

# LEGAL MARKET UPDATE

## Australia



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#### HIGH INDUSTRY DEMAND FOR LAWYERS

#### BANKING ROYAL COMMISSION

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### Litigators in high demand

2018 has seen increased activity in the litigation market. As the economy improves and corporate activity increases, the litigation market has followed this trend.

The Top Tier and Mid Tier firms have consistently looked to hire capable litigators to service the demand from clients. There have been 84 new vacancies available in Sydney and 72 in Melbourne for litigators during 2018 YTD. The bulk of this demand has been at Associate level with those between 3-6 years PQE in particularly high demand.

The Big 4 Accounting firms, notably EY and PWC, have increased their hiring in this space in a continued effort to offer a full service to their clients and increase the competition in an already highly competitive legal market.



## Banking Royal Commission

As a result of the Banking Royal Commission, a number of new roles for litigators have been created. The demand from the Big 6 firms is at its highest for years as they service the requirements which have resulted from the Commission. The Big 4 Banks have continued to hire in-house litigation and regulatory lawyers to deal with the ever increasing red-tape in the financial services industry.

## Property & Construction

The first half of 2018 has seen a continuation of the buoyant Property & Construction market across Australia. Sydney and Melbourne have been the busiest States, with growth dominated by two main elements. Firstly, state-wide infrastructure spending on both road and rail. Secondly, demand for high-end real estate and hotels fuelled by an increase in overseas buyers and tourists.

Economic conditions have improved across Brisbane and Perth with spending at its highest level for a number of years. This has led to an increase in demand within the legal market in both cities. We have experienced more requests than previous years from lawyers originally from these cities who have been working on the east coast or overseas, but are now looking to return as more jobs become available.

So far in 2018, there have been 138 roles for Property and Construction lawyers in the Mid and Top Tier firms in Sydney, 109 in Melbourne, 48 in Brisbane and 37 in Perth. This specialism is the most 'in demand' legal skill set across Australia.

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There have been a number of high profile projects in 2018, notably the advancement of Australia's largest ever transport infrastructure project; the Sydney Metro. The first trains were tested in H1 2018 and services are expected to begin early 2019. The NSW Infrastructure Strategy 2018-2038 plans to invest unprecedented amounts into Sydney's infrastructure, which will maintain the demand for legal services for the foreseeable future.

## Corporate and M&A

2018 has started positively in the corporate market with a number of high profile, high value deals. The volume and overall deal value is the highest it has been for over 7 years, as recently reported by Thomson Reuters.

The Top Tier and Mid Tier firms have consistently looked to hire quality corporate lawyers to service the demands of national and international M&A deals and advisory work. Beacon Legal has experienced an unprecedented demand from our clients and have more roles than candidates, which indicates the strength of the market in Australia. There have been 43 vacancies become available in Sydney and 33 in Melbourne. The strong salaries on offer are reflective of demand outstripping supply, in such a lucrative area of legal practice.



## Major Deals

Allens has acted in one of the largest-ever public M&A deals in Australian corporate history. The firm advised Unibail-Rodamco on its recently completed acquisition of Westfield Corporation for an enterprise value of \$32.7bn. The acquisition forms a global developer and operator of flagship shopping destinations with a portfolio valued at €62bn and a development pipeline of €13bn.

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## Banking & Finance

The Financial Services industry is exceptionally busy. The first half of the year has seen increased demand for Private Practice lawyers making their first move in-house, notably as a result of increased hiring from the Big 4 banks as well as investment banks such as Macquarie. The continued and rapid growth of Fintech has led to an increased demand for in-house lawyers at businesses which are now at the size where it makes sense to create an internal legal function. Companies such as ASX listed AfterPay have experienced rapid growth in users and revenue in 2018, as the industry continues to revamp the way consumers manage their money.

Within Private Practice in Sydney, there have been 42 new vacancies becoming available YTD. In Melbourne, 31 new vacancies have become available this year.



## Salary Update

The majority of Mid and Top Tier firms have tried to bolster their teams so they can take advantage of the current positive market conditions. Candidate demand is outstripping supply, particularly at the 3-6 year PQE level, which has led to an increase in salaries for the most sought after candidates. Many firms, particularly the Big 6 and US firms, are offering market leading salaries and are willing to offer sign on bonuses in order to attract the best talent.

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June and July means Performance Review time in Australia, with 90% of firms conducting salary reviews too. The overriding sentiment we have heard from our network is positive, with far fewer candidates than usual feeling disappointed with their salary review. This has caused an even greater shortage of candidates who are looking for opportunities, as more decide to remain in their current role, in what is historically the most numerous time of year for candidate availability. This makes recruitment tough for law firms, but if you are a candidate currently on the market, it is a great time to be looking. We expect this trend to continue throughout 2018 and into 2019 as the economy continues on it's upward curve.

<b>PQE</b>	<b>Mid Tier Firms</b>	<b>Top Tier/US Firms</b>
1	70,000 – 80,000	70,000 - 85,000
2	75,000 – 95,000	85,000 - 100,000
3	90,000 – 110,000	97,000 - 118,000
4	105,000 - 135,000	110,000 - 140,000
5	120,000 - 145,000	140,000 - 180,000
6	130,000 - 165,000	150,000 - 185,000
7	140,000 - 170,000	165,000 - 205,000
8+	160,000+	175,000+

\*including superannuation

For salary information related to your personal circumstance, please contact us.

Contact Alex Gotch, Director, to discuss the market or enquire about live roles.

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