



2016 /17

MARKET UPDATE & SALARY GUIDE

IN-HOUSE LEGAL AND PRIVATE PRACTICE LAW FIRMS IN AUSTRALIA



2016 / 17

INTRODUCTION

We are delighted to present our latest review of the private practice and in-house legal counsel markets across Australia. Our data and trends analysis covers the major business centres.

We aim to provide remuneration figures which are an accurate reflection of market conditions, including supply and demand and any other significant developments which have impacted on legal recruitment over the last 12 months.

In addition to the practical insights we have gained from negotiating salaries on behalf of our candidates and clients over the past year, in preparing our review we have drawn upon our extensive networks and comprehensive database of over 4000 active and passive legal candidates, general discussions with clients across the various market sectors and an online survey released through Seek and a direct mail campaign.

It is worth noting that when reviewing salary and benefits across the industry, there can be significant differentials for similarly qualified solicitors depending on their area of speciality, size of employer and industry sector. For the most accurate advice on salary levels and remuneration packages, please contact a member of our recruitment team. Contact details can be found at the end of the document.

SYNOPSIS

The 2015/2016 financial year saw an upsurge in legal recruitment across the board, as both corporates and law firms became more confident in committing to lateral recruitment and sought to put in place internal legal resources across a number of key practice areas.

In private practice, workplace and technology recruitment remained consistent with previous years but there was a significant increase in demand for corporate, finance, and construction/projects lawyers at the mid 3-6 PQE level. The property law recruitment market also remained white hot, as most firms continued to bolster practices that both received reduced graduate intakes post GFC and suffered loss of employees internationally to the UK and Asia markets

As a result of increasing recruitment internationally by the magic and silver circle firms in London and Asia, and an increasing trickle of antipodean lawyers to New York, we forecast that demand for high-level lawyers will continue to outstrip supply over the next 24 months. However as an interesting sidenote, we are yet to see employers, in particular law firms, compete for in demand talent on salary package alone and expect salaries to remain relatively constant apart from CPI increase for the 2016/17 financial year (although some of the larger firms that had salary freezes, formal and informal in the 2013-2015 period have taken rectification measures over the last 18 months to bring their PQE packages in line with competitors).

Rather than significant increases in salary package, we have seen a return to the sign-on bonus, in particular in situations where a candidate is speaking with multiple firms and also the provision of generous relocation packages for international or interstate applicants. Similarly, the trend towards performance related components being part of the salary package, including at junior levels, is continuing.

In Western Australia and in Queensland there continues to be a slight reduction in recruitment in line with the cooling of the resources sector, however overall the market is still strong relatively speaking across all specialties in these states.

With respect to in-house, we have seen a slight increase in the salaries offered to lawyers at the mid- level. However, salaries for senior in-house lawyers have remained relatively steady. This may reflect the fact that there continues to be a strong supply of Senior Associate level lawyers seeking to move their career in-house.

With the economy still at low growth levels and resultant cost controls in place for many companies, salary reviews have been modest. In-house candidates certainly appear to have far more realistic salary expectations when considering moving roles and it is rare for candidates to secure anything in excess of a 10% rise on base salary and often a match is what will occur. Annual bonus payments almost always make up an element of the remuneration package for in-house lawyers which is typically weighted virtually equally between company and individual performance based on an agreed performance plan. Under General Counsel, it remains difficult to move beyond the level of around 170-220K. In Western Australia the cooling economy has had a slight deflationary effect, which has resulted in a correction more than anything else, bringing salaries in line with other states.

MAJORS / TOP TIER

PRIVATE PRACTICE

| YEAR LEVEL | MELBOURNE | | SYDNEY | |
|-------------------------|---------------|------------------|---------------|------------------|
| | RANGE | MODE | RANGE | MODE |
| Graduate | \$70-80,000 | \$75,000 | \$70-82,000 | \$77,000 |
| 1-2 PQE | \$75-85,000 | \$82,000 | \$77-93,000 | \$85,000 |
| 2-3 PQE | \$80-100,000 | \$90,000 | \$83-105,000 | \$95,000 |
| 3-4 PQE | \$85-115,000 | \$110,000 | \$90-125,000 | \$115,000 |
| 4-5 PQE | \$100-125,000 | \$125,000 | \$105-130,000 | \$115,000 |
| 5-6 PQE (non SA) | \$115-125,000 | \$125,000 | \$105-135,000 | \$130,000 |
| SA L1-L2 | \$125-145,000 | \$135,000 | \$130-155,000 | \$145,000 |
| SA L2-L3 | \$135-165,000 | \$145,000 | \$135-180,000 | \$160,000 |
| SA L3-L4 | \$145-185,000 | \$165,000 | \$145-200,000 | \$180,000 |
| SA L4 - (SC) | \$170-250,000 | \$180,000 | \$175-250,000 | \$200,000 |
| Salaried Partner | \$270,000+ | | \$330,000+ | |

| YEAR LEVEL | BRISBANE | PERTH | ADELAIDE |
|-------------------------|---------------|---------------|---------------|
| Graduate | | | |
| 1-2 PQE | \$65-80,000 | \$70-85,000 | \$55-66,000 |
| 2-3 PQE | \$72-88,000 | \$75-100,000 | \$60-75,000 |
| 3-4 PQE | \$80-95,000 | \$90-115,000 | \$68-85,000 |
| 4-5 PQE | \$90-120,000 | \$105-130,000 | \$75-110,000 |
| 5-6 PQE (non SA) | \$82-125,000 | \$110-140,000 | \$80-110,000 |
| SA L1-L2 | \$115-145,000 | \$130-155,000 | \$95-125,000 |
| SA L2-L3 | \$125-165,000 | \$135-165,000 | \$105-135,000 |
| SA L3-L4 | \$135-185,000 | \$145-180,000 | \$115-145,000 |
| SA L4 - (SC) | \$145-240,000 | \$170-260,000 | \$125-170,000 |

(1) The defining criteria of what is a boutique, mid tier or top tier firm include a combination of size, location, reputation, client list, quality of advice and expectations of the employer. Size is not determinative on its own and all other factors must be taken into account however, a rough guide is:- Major/Top Tier : approximately 300 plus staff in local office, Medium/Mid Tier : approximately 50 -300+ staff in local office, Small/Boutique : approximately 0-50 in local office.

(2) Firms take into account a range of factors when determining individual salary amounts and an employees position within a band will vary from firm to firm based on experience, speciality, background and performance. There can be significant elasticity across the bands and lawyers paid at the upper end of the bands are usually top performers within their internal peer group, in high demand areas and often have additional skills over and above usual requirements for the role. For individual advice tailored to your circumstances, please call one of our consultants.

(3) As of May 2015, salary ranges and modes for the 2015/16 period are based on information provided to Ablethorpe Recruitment clients, candidates and other sources and are approximate guides only. They relate to salary packages (base plus superannuation) but do not include elements such as bonus/incentive schemes and stock options. As a representative group of clients and candidates complete our on-line real time salary survey, the guide will be replaced with realtime information submitted by legal professional candidates and clients.

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MEDIUM / MID TIER

PRIVATE PRACTICE

| YEAR LEVEL | MELBOURNE | | SYDNEY | |
|-------------------------|----------------|------------------|----------------|------------------|
| | RANGE | MODE | RANGE | MODE |
| Graduate | \$65-75,000 | \$70,000 | \$60-80,000 | \$73,000 |
| 1-2 PQE | \$68-80,000 | \$77,000 | \$75-85,000 | \$80,000 |
| 2-3 PQE | \$77-92,000 | \$87,000 | \$80-95,000 | \$85,000 |
| 3-4 PQE | \$80-98,000 | \$92,000 | \$75-110,000 | \$90,000 |
| 4-5 PQE | \$90-118,000 | \$110,000 | \$85-120,000 | \$108,000 |
| 5-6 PQE (non SA) | \$90-125,000 | \$115,000 | \$100-130,000 | \$120,000 |
| SA L1-L2 | \$110-135,000 | \$125,000 | \$115-140,000 | \$135,000 |
| SA L2-L3 | \$115-145,000 | \$135,000 | \$130-150,000 | \$140,000 |
| SA L3-L4 | \$125-160,000 | \$145,000 | \$140-200,000 | \$155,000 |
| SA L4 - (SC) | \$135-190,000 | \$180,000 | \$140-220,000 | \$180,000 |
| Salaried Partner | \$200-300,000+ | | \$250-350,000+ | |

BOUTIQUE / SMALL

PRIVATE PRACTICE

| YEAR LEVEL | MELBOURNE | SYDNEY |
|-------------------------|----------------|----------------|
| Graduate | \$50-65,000 | \$45-70,000 |
| 1-2 PQE | \$50-78,000 | \$50-80,000 |
| 2-3 PQE | \$60-85,000 | \$60-90,000 |
| 3-4 PQE | \$70-90,000 | \$80-100,000 |
| 4-5 PQE | \$75-110,000 | \$85-115,000 |
| 5-6 PQE (non SA) | \$80-125,000 | \$75-135,000 |
| SA L1-L2 | \$100-135,000 | \$100-145,000 |
| SA L2-L3 | \$110-140,000 | \$110-165,000 |
| SA L3-L4 | \$115-150,000 | \$120-185,000 |
| SA L4 - (SC) | \$120-185,000 | \$125-220,000 |
| Salaried Partner | \$150-240,000+ | \$170-260,000+ |

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IN HOUSE

| YEAR LEVEL | MELBOURNE | | SYDNEY | |
|------------------------|---------------|------------------|---------------|------------------|
| | RANGE | MODE | RANGE | MODE |
| Paralegal | \$50-65,000 | \$57,000 | \$55-75,000 | \$60,000 |
| 1 PQE | \$65-85,000 | \$80,000 | \$65-90,000 | \$85,000 |
| 2 PQE | \$80-100,000 | \$90,000 | \$85-100,000 | \$92,000 |
| 3 PQE | \$90-115,000 | \$105,000 | \$95-120,000 | \$115,000 |
| 4 PQE | \$100-135,000 | \$122,000 | \$100-145,000 | \$125,000 |
| 5 PQE | \$120-145,000 | \$135,000 | \$125-165,000 | \$150,000 |
| 6+ PQE (non SA) | \$140-220,000 | \$165,000 | \$145-240,000 | \$185,000 |
| Deputy General Counsel | \$165-250,000 | \$200,000 | \$180-280,000 | \$250,000 |
| General Counsel | \$175-450,000 | \$260,000 | \$185-500,000 | \$300,000 |

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MEET OUR TEAM



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