



ALB 2010 MANAGING PARTNER SERIES

Paul Hopkins, Carter Newell Two feet on the ground

Carter Newell's Paul Hopkins speaks to *ALB* about mergers, aviation law, the corporate firm model and how to build a nurturing firm culture for staff and clients

Paul Hopkins is one of those Australian managing partners who has the gift of being able to run a team of top-flight lawyers, while keeping a fundamental “bloe-next-door” quality intact. He isn’t completely immune from corporate speak, but the business clichés disappear when it counts. “Our people are nice people – we keep our feet on the ground,” the father of four says.

While its feet may be on the ground, Carter Newell was one of Queensland’s high-flying firms in 2009. Even in a year when keeping revenues at par would be considered a good result, the firm managed to get close to double-digit growth. Hopkins puts the result down to a targeted approach on specialisation and having the right people.

Life, liberty, and the pursuit of happiness

Hopkins isn’t too keen to talk about revenues and steers the conversation towards one of his favourite topics – building a happy law firm. He is concerned about the high incidence of depression in the legal profession and links this pattern with issues concerning work/life balance and engagement with work.

“We do recognise that not everyone

has an outstanding day every day. People are not machines,” he says. “Someone might have something come up at home, so we try and create the environment where [staff] trust us to the point where they’re comfortable to go and do what they need to do. When they come back they’re focussed and feel a valued part of the team.”

This approach is also reflected in staff policy – nearly 30% of the staff has some kind of flexible arrangement

engagement which makes them happy,” he says.

“We have people here who have come from firms where they’ve been back-room lawyers, so to speak. There are still a lot of firms doing that these days. It’s beneficial for clients too because they like to get to know other outstanding lawyers – although obviously you have to make sure that there is not a case of overexposure.”

“Many airports are now reviewing their master plans and seeking advice in relation to construction and reviewing contracts with users of the airports such as airlines and tenants”

facilitating an improved work/life balance. Yet Hopkins also says that lawyer morale is a product of the extent to which lawyers are allowed to understand the work in its full context. “We don’t put people in the background – if our lawyers are working on complicated work for a client, they will meet that client and get the level of exposure and

Thanks, but no thanks

Over the past five years, Carter Newell has been a target for merger proposals from Sydney and Melbourne-based firms. Hopkins says that approaches from these firms have always been courteously received, although ironically none have come from Brisbane firms. “We’re always respectful and keen to meet – but at



the end of the day we have preferred to maintain what we are doing as we believe in what we are doing.”

Despite would-be suitors offering major concessions for a merger to take place (including retention of the Carter Newell brand) the firm believed there would be no net benefit for clients in merging. The committee structures proposed for the merged entity would be too cumbersome and would compromise the law firm’s ability to “focus on service in a way that we control.”

Hopkins also points out that a number of Carter Newell lawyers joined the firm because they wanted to avoid the “large national-firm” culture. However, the firm is not completely opposed to the idea of a merger “if the right opportunity came along and it was a good fit,” but there would need to be compatibility both in the sense of culture and having complementary practice areas.

“What we found with a couple of the proposals was that you might get a strong practice area or two, but then they’d want to bring along family law too,” says the managing partner. Needless to say, this is not an area that Carter Newell’s carefully targeted practice areas include.

Corporate models

The firm operates under a corporate model with two external directors sitting on the firm’s board alongside CEO Peter Ellender. The external directors provide a fresh perspective on strategic direction and fiscal management, but Carter Newell is not incorporated.

It has experienced the same tax issues which received publicity last year, in connection with Deacons’ attempt to incorporate as a precursor to its merger with Norton Rose in January this year. Under Queensland law, Carter Newell would be liable to pay stamp duty on the transaction, and there would be also be additional costs borne with payroll and capital gains taxes issues.

The latter have been well-documented in relation to the Deacons merger. “And that’s where the Deacons-Norton Rose matter is a tough thing. They’re trying to do the right thing – you can certainly



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- Corporate
- Commercial property
- Litigation & dispute resolution
- Aviation

understand what they’re trying to achieve,” Hopkins says.

In the meantime, Carter Newell’s aim is to run the firm as close to a corporate model as possible – without actually being incorporated. “It just means that you have very experienced people, so if you’re looking at leasing issues or IT upgrades or what’s happening in an industry, you can really get another perspective.”

Taking flight

One of the firm’s more distinct niche areas is aviation law, starting out as a subset of the insurance practice. It eventually took on a life of its own and now covers matters such as compliance with airport legislation and the multitude of commercial issues associated with operating an airport.

Brisbane Airport is a long-standing client and a milestone achievement was the production of a national airports liability and compliance guide last year. “It’s a good example of how we worked with one client for a long time, as well as doing work for other airports around Australia,” says Hopkins. “We saw the need for [the guide] and the product was very well received. Value-add is very important these days.”

The aviation team has seen an increase in liability, property damage and business interruption claims lately, and Hopkins believes this is connected with the Federal Government’s recent ratification of the international 1999 *Montreal Convention*. Inter alia, this convention provides for an increase to carriers’ maximum liability for delay or loss or damage to cargo, as well as increased scope for carrier liability on other fronts.

“Many airports are now reviewing their master plans and seeking advice in relation to construction, [as well as] reviewing contracts with users of the airports such as airlines and tenants, and considering the terms of use for an airport facility and pricing structures,” he says. **ALB**