

BEACON LEGAL

Specialist Legal Recruitment.

PRIVATE PRACTICE SALARY & MARKET REPORT

JANUARY 2022



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Salary and Market Report - January 2022

2021 was an incredibly busy year for legal recruitment in Australia. There were a number of key drivers fuelling law firm hiring and an ever-widening gap between supply and demand, amplified by an exodus of Australian lawyers moving overseas. We will discuss these trends in this Report and conclude with the potential implications for lawyers' salaries in 2022.

We hope you find this Report useful. As always, if you have any questions about the content of the Report, or would like advice about your employment situation, please don't hesitate to reach out to any member of the Beacon Legal team.

Alex Gotch

Director & Qualified Lawyer
Beacon Legal



2021 - RECORD SALARY INCREASES

Average salaries for Australian lawyers, at all levels, increased significantly in 2021.

What were the main contributing factors?

Visa restrictions

Since Australia closed its border in March 2020, the domestic skills shortage has increased in many industries, the legal industry included. In previous years, the large firms would employ numerous overseas qualified lawyers on skilled worker visas, which is currently not possible due to the Government's restrictions. This has had a significant negative impact on the supply of talented lawyers, whereas the demand from the law firms has increased during 2021.

Increased volume of roles

Within the M&A market, the 447 transactions executed in the first four months of 2021 where the target company was Australian, accounted for \$40.5 billion in deal value which is the highest on record since 1980 – according to figures prepared for The Australian Financial Review by data provider Refinitiv. Corporate M&A departments, within most law firms, have been operating at over 100% utilisation and have hired consistently through the year which has led to record numbers of job availability. This trend has been common across a significant number of practice areas and has resulted in record job vacancy volume at the major law firms.

In-House Roles Becoming Increasingly Attractive

In-House legal teams are becoming more sophisticated every year and continue to lure top Private Practice talent. As demand for In-House lawyers has increased, so have salaries. Our In-House team have received some of the highest salary offers we've ever seen, as in-house teams look to compete with private practice salaries. One lawyer we placed was offered \$160,000 + super as a 2019 admitted corporate lawyer, giving them a salary increase of 40% from their Top Tier Private Practice salary.

International Firms Recruiting Top Australian Talent

In 2021, we saw international borders reopen and US and UK firms headhunting top Australian junior and mid-level lawyers at rates higher than ever before.

In the US market, the recruitment drive for Australian lawyers has been particularly strong compared to previous years. 'BigLaw' US firms such as Milbank have increased first year lawyers' salaries to \$200,000 USD in 2021 and salaries like this make the market very attractive for our top Australian lawyers. The London transactional market has also been incredibly buoyant with a large volume of roles available for Australian lawyers, who are held in high regard in the London market.

The result – a record year for salary increases

Due to all of the above factors, we have seen an ever-widening gap between supply and demand; there are not enough lawyers in Australia to satisfy the requirements of the major law firms. This has resulted in 2021 being a great year for job seeking lawyers looking for significant career progression and a pay rise. The competition between firms is intense as they strive to make the most compelling offers to secure their preferred candidates.

KEY FINDINGS IN AUSTRALIA 2021

Key areas of Demand



Corporate / Private Equity



Litigation



Finance - transactional



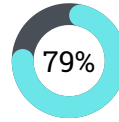
Employment



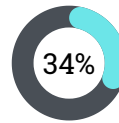
Real Estate



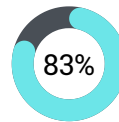
Bonuses FY 2021



Lawyers from the Top 20 firms who received a bonus for FY 2021



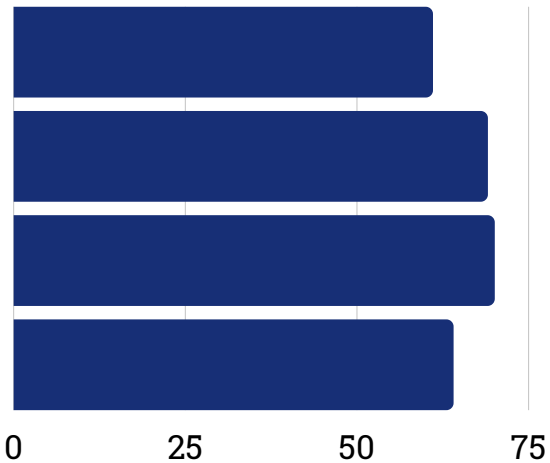
Lawyers from the Top 20 firms who received a bonus of 10+% of salary for FY 2021



83% of lawyers received a sign-on bonus when changing jobs. Ranging from \$5,000 - \$20,000.

Top 4 determinants of job satisfaction

Remuneration



Firm culture

Flexible working

Quality work



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SALARY TABLES

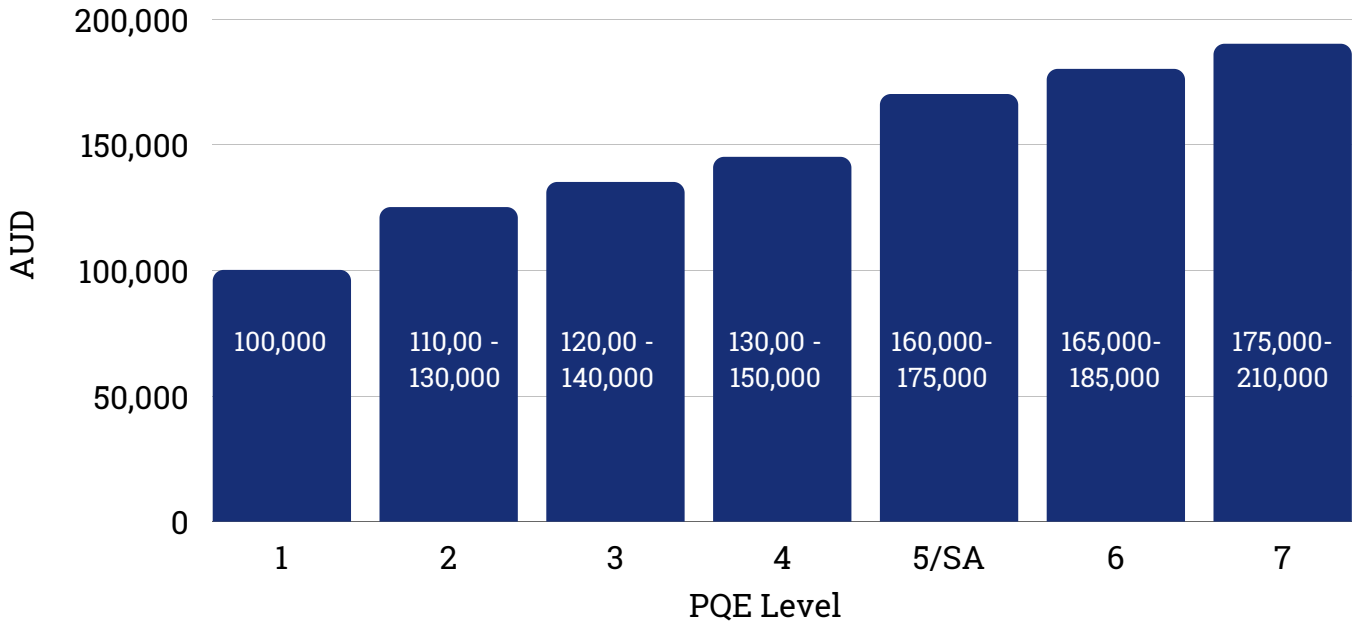
A nighttime photograph of a city skyline, likely Melbourne, Australia. The image shows several tall skyscrapers with their windows lit up, and a prominent clock tower in the foreground. The city lights are reflected in a body of water in the foreground. The sky is a deep purple and blue.

All figures are average salaries, in Australian Dollars, and are inclusive of base salary and superannuation.

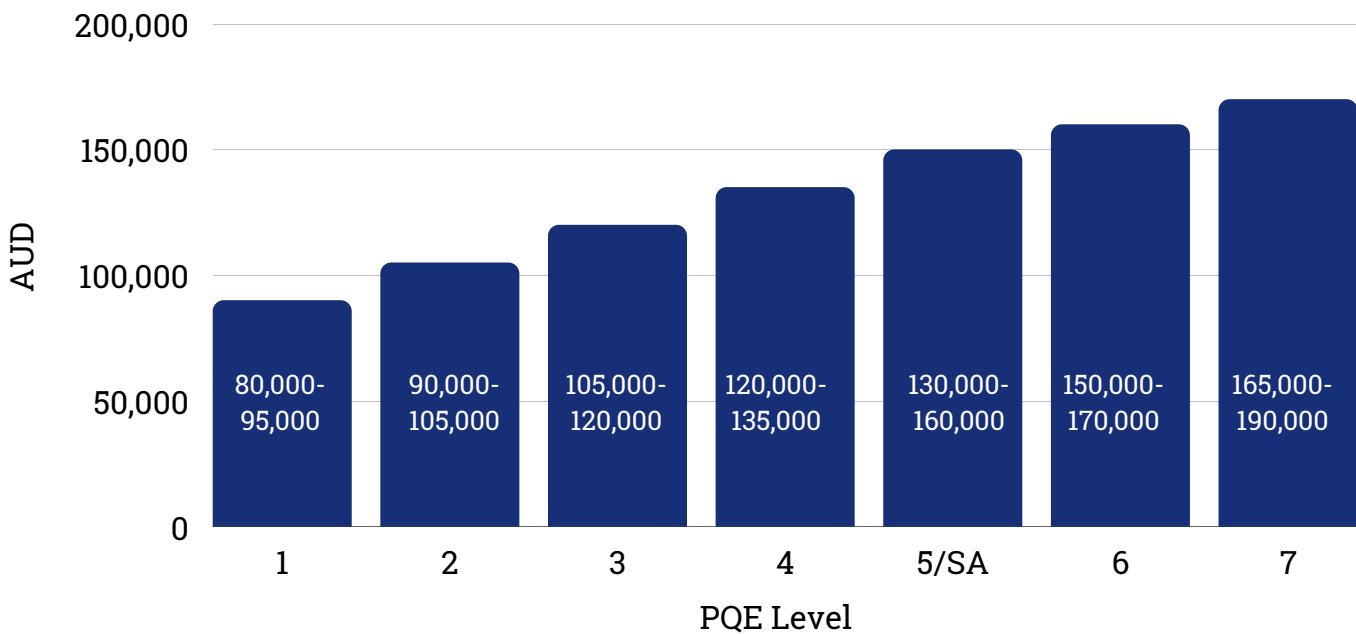
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Sydney Top-Tier Firms



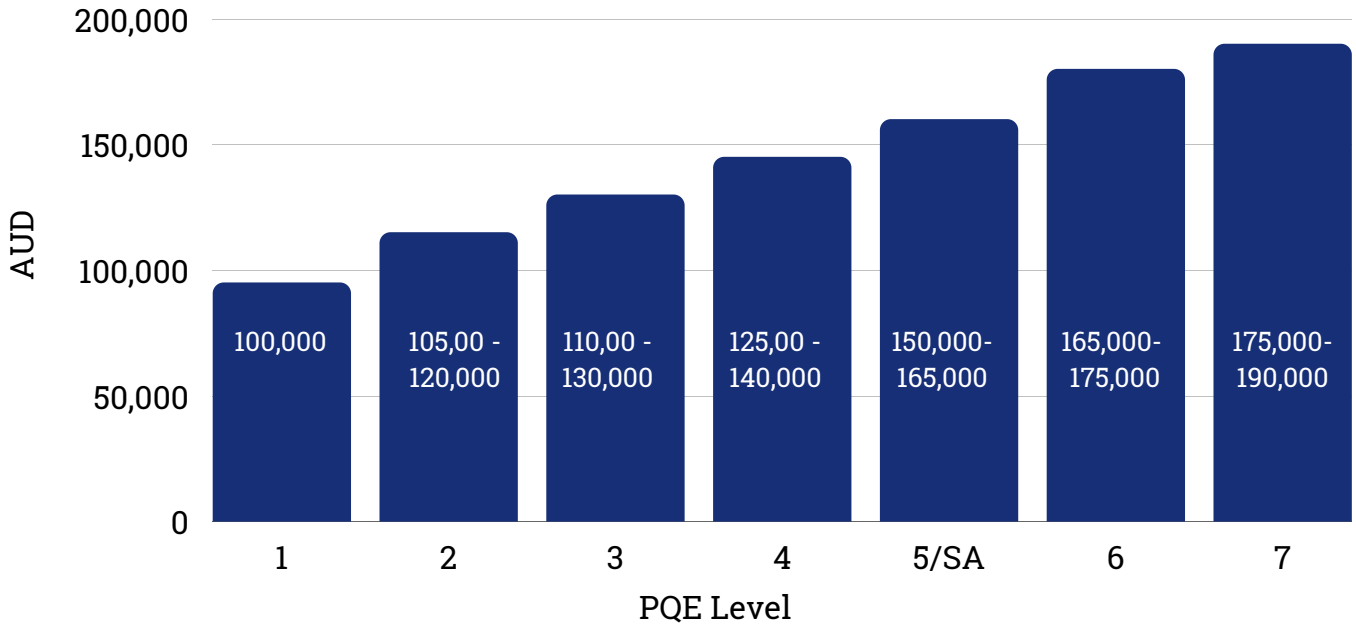
Sydney Mid-Tier Firms



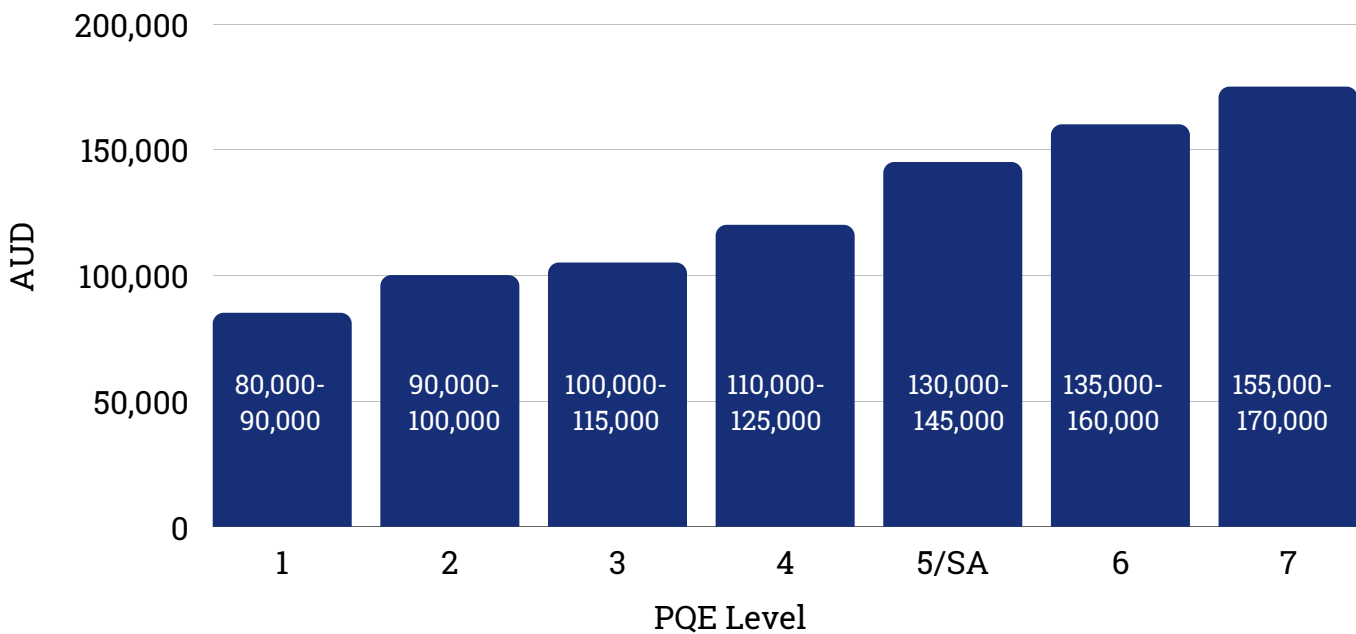
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Melbourne Top-Tier Firms



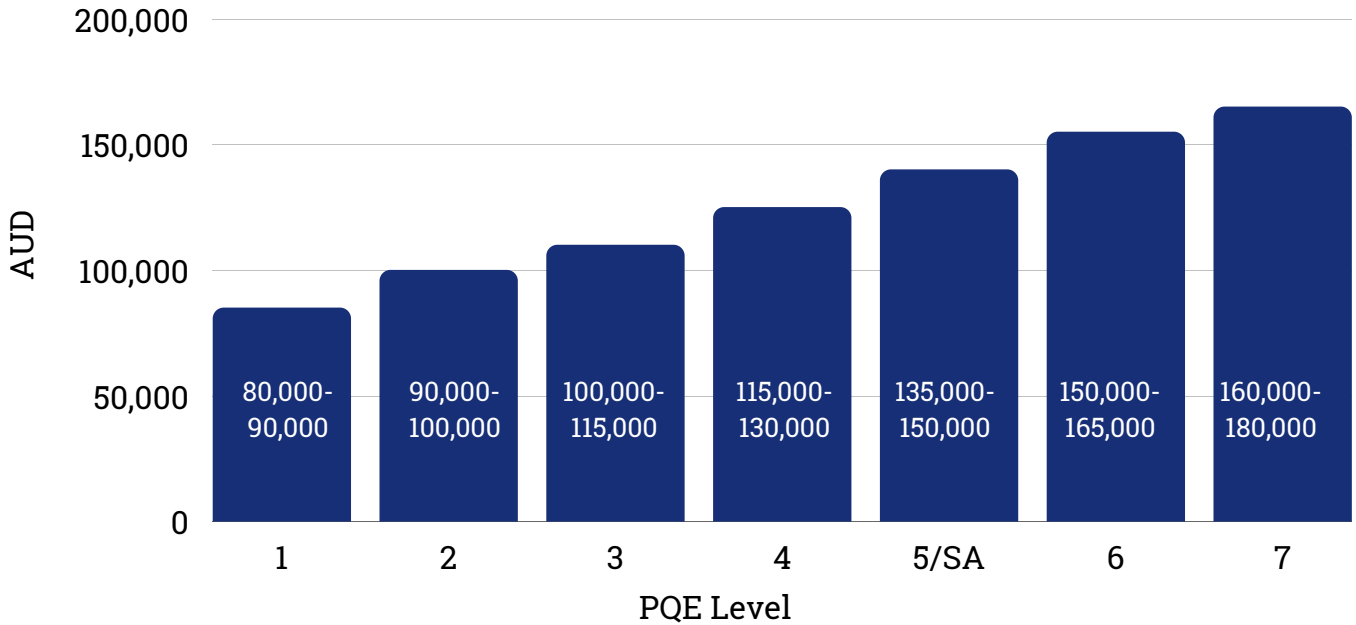
Melbourne Mid-Tier Firms



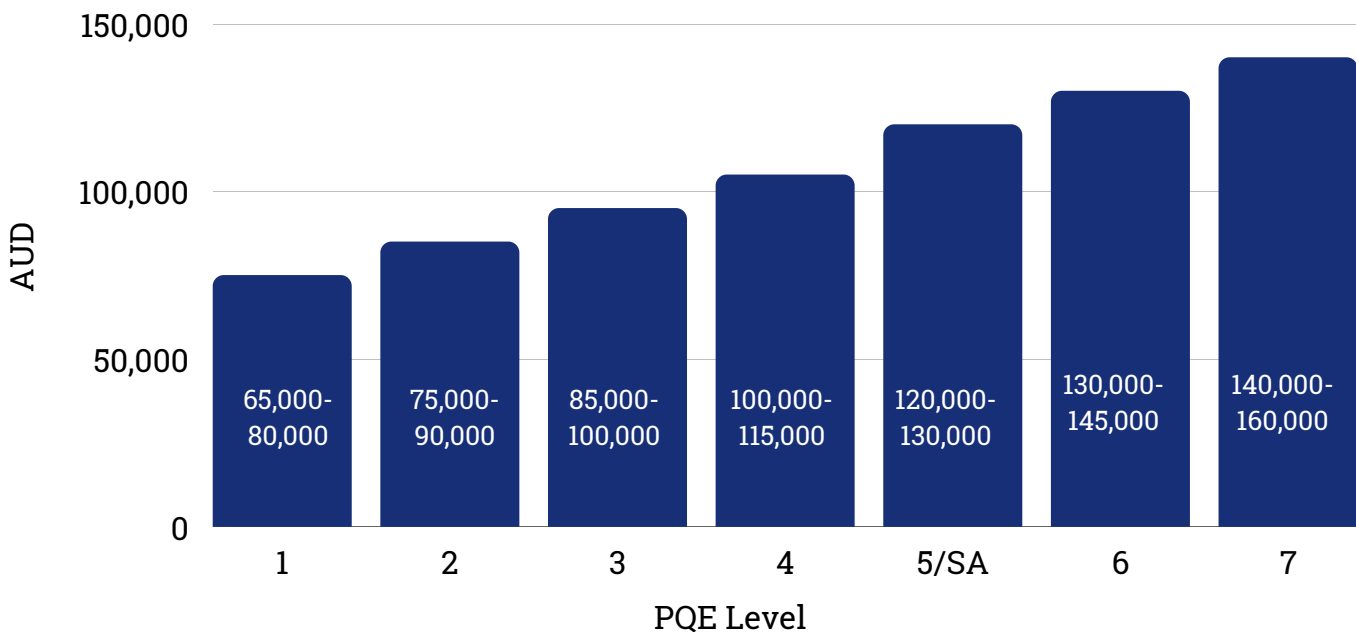
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Brisbane Top-Tier Firms



Brisbane Mid-Tier Firms



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SALARY TRENDS IN 2022

We expect 2022 to continue at the same pace as 2021.

All of the factors discussed previously in this Report are still relevant going into 2022, as law firms in Australia continue to hire at record volumes.

The international job market also shows no signs of slowing down and Australian lawyers are in high demand in the major markets of London and the USA.

As a job seeker, when it comes to negotiating salary for a new role, Australian lawyers are in as strong a position as they have ever been in the domestic market. This is also relevant if you are negotiating your salary at your current firm. Law firms will continue to compete for the top talent with salary and sign-on bonuses being one of the main differentiating and important factors as a point of difference.

Negotiating salaries

Beacon Legal are highly experienced with a proven track record for obtaining our candidates the best salary and sign-on bonus possible. We know the law firms' salary bandings, understand relativities in the market and will always be strong advocates for our candidates. Get in touch with any of the team to discuss the market, salaries, vacancies and if you need general career advice. We will be happy to help.

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If you have any questions about the content of this Report, please reach out. We're always happy to provide tailored salary advice based on your unique circumstances. Get in touch with a member of the Beacon Legal team.

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In-House

Want a copy of our In-House Salary Report? Contact us to request a copy.



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