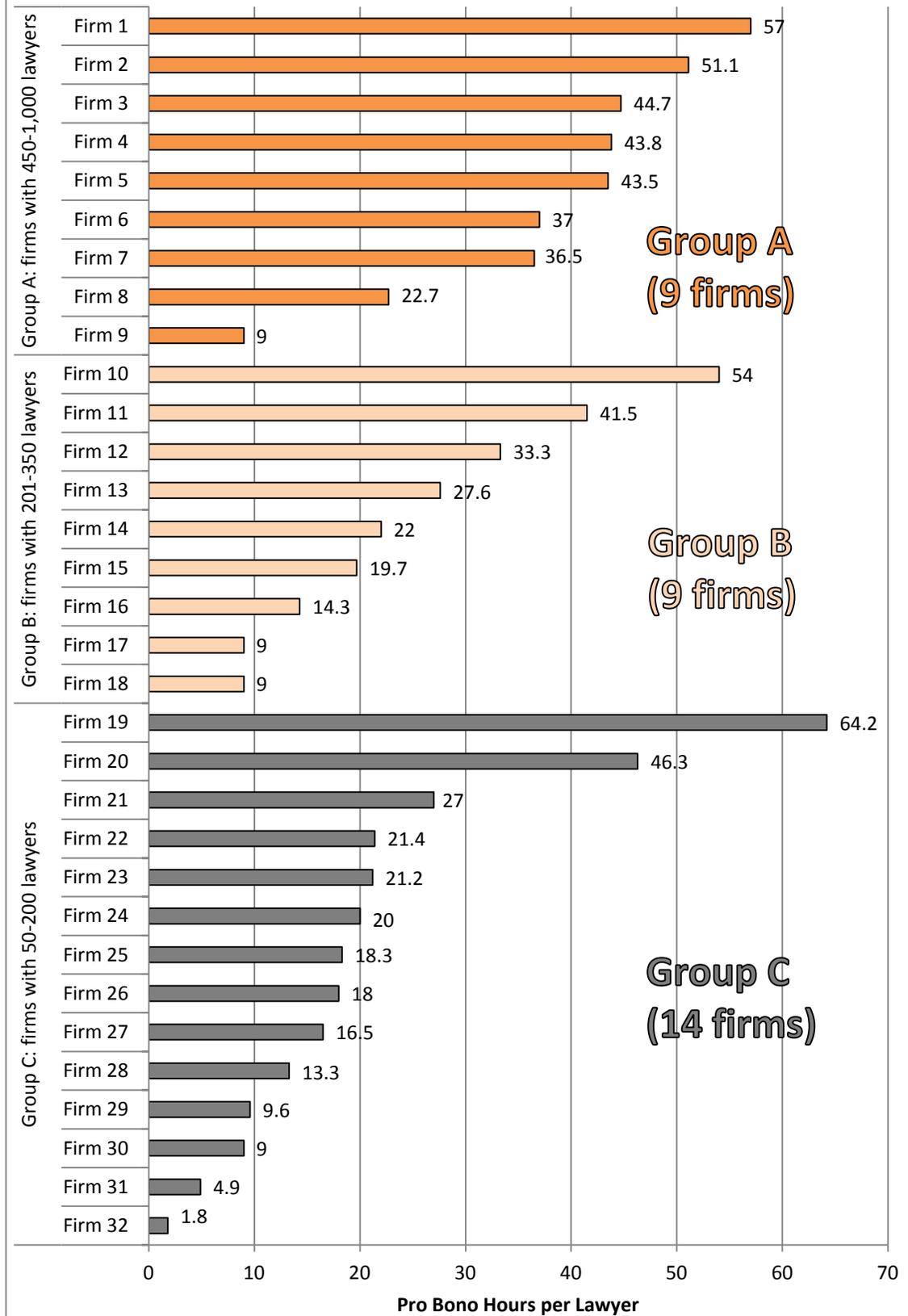
Eight **Group A** firms (out of nine firms) reported pro bono hours per lawyer in both surveys. These eight firms reported an average of 37.2 pro bono hours per lawyer per year, down slightly (1.5%) from 38.7 hours per lawyer per year in 2010.

Eight **Group B** firms (out of 11 firms) reported pro bono hours per lawyer in both surveys. These eight firms reported an average of 21.7 pro bono hours per lawyer per year, up by 16.7 percent from 18.6 pro bono hours per lawyer in 2010.

⁶ Based on 52 weeks

⁷ This figure is calculated based on a 37.5 hour working week for 48 weeks per year.

Chart 3: Pro Bono Hours per Lawyer - Firm by Firm



Six **Group C** firms (out of 16 firms) reported pro bono hours per lawyer in both surveys. These six firms reported an average of 16.7 pro bono hours per lawyer, up by 21.6 percent from 13.1 pro bono hours per lawyer in 2010.

These comparisons show that the pro bono contributions of Group A firms have remained steady over the two-year period despite quite considerable upheaval in both the economic climate, with a 2.3 percent reduction in total number of FTE lawyers among these eight firms, as well as the Australian legal market, with four out of the eight repeat respondents in Group A having merged or joined with another firm in the last two years.

Some Group B firms appear to have developed their pro bono practices significantly over the two-year period. In addition to the increase in pro bono hours per lawyer, the repeat respondents in Group B reported a 20.3 percent increase in the number of FTE lawyers in the same period.

As only six firms in Group C are repeat respondents, it is difficult to draw broad conclusions. However, five out of those six firms reported a significant increase in number of pro bono hours per lawyer per year.

3.3 Participation rates

Thirty-one out of 36 firms (86%) provided the percentage of lawyers participating in (doing at least one hour of) pro bono work in 2012. Participation rates varied greatly among respondents from 10 percent to 90 percent. The average participation rate across all firms was 53 percent compared 58.8 percent in 2010.

Seven firms in Group A (out of 9 firms) reported an average participation rate of 61.1 percent. Ten firms in Group B (out of 11 firms) reported an average participation rate of 50 percent. Fourteen firms in Group C (out of 16 firms) reported an average participation rate of 48.5 percent. Both the highest (90%) and the lowest (10%) participation rate were reported by firms in Group C.

Repeat respondents

A total of 22 firms reported participation rates in both 2010 and 2012. The average participation rate reported by these 22 firms increased from 54.3 to 58.8 percent, (an increase of 6.4 percent). Again, significant variance exists across the Groups of firms.

Seven **Group A** firms reported participation rates in both surveys. The average participation rate reported by these seven firms decreased from 66.6 to 61.1 percent (a decrease of 8.2 percent).

Nine **Group B** firms reported participation rates in both surveys. The average participation rate reported by these nine firms increased from 45 to 53.9 percent, (an increase of 19.7 percent).

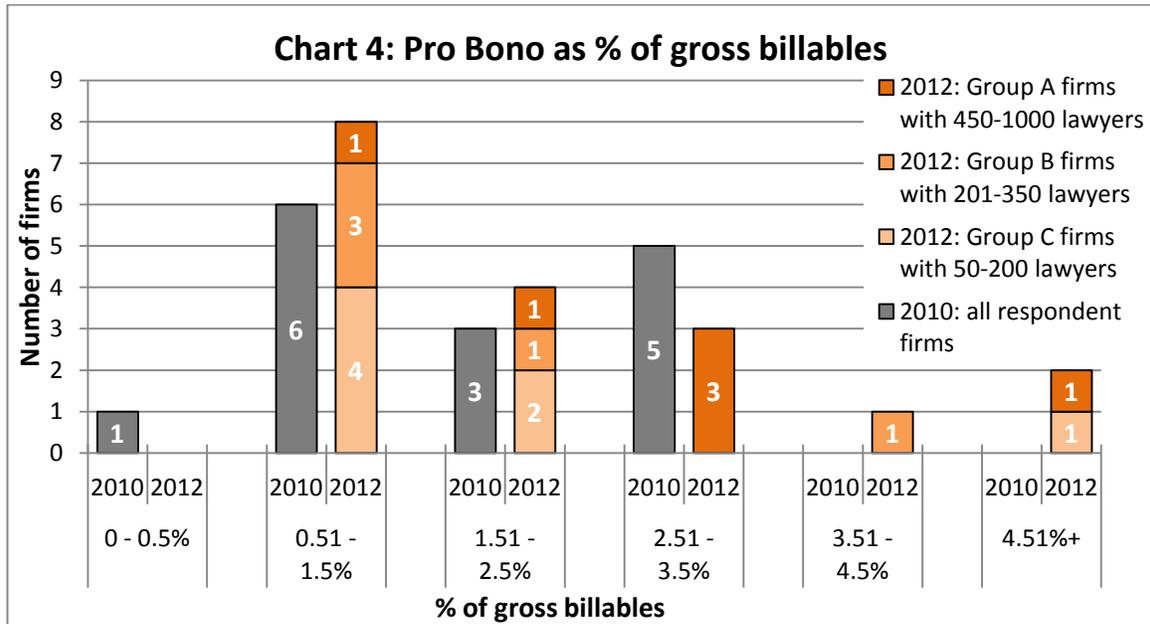
Six **Group C** firms reported participation rates in both surveys. The average participation rate reported by these firms increased from 57.5 to 63.5 percent, (an increase of 10.4 percent).

These comparisons highlight similar developments to the hours per lawyer figures. Whilst Group A firms appear to be performing steady with a slight decrease in the numbers reported, the firms in Groups B and C appear to be developing their pro bono practices at a steady rate.

3.4 Percentage of total practice income

Responses to this question were received from 18 out of 36 firms (50%), up from 13 (44%) in 2010. A further five firms advised that they do not keep these records. The range of pro bono represented as a percentage of total practice income (gross billables) varied from 0.7 percent (a Group A firm) to 5.45 percent (a Group C firm), with the average being 2.3 percent, up from 2 percent in 2010.

In the 2010 survey the highest number reported was 3.47 percent (a Group A firm). In this survey there were a number of high performing firms. One Group C firm reported their pro bono hours as representing 5.45 percent of their total practice income. One Group A firm reported 4.8 percent, a Group B firm reported 3.7 percent, another Group A firm reported 3.5 percent and a further two Group A firms reported approximately 3.3 percent.



3.5 National Pro Bono Aspirational Target

The National Pro Bono Aspirational Target (**'the Target'**) is a voluntary target that law firms, incorporated legal practices, solicitors and barristers can sign up to, agreeing to aspire to provide at least 35 hours of pro bono legal work per lawyer per year. As at 30 June 2012 the Target had 95 signatories, which included 62 law firms that reported on

their performance against the Target⁸. Twenty-four of these firms employed more than 50 FTE lawyers and were also invited to respond to this survey. Twenty firms chose to do so (55% of all respondent firms), compared with 13 (45% of all respondent firms) in 2010.

Thirty-five out of all 36 respondents to the survey (97.2%) indicated that they were aware of the Target, up from 89.7 percent in 2010.

On average, signatories to the Aspirational Target reported higher hours per lawyer and higher participation rates than non-signatory firms, suggesting that generally, signatory firms have a stronger pro bono culture evidenced by significantly higher participation rates (59.3% v 43%) and pro bono hours/lawyer (36.6 v 20.1).

Table 1: Aspirational Target Signatories

	Aspirational Target Signatories	Non-Signatories	All Survey Respondents
Total pro bono hours	249,899 hours (from 20 firms)	93,159 hours (from 12 firms)	343,058 hours (from 32 firms)
Total no. of FTE lawyers	6,835 lawyers (from 20 firms)	4,625 lawyers (from 16 firms)	11,460 lawyers (from 36 firms)
Pro bono hours per lawyer	36.6 hours/lawyer (from 20 firms)	20.1 hours/lawyer (from 12 firms)	29.9 hours/lawyer (from 32 firms)
Average participation rates*	59.3% (from 19 firms)	43% (from 12 firms)	53% (from 31 firms)
Average % of gross billables	2.9% (from 11 firms)	1.4% (from 7 firms)	2.3% (from 18 firms)

* 'participation rate' refers to lawyers undertaking at least one hour of pro bono legal work during the year

Of the 20 signatories, nine firms met the Target in the 2011-2012 financial year, compared with seven firms in 2010. All of the firms that met the Target expected to meet it again next year.

⁸ Signatories to the Aspirational Target undertake to report on their performance against the Target after the end of each financial year.

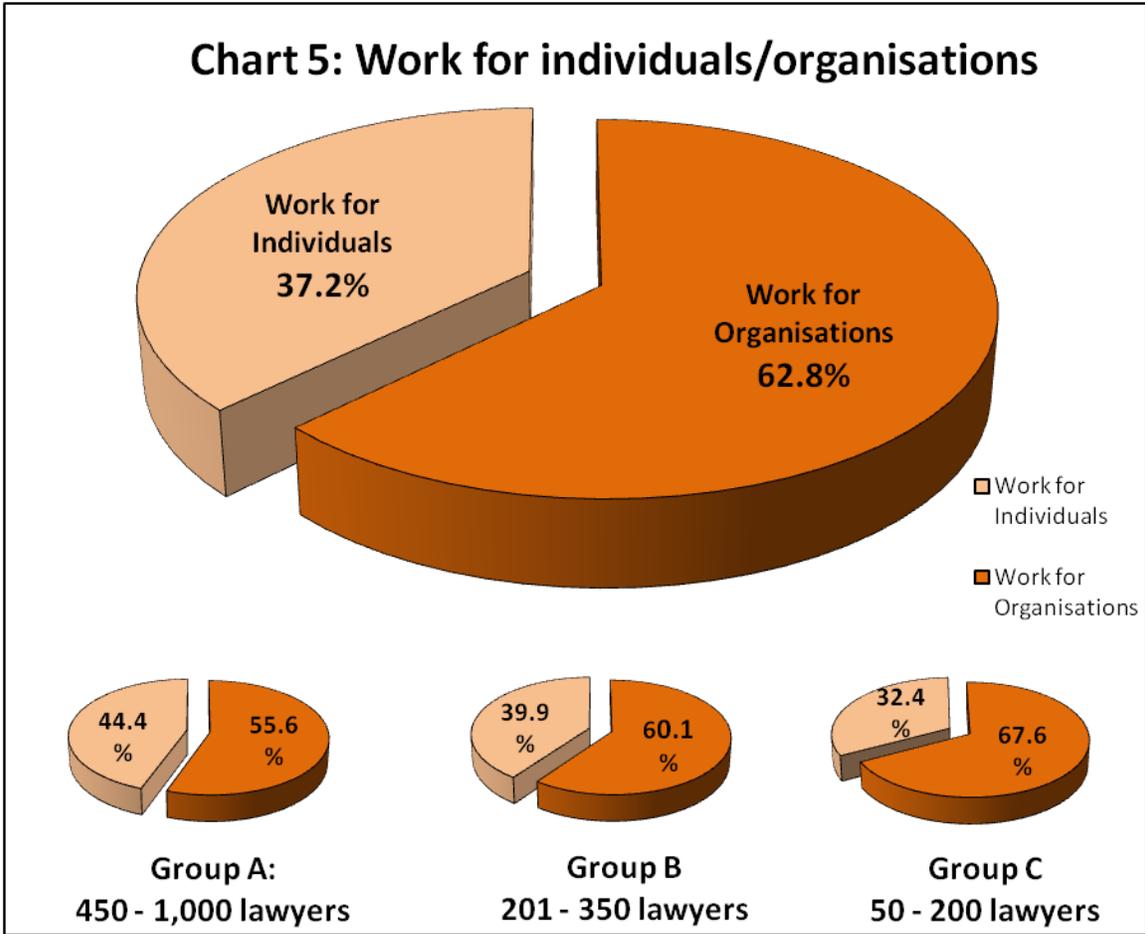
For more information on the performance of signatories to the Target please refer to the 'Fifth Annual Performance Report on the Aspirational Target 2012.'⁹ The Target Report provides separate breakdowns of responses provided by firms that employ more than 50 FTE lawyers.

3.6 Pro Bono Clients – Individuals or Organisations?

All 36 respondent firms were able to estimate what proportion of their pro bono work was carried out for individuals and for organisations. Across all firms, the average percentage of work done for individuals was 37.2 percent, and the average percentage of work done for organisations was 62.8 percent. The results show that law firms generally do more pro bono work for organisations than for individuals. However, the average figures across all firms are heavily influenced by seven firms in Group C, who reported doing 90 percent or more of their pro bono work for organisations.¹⁰

⁹ https://wic041u.server-secure.com/vs155205_secure/CMS/files_cms/Fifth%20Annual%20Performance%20Report%20on%20the%20Aspirational%20Target%202012.pdf

¹⁰ Comparisons with data from the 2010 survey was difficult, as the equivalent question in the 2010 survey asked whether firms did more or less work for organisations than individuals. In 2010, 12 firms reported undertaking significantly more work for organisations than for individuals, 9 firms reported undertaking significantly more work for individuals than organisations and 8 firms reported that they undertake “approximately the same” amount of work for individuals and organisations.



When comparing the results of the three Groups of firms, **Group A** firms had by far the most balanced distribution of pro bono work between individuals and organisations, with an average of 44.4 percent of pro bono work undertaken for individuals and 55.6 percent of pro bono work undertaken for organisations. In fact, four out of nine Group A firms reported a 50-50 split between individuals and organisations, and one Group A firm reported doing more work for individuals than for organisations.

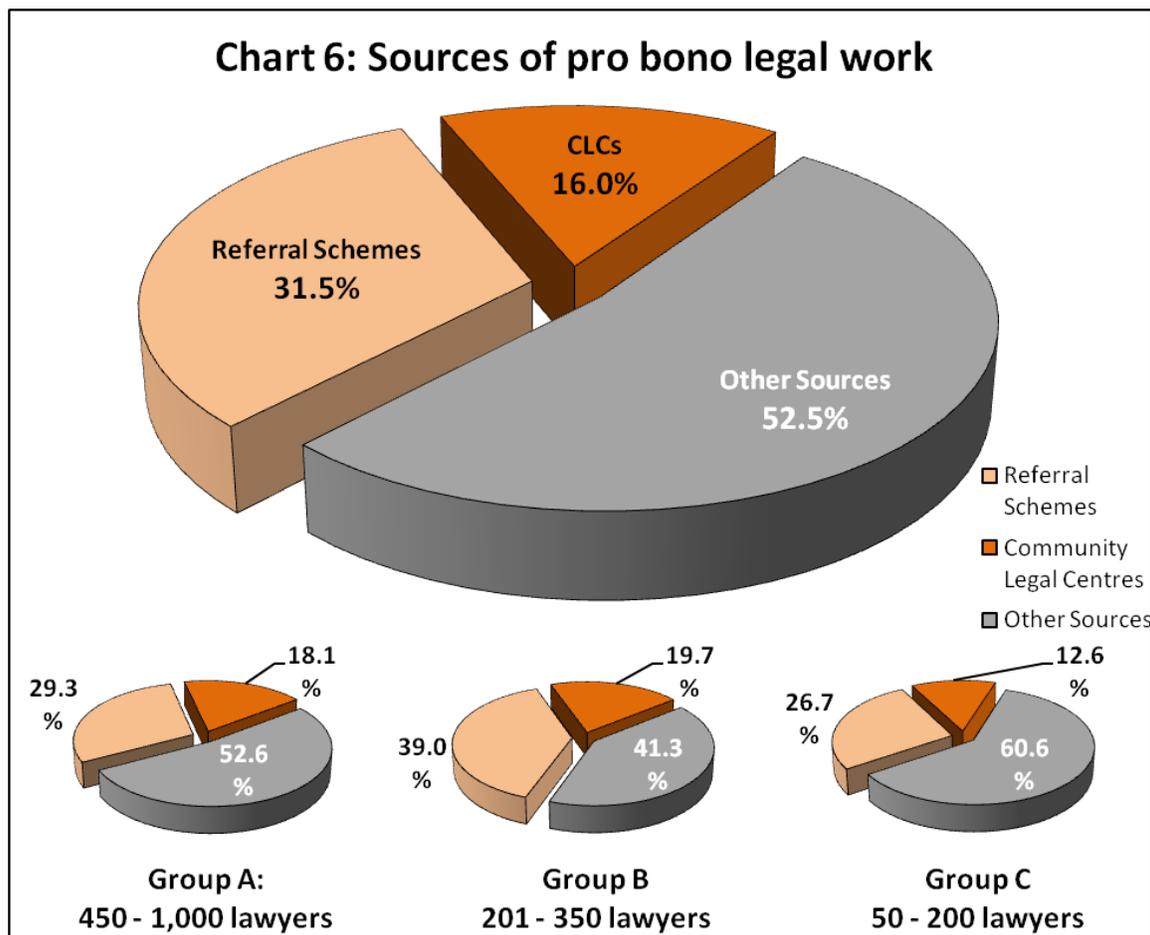
Group B firms reported doing an average of 39.9 percent of pro bono work for individuals and 60.1 percent for organisations. **Group C** firms did by far the most work for organisations, with an average of 32.4 percent of pro bono work being done for individuals, and an average of 67.6 percent for organisations.

3.7 Sources of Pro Bono Work

Thirty-three of 36 respondent firms were able to estimate the percentage of pro bono work that they received from three different referral sources:

- Pro bono referral schemes and public interest clearing houses (including referrals, secondments, joint projects and clinics) ('referral schemes')
- Community legal centres (including referrals, secondments, joint projects and clinics) ('CLCs')
- All other sources (including direct requests, internal projects and referrals from other organisations) ('other sources')

Across all firms, the average percentage of pro bono work received from referral schemes was 31.5 percent, from CLCs 16 percent, and from other sources 52.5 percent. Twenty-eight out of the 33 reporting firms (85%) reported receiving work from referral schemes, with the percentages varying greatly between firms from five percent to 90 percent. Twenty-five out of 33 firms (75%) reported receiving work from CLCs, with the percentages ranging from five percent to 50 percent. All 33 firms reported receiving work from other sources, with the percentages ranging from five percent to 100 percent.



Firms in **Group A** reported receiving an average of 29.3 percent of their work from referral schemes, with reported percentages varying from eight percent to 55 percent. An average of 18.1 percent of work was reported to originate from CLCs, with reported percentages varying from five to 70 percent. An average of 52.6 percent of pro bono work was reported to originate from other sources, with reported percentages varying from 40 to 77 percent.

Group B firms reported receiving an average of 39 percent of their pro bono work from referral schemes, with reported percentages varying from five to 70 percent. An average of 19.7 percent of work was reported to originate from CLCs, with reported percentages varying from seven to 35 percent. An average of 41.3 percent of work was reported to originate from other sources, with reported percentages varying from five to 80 percent.

Group C firms reported receiving averages of 26.7 percent of their work from referral schemes, with reported percentages varying from 10 to 90 percent. An average of 12.6 percent of work was reported to originate from CLCs, with reported percentages varying from five to 60 percent. An average of 60.6 percent of work was reported to originate from other sources, with reported averages varying from five to 100 percent.

National Pro Bono Resource Centre
3 October 2012