

EMPLOYER STATEMENT: 26 FEBRUARY 2024

INTRODUCTION

This employer statement is provided in response to the gender pay gap results of Carroll & O'Dea Lawyers for the period from 1 April 2022 to 31 March 2023 as part of the Workplace Gender Equality Agency (WGEA) industry benchmarking report (and related data) for 2022/23. This report covers lawyers, support staff and business services staff.

For the purposes of this statement, Carroll & O'Dea Lawyers includes the partnership trading as Carroll & O'Dea Lawyers and its service entity, Carodea Secretarial Pty Ltd (as trustee of the Carodea Secretarial Trust).

In this statement the two entities are together referred to as "the firm".

The WGEA has calculated that the firm has an average total remuneration gender pay gap of 33.5% for 2022/23. This compares to other law firms in the Industry Comparison Group of 25.4%.

EMPLOYER COMMENTS

1. OUR COMMITMENTS TO GENDER EQUALITY AND REMUNERATION EQUITY

The firm is strongly committed to gender equality and to reducing its gender pay gap across the total workforce. To do this, we must take practical measures towards achieving this goal as soon as practicable, while nevertheless ensuring that we continue to recognise and promote staff on the basis of merit. We are always looking to ensure that people are not treated differently (or paid differently) on the basis of their gender.

The firm acknowledges that its current gender pay gap, which it is noted is calculated on a raw comparison of the average of total remuneration for all female staff compared to the average of total remuneration for all male staff, is greater than the legal industry comparison group.

The following factors provide important context and explanation for this difference:

- (a) the large number of female employees in occupations (particularly that of "legal assistant") within the firm that do not pay at the same salary levels that typically apply to professional staff within the firm, whether male or female; and
- (b) the increasing proportion of female lawyers entering the profession compared to male lawyers over the last five to ten years, and the fact that the firm currently has a substantial cohort of women lawyers at entry or close to entry level, compared to their male counterparts.

The firm proactively implements its policy of gender equality in its workforce through a number of measures including but not limited to a gender diversity target for leadership positions, encouraging flexible working arrangements for all staff and assessing what are the most valued and appropriate ways of supporting people on parental leave when compared to other firms of our size and the industry more generally.

2. STRUCTURAL FACTORS AFFECTING THE FIRM'S GENDER PAY GAP

The firm provides the following information to give a deeper and more complete understanding of the firm's gender pay performance both in the context of the 2022/23 year and in relation to the firm's current approach:

- We operate in four main areas of practice: Business, Community & Associations, Personal and Compensation.
- We have a total workforce of around 240 people, with offices in Sydney, Parramatta, Campbelltown, Wollongong, Newcastle, Raymond Terrace and Melbourne. We also operate a serviced office in the ACT. Our workforce includes people living in large cities and regional areas. All our employees live in Australia.
- The nature of our firm (in particular, including a large personal injury compensation practice) means that, by industry standards, we have a high ratio of support staff (paralegals, legal assistants and word processing operators) and law clerks to legal professional staff (lawyers). The fact is that traditionally such support staff roles have been sought out and filled by women almost exclusively, which is a societal factor when it comes to recruiting into these roles. This continues to be the case today when we are recruiting new people into these same or similar roles. The high ratio of females working in these support roles has, in turn, contributed to the firm's average salary for females being lower than the average for males.
- We note that the firm's results reflect the following 'structural' factors:
 - We have a higher number of men than women in senior lawyer roles (ie Partner and Special Counsel). This is changing with the increasing level of female representation in the legal industry and at the firm.
 - We have a higher proportion of women at mid-level and junior lawyer roles, which reflects the changing nature of the legal profession and new entrants into the profession. Over time, we will see a shift in the overall balance of women in senior lawyer positions as part of the firm's normal pathways program.
 - Women have traditionally taken parental leave during their careers and have often returned to work on a part-time basis, balancing their primary care-giving responsibilities with work.
 - As mentioned previously, we have a high proportion of females in support roles and, in comparison to other law firms of our size, we have a higher ratio of support staff to lawyers.
 - More recently, the firm has provided more pathways into the law through a law clerk program. Around 70% of our law clerks are female.

3. THE FIRM'S APPROACH TO SETTING REMUNERATION

- We believe that the firm's gender pay gap results, which are calculated by applying an average salary across the total workforce, does not reflect the underlying commitment and position of the firm in relation to pay equity.
- The firm is strongly committed to valuing each person's skills, responsibilities and working conditions in a non-discriminatory way.
- Our approach to remuneration is based on the principles of 'equal pay' for all roles, both for men and women, based on performance across comparable roles with similar targets and responsibilities.
- In setting salaries, we take into account a person's experience, skills, role, responsibilities and performance. We also take into account what range of remuneration the market might pay for the relevant role.
- We reward people based on their overall performance and contribution to the firm, which includes financial and non-financial key performance metrics for people in client-facing roles. For our lawyers, we set financial targets which allow for a comparison of performance in (what we believe) is a fair and transparent way. Everyone has access to their personal performance targets versus budget for the year, so they can see how they are tracking throughout the year.
- We undertake a review of the firm's remuneration program (as a post-program review) to identify 'gender pay gaps' or 'gender biases'. In our approach, we have a particular focus on the following roles:
 - Partner
 - Special Counsel
 - Senior Associate
 - Associate
 - Lawyer

When we review remuneration in this way, we do not see a gender pay gap at the levels of Senior Associate, Associate and Lawyer. There is a gender pay gap at Partner and Special Counsel level that reflects, at least in part, longevity and seniority at the firm.

- We acknowledge that organisations such as ours need to take a broader view of remuneration and pay equity. In this context, we understand that different pathways and progression opportunities for men and for women can potentially create a disparity of pay outcomes over time.

4. THE FIRM'S LEADERSHIP PATHWAY POLICY

- We are committed to providing a leadership pathway for people based on their performance. We have an annual promotions process for our lawyers, which allows everyone to make an application for promotion on the pathway to Partner.
- Over the last several years, more than 50% of our total promotions across the firm have been female. Our promotions have also included women on parental leave.
- We have set a gender diversity target for the Partner group of 40 || 40 || 20 by 1 July 2028. We are on track to reach this target. As at the date of this statement:
 - we have a female Managing Partner (in the role since 1 July 2020)
 - 37.5% of our ownership group are women (3 out of 8)
 - 34.6 % of our Partner group are women (9 out of 26)

5. THE FIRM'S APPROACH TO PARENTAL LEAVE AND FLEXIBLE WORKING ARRANGEMENTS

- At a practical level, with a high proportion of women in the workforce, we find that many women will typically take parental leave for 6-12 months at around the 6-10 year PQE mark (for post qualification experience).
- We continue to review the terms of the firm's parental leave policy so that it provides meaningful support to families, for both women and men. We have been increasing the period of parental leave provided over the last few years, which is now 12 weeks. We pay parental leave at the full value of an employee's salary (plus super) for that period, rather than as a 'top-up' to the Commonwealth Government scheme over an extended period.
- Following the COVID-19 pandemic, we continue to provide a hybrid working model, which allows for a balance between working in the office and working from home. This is an important feature of 'how we work' and 'where we work', subject to individual and team performance. We believe this supports women in the workforce and to re-enter the workforce after parental leave.
- We have identified a need to support people as they prepare for parental leave, when they are on leave and as they return to work. In particular, we understand that women returning to work have faced challenges in re-building their practice. We have a discussion with people soon after returning to work to ensure they are supported as they do this, including the work-life juggle, flexibility in working from home and adjusted targets for their return to practice. We acknowledge that this area requires continual assessment and attention.

CONCLUDING REMARKS

- The firm is committed to pay equity for males and females and promotion pathways for everyone. We believe in a performance and merit-based approach to remuneration and promotion. We believe in providing fair opportunities to see our people develop their careers at the firm, to thrive in the law, and to be supported to perform at their best.

- We acknowledge the gender pay gap shown in the WGEA benchmark report for 2022/23 and will continue our efforts to reduce this gap. As our younger lawyers continue to progress and more senior lawyers retire from practice, we will see, over time, a change in the firm's structure and workplace profile. This might appear to be a gradual change when observed from year to year. We expect to see a progressively higher proportion of women in leadership and senior positions at the firm in the future, as we move towards the firm's gender diversity target for the Partner group (of 40 || 40 || 20). All of this, will, in turn, see the firm's gender pay gap reduce.