



BEACON LEGAL
SPECIALIST LEGAL RECRUITMENT

**PRIVATE PRACTICE
SALARY & MARKET
REPORT**

JAN 2023

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PRIVATE PRACTICE SALARY AND MARKET REPORT - JAN 2023

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OVERVIEW

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In Financial Year 21/22 the legal market experienced the most significant rate of growth since the post-GFC era.

Most firms initially saw unprecedented demand for growth in transactional groups (across all PQE levels), but in the last six months of 2022, amidst growing geopolitical and economic uncertainty, there was a shift in focus to more targeted hiring (especially at the 3-7 PQE levels where there is the greatest attrition).

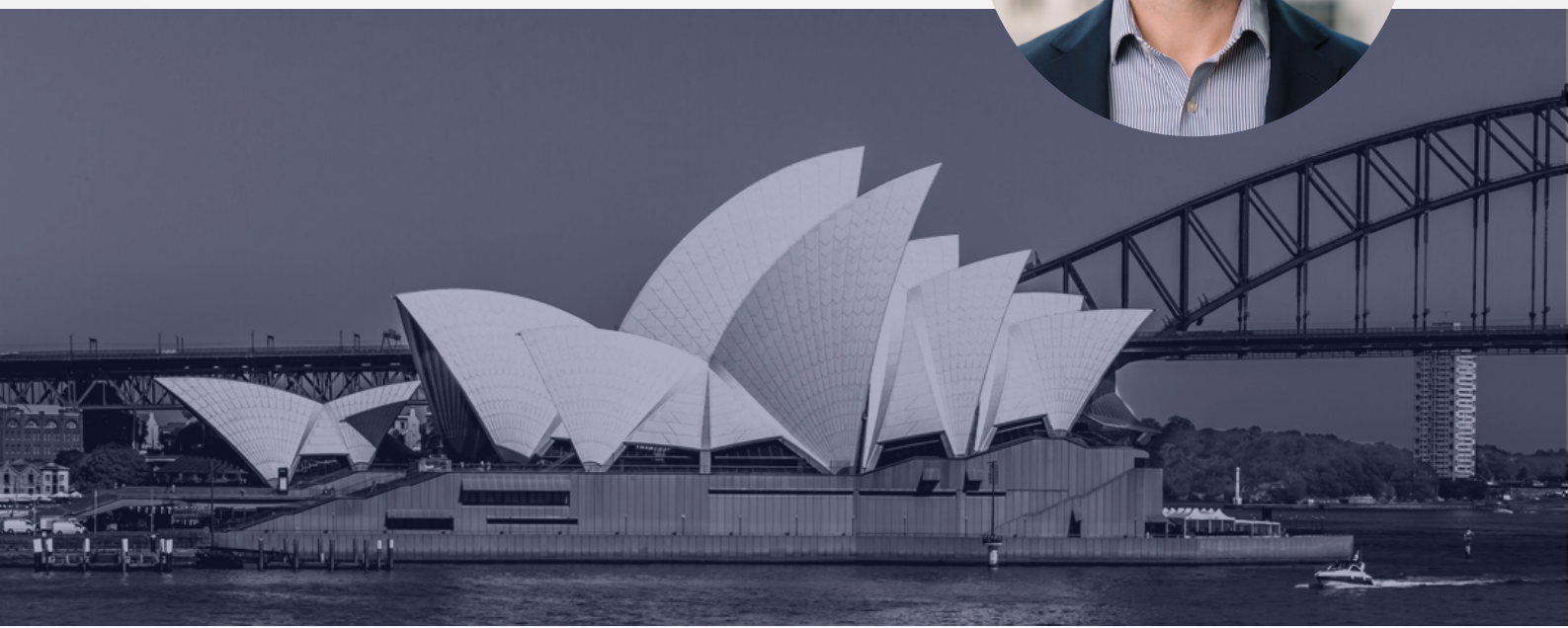
Since we published our Mid-Year Report in July 2022, hiring across the Australian legal market has become much more selective.

The major law firms continue to report strong pipelines of work, with a positive outlook for 2023. Hiring continues in areas such as Corporate, Finance, Real Estate, Technology, ESG, Cyber and Energy Transition, with demand remaining strong at the experienced Associate and Senior Associate levels in particular. We are also seeing counter-cyclical increases in hiring across Contentious practice groups and in particular, Insolvency.

We hope you find this Report useful. As always, if you 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



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22/23 SALARY INCREASES

Average salaries for Australian lawyers, at all levels, increased significantly last year. **What were the main contributing factors?**

SKILLS SHORTAGES

Law firms, as with many other industries, were affected by the global skills shortage. This influenced firms' decisions to offer substantially higher salaries, in an attempt to retain their talent pool. Stricter regulation around obtaining visas continued to impact the ability of foreign qualified lawyers to take up positions in Australia, which negatively affected the available talent pool. At the end of 2022 and the start of 2023, we have seen more foreign lawyers relocating to Australia, which is helping to ease the impact of decreased inward migration during the COVID period.

EMPLOYEE EXPECTATIONS

The skills shortage encouraged lawyers to do their due diligence and gain a clear understanding of their worth in the market. Armed with this information (including resources such as the Beacon Legal Salary & Market Report 2022 and discussions with our Consultants) lawyers were able to assess their performance/operative levels and make a strong business case for above market remuneration. Some firms appreciated the risks of headcount loss they were facing, whilst others were not so proactive, leaving lawyers feeling their remuneration was unreflective of individual performance and market rates.

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WORK-LIFE BALANCE

Post-COVID, many lawyers re-evaluated their life goals, and where previously they may have had one eye on progressing quickly to the Senior Associate or Partner level, they now placed more emphasis on achieving a work-life balance.

This in turn led to significant growth in hiring within the in-house space across all levels, boosted by in-house salaries increasing in competitiveness when compared to private practice salaries.

LATERAL & INTERNATIONAL MOVES

Our discussions with candidates during 2022 indicated that uncompetitive salaries were a major factor when considering a lateral move. This trend was more prevalent than the most common factors of previous years, being the lack of progression opportunities and poor culture.

With regards to international moves, there were several factors to consider. US firms willing to pay 1 PQE lawyers AUD300,000 was an attractive proposition, however, the opportunity to travel (very important in a post-COVID world), work in a different jurisdiction and develop careers by working on global/market-leading matters were all primary considerations.

THE RESULT

We predict that the factors discussed above will lead to 2023 being favourable for lawyers seeking career advancement and better pay. The competition between firms to hire talented lawyers at the experienced Associate and Senior Associate levels in particular is intense - law firms are likely to continue making compelling offers to secure their preferred candidates, both laterally and internationally.

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SALARY TABLES

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

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SYDNEY

Heading into the start of 2023, demand in Sydney has remained consistent across most practice areas. Mid-level and Senior Associate hiring continues to be the focus for firms as they look to bolster their teams for the year ahead.

With the global recruitment market slowing down in recent months due to economic headwinds, there have not been as many Australian lawyers departing overseas. As a result, the domestic market has re-ignited with those looking for change deciding to capitalise on the attractive salaries and financial incentives being offered locally.

Experienced Lawyers (3 PQE+) with Finance, Litigation, Construction/Infrastructure or Corporate/M&A skillsets are currently the most in demand across the leading Top- and Mid-Tier practices. To combat inflation, firms have increased Sydney salaries by circa \$10,000 for new hires, often going outside the traditional salary bandings for stand-out candidates.

Here are some stellar results we've achieved for candidates in Sydney:

- Technology Associate (2 PQE) - \$145k + \$5k sign on
- Corporate Associate (5 PQE)- \$165k + \$10k sign on
- Litigation Senior Associate (6 PQE) \$210k + \$10k sign on
- Banking Senior Associate (7 PQE) - \$235k + \$25k sign on
- Corporate/Funds Senior Associate (8 PQE) - \$280k + \$20k sign on
- Finance Special Counsel (9 PQE) - \$300k + \$30k sign on

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Sydney Top-Tier Firms

| PQE LEVEL | \$AUD Range | \$AUD Average |
|-----------|-------------------|---------------|
| 1 | 110,000 - 125,000 | 115,000 |
| 2 | 125,000 - 145,000 | 130,000 |
| 3 | 130,000 - 153,000 | 140,000 |
| 4 | 145,000 - 162,000 | 150,000 |
| 5 | 150,000 - 170,000 | 165,000 |
| SA 1 | 185,000 - 210,000 | 195,000 |
| SA 2 | 200,000 - 235,000 | 215,000 |
| SA 3 | 230,000 - 260,000 | 245,000 |
| SA 4 | 250,000 - 280,000 | 260,000 |
| Counsel | 275,000 - 360,000 | 300,000 |

Sydney Mid-Tier Firms

| PQE LEVEL | \$AUD Range | \$AUD Average |
|-----------|-------------------|---------------|
| 1 | 85,000 - 100,000 | 90,000 |
| 2 | 100,000 - 110,000 | 105,000 |
| 3 | 120,000 - 130,000 | 125,000 |
| 4 | 135,000 - 150,000 | 140,000 |
| 5 | 140,000 - 155,000 | 150,000 |
| SA 1 | 150,000 - 170,000 | 160,000 |
| SA 2 | 165,000 - 185,000 | 170,000 |
| SA 3 | 180,000 - 200,000 | 190,000 |
| SA 4 | 200,000 - 220,000 | 210,000 |
| Counsel | 230,000 - 280,000 | 250,000 |

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MELBOURNE

Whilst Melbourne's post-COVID "hiring drive" took a little longer than expected, increased vacancy volumes, high levels of demand, and salaries comparable to Sydney made Melbourne a highly competitive market in 2022.

Like all major Australian cities, Melbourne experienced the talent-loss to major US and London law firms. This movement of Top-Tier lawyers created opportunities domestically for those looking to make a "step up" into the premier Melbourne practices.

Melbourne salaries in 2022 were reflective of the disparity that existed between demand for lawyers versus the supply available. Increases of up to 20% (10-15% typically) were not uncommon as firms battled to retain staff and incentivise new hires.

Looking forward into 2023, the salary gap between Melbourne and Sydney has decreased with record salaries being offered to Melbourne based candidates in 2022. With these additional financial incentives, competitive housing prices and cost-of-living benefits, we envisage Melbourne increasing in popularity as a destination for lateral, interstate and international movers alike.

Here are some stellar results we've achieved for candidates in Melbourne:

- Corporate Associate (1.5 PQE) - \$130k + 8k sign on
- Employment Associate (3 PQE) - \$148k+ 10k sign on
- Banking Senior Associate (6 PQE) - \$210k+ 10k sign on
- Litigation Senior Associate (8 PQE) - \$220k + 10k sign on
- Competition Senior Associate (10 PQE) - \$250k + \$15k sign on
- Major Projects Special Counsel (11 PQE) - \$275k + \$25k sign on

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Melbourne Top-Tier Firms

| PQE LEVEL | \$AUD Range | \$AUD Average |
|-----------|-------------------|---------------|
| 1 | 105,000 - 120,000 | 110,000 |
| 2 | 120,000 - 134,000 | 124,000 |
| 3 | 130,000 - 145,000 | 135,000 |
| 4 | 135,000 - 155,000 | 148,000 |
| 5 | 150,000 - 170,000 | 157,000 |
| SA 1 | 175,000 - 190,000 | 176,000 |
| SA 2 | 190,000 - 210,000 | 200,000 |
| SA 3 | 210,000 - 225,000 | 215,000 |
| SA 4 | 230,000 - 250,000 | 240,000 |
| Counsel | 250,000 - 320,000 | 275,000 |

Melbourne Mid-Tier Firms

| PQE LEVEL | \$AUD Range | \$AUD Average |
|-----------|-------------------|---------------|
| 1 | 80,000 - 95,000 | 90,000 |
| 2 | 90,000 - 110,000 | 100,000 |
| 3 | 100,000 - 120,000 | 115,000 |
| 4 | 120,000 - 140,000 | 130,000 |
| 5 | 130,000 - 150,000 | 140,000 |
| SA 1 | 145,000 - 165,000 | 155,000 |
| SA 2 | 165,000 - 185,000 | 175,000 |
| SA 3 | 180,000 - 205,000 | 195,000 |
| SA 4 | 190,000 - 220,000 | 210,000 |
| Counsel | 210,000 - 280,000 | 230,000 |

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BRISBANE

We have seen a significant increase in salaries for junior lawyers with the Top-Tiers becoming more open minded to 1 PQE lawyers being hired across numerous practice areas including Corporate, Construction, Banking & Finance, Real Estate, Insurance and Commercial Litigation.

Salaries within National law firms in Brisbane have all increased, with some levels such as 2-5 PQE having significant uplifts. The most substantial increases in remuneration (up to 20%) were enjoyed by junior-Senior Associate lawyers at the 4-7 PQE level.

We are also seeing significant increases in salaries across the Insurance market (a historically lower-paid practice) with a Senior Associate earning on average 15% more than previous years. Interestingly, we are also seeing in-house Legal Counsel lawyers considering moves back to private practice as salary gaps narrow and agile ways of working become commonplace.



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Brisbane Top-Tier Firms

| PQE LEVEL | \$AUD Range | \$AUD Average |
|-----------|-------------------|---------------|
| 1 | 85,000 - 90,000 | 90,000 |
| 2 | 100,000 - 110,000 | 105,000 |
| 3 | 115,000 - 125,000 | 120,000 |
| 4 | 130,000 - 140,000 | 135,000 |
| 5 | 140,000 - 150,000 | 145,000 |
| SA 1 | 155,000 - 165,000 | 160,000 |
| SA 2 | 170,000 - 180,000 | 175,000 |
| SA 3 | 185,000 - 195,000 | 190,000 |
| SA 4 | 195,000 - 210,000 | 205,000 |
| Counsel | 220,000 - 270,000 | 240,000 |

Brisbane Mid-Tier Firms

| PQE LEVEL | \$AUD Range | \$AUD Average |
|-----------|-------------------|---------------|
| 1 | 70,000 - 92,000 | 85,000 |
| 2 | 90,000 - 105,000 | 100,000 |
| 3 | 100,000 - 120,000 | 110,000 |
| 4 | 120,000 - 130,000 | 125,000 |
| 5 | 130,000 - 145,000 | 137,000 |
| SA 1 | 145,000 - 165,000 | 155,000 |
| SA 2 | 160,000 - 170,000 | 165,000 |
| SA 3 | 170,000 - 182,000 | 178,000 |
| SA 4 | 180,000 - 190,000 | 185,000 |
| Counsel | 200,000 - 240,000 | 220,000 |

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2023 MARKET DIRECTION

We expect leading law firms in Australia to continue hiring quality talent as we remain in a candidate short market.

The approach to resourcing will be more strategic, with a focus on business critical roles being at the forefront when law firms create resourcing plans.

Even though there is some economic uncertainty, we expect our Australian law firm clients to provide their lawyers with yearly salary uplifts of circa \$10k - \$15k, due to the aforementioned salary trends.

With changing market conditions, practices will become more agile in their approach to working and 2023 may offer lawyers the chance to broaden their skills into other areas, as utilisation permits. Lawyers hoping to make an aspirational move into a Top-Tier/International firm throughout the year should remain optimistic as leading practices continue to hire.

The combination of strong remuneration (salary, sign-on, annual bonus) and a variety of non-financial benefits (parental leave, flexibility, promotion) will continue to be a winning formula for firms as they look to secure talent across the market.

Please get in touch with any of our team for career advice or to discuss the market, salaries and vacancies - we are happy to assist.



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CONTACT US

If you have any questions about the content of this Report, please reach out using the contact details below. We're happy to provide tailored salary advice based on your unique circumstances.

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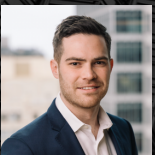
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Want a copy of our In-House Salary Report? Contact us to request a copy.



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