



**Beacon Legal
Salary and Market Report 2018
Australia**

Beacon Legal

Beacon Legal is a specialist legal recruitment consultancy focusing on the Private Practice and in-house legal markets. Beacon Legal was founded by ex City lawyers who are also experienced recruitment consultants, which benefits our clients and candidates with unrivalled knowledge and understanding of the legal employment market in our key geographies: Australia, Asia, UK, Dubai and Offshore.



"The Australian economy entered 2018 with positive sentiment, which has led to increased hiring by most mid to large law firms in comparison to the previous year. Salaries in certain areas are at a 'post GFC' peak and look set to rise during 2018."

Alex Gotch, Director

Salary and Market Report 2018

This Beacon Legal Salary and Market Report 2018 has been compiled using our specialist industry knowledge, together with salary data collected from candidates and clients (we also verify data by cross referencing a major salary benchmarking company). The nature of this report requires a degree of generalisation; we encourage our readers to contact us should you require bespoke advice. All figures are quoted in Australian dollars and are inclusive of superannuation and exclusive of bonus component unless stated otherwise.

Market Update

The Australian economy entered 2017 cautiously and optimism grew throughout the year and into 2018.

The previous year was one of uncertainty fuelled by geopolitical events such as Brexit, the US election and the Australian Federal election. Optimism grew throughout 2017 and the economy, as well as the legal market, gained momentum into 2018. This provided an interesting and dynamic backdrop for the legal recruitment market in Australia.

Post GFC peak

Interestingly, salaries in certain areas are at a 'post GFC' peak and are continuing to rise during 2018, adding to an overall positive market sentiment.

Property and Construction, Technology, Finance and Corporate were all areas which experienced high demand in 2017

We expect this trend to continue throughout 2018. As the economy strengthens domestically and also, albeit more reservedly, in key international markets, we anticipate these trends will continue. In 2017, we saw more corporate transactions, a continuance of property developments and infrastructure projects as well as a growing trend of Australia being used as a hub for technology companies looking to capitalise on opportunities within the Asia Pacific region.

Demand for talented lawyers at the 3-7 year PQE level will continue to outstrip supply during 2018; this is the stage of a lawyer's career where they often leave Australia to work overseas or move into an in-house legal role, which creates a supply deficit.

Tough competition for in demand lawyers

A significant indicator of market positivity was the increase of salaries at the top end of the market and the fierce and often remuneration driven competition to attract and retain the best lawyers.

**25%
increase**

The top lawyers moving to a competitor within Private Practice are likely to receive multiple job offers and can receive offers as high as 25% more than their current salary.

This is especially within the Top Tier and US firm bracket where there is a shortage of quality supply, particularly at the 3-7 year PQE level.

It is more important than ever for firms to offer a highly attractive benefits package, including salary, bonus and additional benefits such as flexible working, wellness and healthcare programs and enhanced annual leave entitlements.

Salary and bonus trends

Salaries

On average, we have experienced a 5% salary increase across all disciplines for lawyers from 2017. We expect this to continue to rise during 2018.

Mid Tier firms attempted to close the salary gap with the Top Tier firms as they look to attract the top talent in the market through increased salaries, stronger additional benefits packages and the promise of a better work life balance.

The Top Tier and US firms have responded and we have seen some exceptional offers being made to highly demanded candidates, which include enhanced bonus schemes (12-15%), sign on bonuses up to \$10,000 and salary increases up to 25% more than the candidate's current pay.

Where will you get paid well and flexible working?

Interestingly, we have also seen some fantastic financial offers from the heavy-hitting boutiques, particularly those which specialise in corporate law, as they look to poach from the Top Tiers with competitive pay, greater autonomy and more flexible working arrangements. which we expect to continue during 2018.

Bonuses

We expect an increase in bonus levels during 2018.

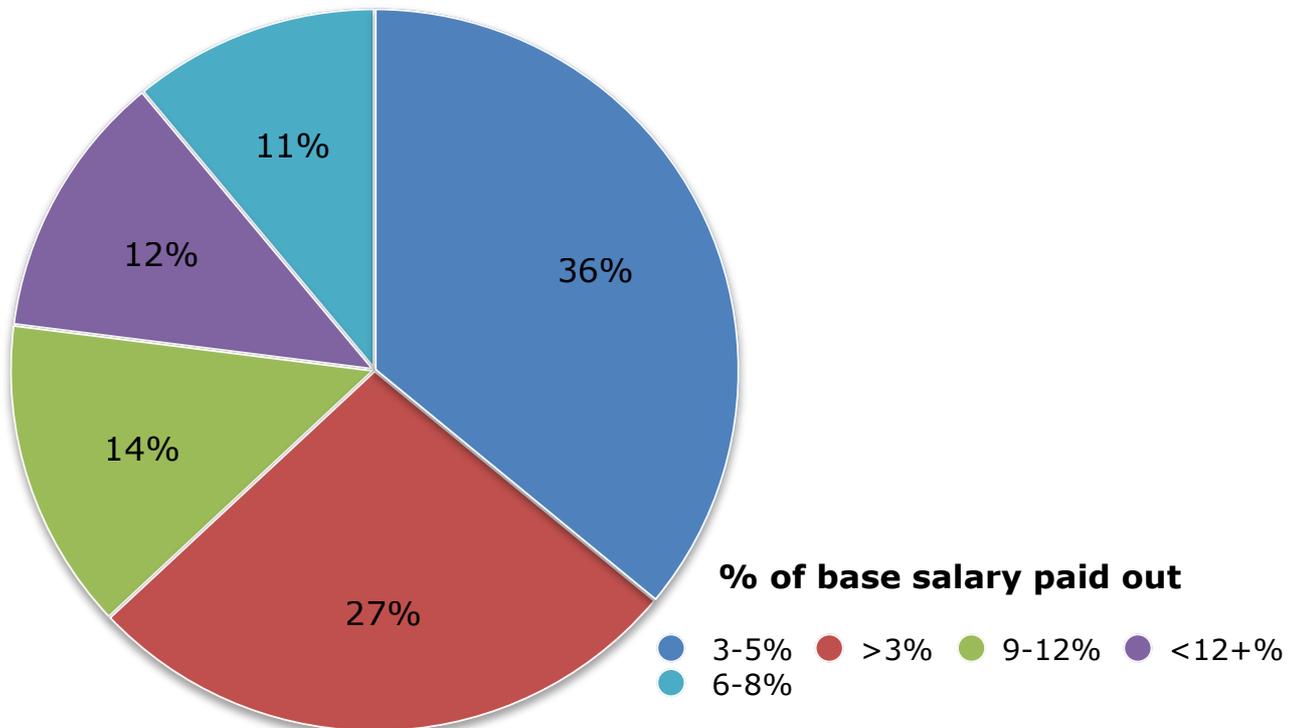
Bonus levels remained steady across the majority of firms during 2017. We expect an increase in bonus levels during 2018 as the positivity from 2017 is financially realised by many firms and the importance of retaining top talent continues to increase.

77% of firms paid a bonus to fee earning staff in 2017

Firms paid out sign on bonuses up to \$10,000

How much did law firms pay out in bonuses in 2017?

% of firms which gave bonuses



Australians overseas

NYC and London pay on average 25-40% more than Australian firms

An effect of a tumultuous 2016 was an increase in the number of Australian lawyers returning home in 2017. Whilst demand still outstrips supply in most areas, many firms, notably the Top Tiers and International firms, have capitalised on the Australians who have returned home with strong international experience. Lawyers returning to Australia from international markets should be prepared to compromise on remuneration as markets such as New York and London tend to pay on average 25-40% more than you would receive domestically.

Salary Tables

Sydney

Boutique firm

PQE	Range	Mode
1	60,000 - 75,000	63,000
2	66,000 - 84,000	70,000
3	80,000 - 100,000	85,000
4	93,000 - 125,000	105,000
5/SA1	115,000 - 145,000	125,000
SA2	125,000 - 160,000	135,000
SA3	135,000 - 180,000	155,000
SA4	145,000 - 190,000	170,000
SA5/SC	170,000 +	190,000

Mid Tier firm

PQE	Range	Mode
1	68,000 - 82,000	77,000
2	74,000 - 95,000	86,000
3	90,000 - 110,000	100,000
4	105,000 - 135,000	115,000
5/SA1	120,000 - 145,000	130,000
SA2	130,000 - 160,000	144,000
SA3	140,000 - 175,000	161,000
SA4	150,000 - 185,000	175,000
SA5/SC	165,000 +	205,000

Top Tier and US firm

PQE	Range	Mode
1	70,000 - 85,000	80,000
2	85,000 - 100,000	92,000
3	95,000 - 115,000	115,000
4	110,000 - 140,000	130,000
5/SA1	130,000 - 170,000	160,000
SA2	145,000 - 180,000	170,000
SA3	165,000 - 210,000	190,000
SA4	170,000 - 240,000	210,000
SA5/SC	200,000+	225,000

Melbourne

Boutique firm

PQE	Range	Mode
1	60,000 - 70,000	62,000
2	65,000 - 82,000	68,000
3	77,000 - 100,000	83,000
4	88,000 - 120,000	98,000
5/SA1	110,000 - 140,000	119,000
SA2	118,000 - 150,000	130,000
SA3	128,000 - 170,000	140,000
SA4	135,000 - 180,000	160,000
SA5/SC	160,000 +	180,000

Mid Tier firm

PQE	Range	Mode
1	65,000 - 80,000	75,000
2	70,000 - 90,000	81,000
3	87,000 - 105,000	98,000
4	100,000 - 125,000	115,000
5/SA1	115,000 - 138,000	127,000
SA2	128,000 - 155,000	140,000
SA3	140,000 - 175,000	156,000
SA4	150,000 - 185,000	170,000
SA5/SC	160,000 +	195,000

Top Tier/US firm

PQE	Range	Mode
1	65,000 - 80,000	80,000
2	85,000 - 96,000	91,000
3	95,000 - 112,000	105,000
4	105,000 - 135,000	124,000
5/SA1	125,000 - 160,000	150,000
SA2	135,000 - 170,000	160,000
SA3	155,000 - 195,000	180,000
SA4	160,000 - 220,000	200,000
SA5/SC	200,000+	215,000

Other major cities

For salary statistics for Brisbane, Adelaide, Perth and Canberra, please contact us directly.



Contact Us

Beacon Legal provides specialist, bespoke remuneration advice to our candidates. Contact us directly for advice on your personal remuneration package.

Alex Gotch

Director

Alex.Gotch@beacon-legal.com.au

02 9030 0335