

LEGAL 08/09

# Salary

**SALARY & EMPLOYMENT FORECAST**

Michael Page  
INTERNATIONAL

## WELCOME

Welcome to the 08/09 Michael Page International Legal Salary & Employment Forecast.

Michael Page International is a world-leading specialist recruitment consultancy. Growing entirely organically, rather than by mergers or acquisitions, we now have over 5,000 people in 149 offices in 25 countries worldwide. Coming from all industry sectors, our clients range from market-leading multi-nationals to small and medium sized enterprises.

Our consistent organic growth strategy of investment through cycles is driving our growth in the specialist recruitment market in Australia. In just 23 years, we have grown to become one of the best-known and most respected recruitment consultancies and are proud to set the standard within our profession for specialist service, with a personal touch.

This year, the format of our Salary Survey has changed to reflect our growing business in Australia and make it easier for employers and candidates to stay abreast of current employment market and salary trends.

While a number of current industry surveys provide qualitative insight on hiring intentions and salary levels, the Michael Page International Salary & Employment Forecast combines both quantitative and qualitative research derived from our national survey of employers and job seekers and our extensive involvement in the professional labour market.

The national survey, completed by approximately 1,500 employers and 5,500 employees, covers a range of issues and trends relevant to today's corporate sector and establishes the Salary & Employment Forecast as a highly reputable report, based on in-depth national research.

The Legal Salary & Employment Forecast provides employers and candidates with useful insights into the hiring expectations, recruitment challenges and wage forecasts of key hiring managers in the legal profession over the coming year. You can also view the Salary & Employment Forecasts for the following key professions on our website:

- Finance
- Financial Services
- Marketing
- Sales
- Technology
- Human Resources
- Engineering & Manufacturing
- Procurement & Supply Chain
- Property & Construction
- Mining & Resources

I wish to thank everyone who contributed to this year's Salary & Employment Forecast and trust you find the new report helpful and informative. We welcome your feedback and encourage you to contact us for further information or market specific advice at [www.michaelpage.com.au/contact-us](http://www.michaelpage.com.au/contact-us).



Phillip Guest  
Managing Director, Australia

## MARKET OVERVIEW

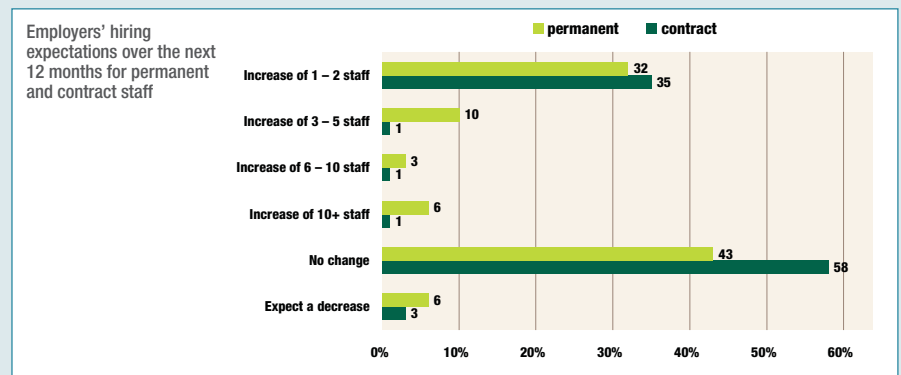
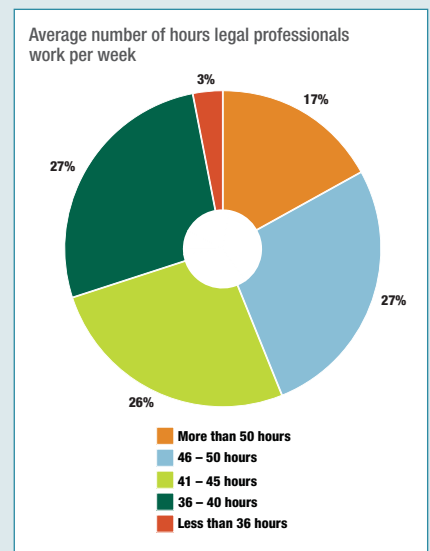
Steady economic growth, low unemployment and the global skills shortage are creating a very buoyant market for legal professionals. However, the limited talent pool combined with the large salary increases enjoyed by lawyers in Australia last year, threaten to hamper companies' performance and profitability if they do not consider alternative ways of attracting and retaining staff in the current tight labour market.

Having the right talent in place is critical and employers in both in-house and private practice need to consider workplace flexibility and invest in training and development to remain competitive in a global employment market. The changing demographics of the legal profession mean that more than half of all future graduate lawyers will be female, requiring more flexible work arrangements to accommodate them. Our survey results support this, with 26% of employers rating workplace flexibility as the most successful strategy in addressing the professional skills shortage.

The flow of lawyers heading overseas is placing additional pressure on the already tight domestic talent pool. Although there has been a slight drop in the number of lawyers heading to the UK and US due to weakening economic conditions, employers continue to lose talent to markets such as Asia and Dubai which are growing steadily. There

is no better time for Australian employers to be conducting international recruitment campaigns. Australia is an attractive prospect from an economic stability and work-life balance perspective and employers need to promote their organisations to Australian expatriates and overseas lawyers.

Within the Australian market, there has been increased demand for lawyers in Queensland and Western Australia. The increasingly high quality of work and the opportunity to work on significant transactions, especially in the boom sectors of energy and resources, property, construction and infrastructure, has generated a renewed interest in working in these locations.



## SKILLS IN DEMAND

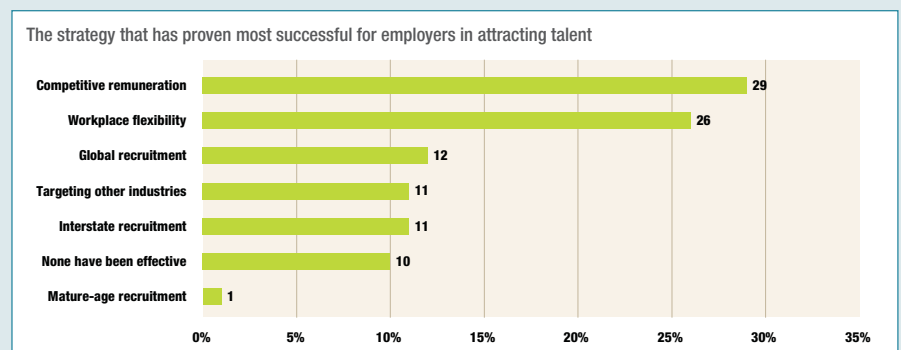
Demand continues to exceed supply resulting in strong competition for talent and inflationary pressure on salaries, due to the ongoing challenge to retain lawyers in Australia. Private practice is suffering the most severe labour shortage as increasing numbers of lawyers move in-house, due to a perception that moving away from billable hours will create a less stressful work environment.

The in-house market continues to see high levels of recruitment activity, with companies preferring to expand their own legal teams rather than outsourcing the legal function to law firms due to cost efficiencies. We are also seeing increased demand for contract and technical lawyers with intellectual property expertise, as the IT sector expands and more businesses develop an online presence.

Private practice is also experiencing a severe talent shortage at the three to five years' Post Qualification Experience (PQE) level

with significant demand from boutique firms through to top and mid-tier firms, as they all compete to retain the best talent and maintain their market position. Our survey results support this trend with 58% of employers expecting strongest demand for mid-level lawyers over the next 12 months. Nationally, there is strongest demand for commercial, property and construction and banking and finance lawyers.

An increasing number of legal firms are expanding to Brisbane and Perth as a result of economic growth and increasing business opportunities. The infrastructure and resources boom is generating more complex and sophisticated business transactions, which are driving demand for energy and resources, property, commercial and environmental lawyers.



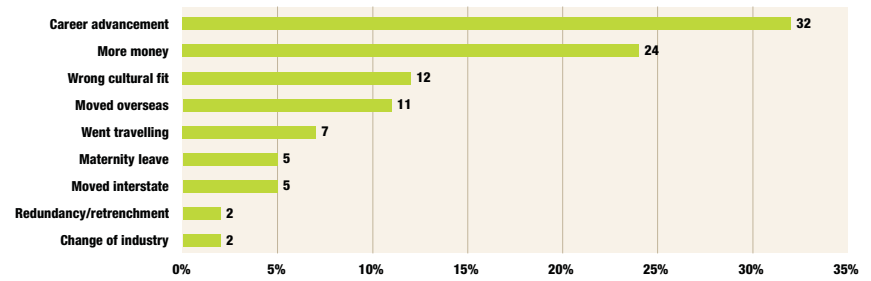
## RECRUITMENT CHALLENGES

Higher salaries have traditionally been the preferred method of attracting legal talent but employers will have to find alternative ways of retaining staff. Top overseas firms are undertaking recruitment campaigns in Australia and placing additional pressure on the local skills supply.

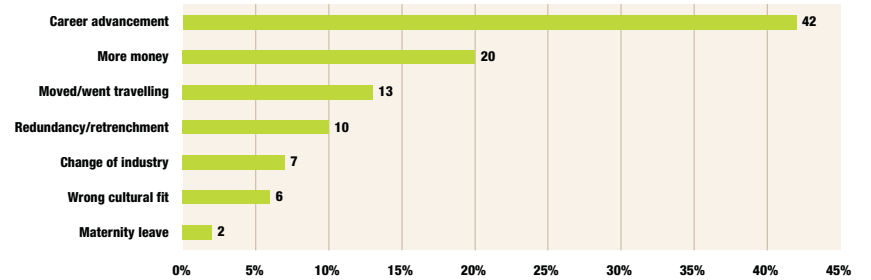
Organisations that have clear and simple talent management strategies in place, with involvement and support from the CEO and other senior leaders will reap the rewards. While financial incentives are important, firms need to look beyond salary to longer-term benefits like work-life balance, training and development and a clearly defined career path. Our survey results reinforce this with 42% of respondents citing career advancement as the main reason for their last job change, followed by an increase in remuneration at 20%.

Australian lawyers are very highly regarded overseas due to their work ethic and quality of education and, as a result, Australia is the number one headhunting ground for law firms in the UK, US and the Middle East. Retaining lawyers in Australia remains an ongoing challenge for law firms and in-house teams nationally. Our survey results indicate that 42% of candidates have worked overseas and of these 86% would consider doing it again. Although lawyers will continue to go overseas, we encourage firms to track where staff are

Employers' perceptions of the major contributing factors in people leaving



Employees' main reason for changing jobs



going and keep the option open for them to come back into the firm upon their return.

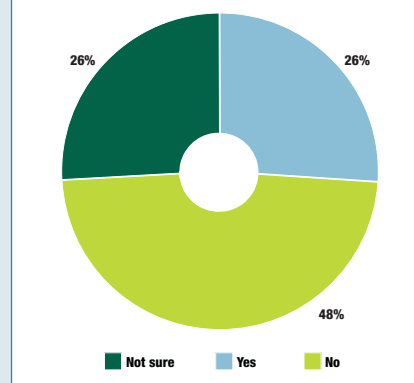
To attract talent in the current tight labour market, employers need to be flexible and create a compelling case for candidates to stay in Australia. The new generation of lawyers want access to opportunities, so secondments, professional development

and the ability to be based nationally and internationally, can be effective ways to differentiate your organisation in a competitive marketplace. Investing in part-time work for mothers is also important in addressing the skills shortage as more than half the number of current law graduates are female and this will impact the future dynamic of the profession.

## WAGES INFLATION

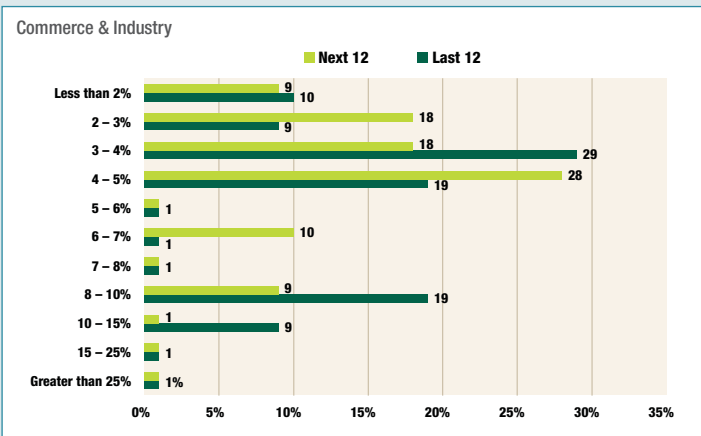
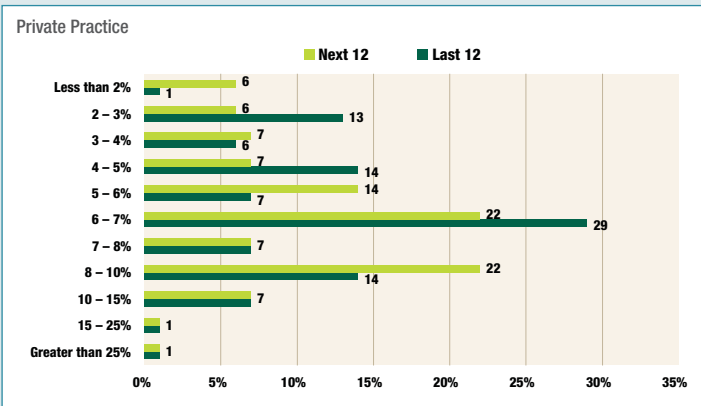
We expect salaries in the legal profession to continue to rise over the next 12 months due to the critical skills shortage. We predict salary increases of 7–15% for lawyers in private practice, dependent on the size and scope of the firm. In-house lawyers can expect salary increases of 7–10% with up to 15% for specialist skill sets. Bonuses continue to be paid in addition to salary, based on individual and company performance.

Employers' perceptions on whether wages growth over the past 12 months is in line with increased employee productivity



## EMPLOYER SALARY PREDICTIONS

Percentage increase next 12 months VS last 12 months



## SALARY TABLES

### PRIVATE PRACTICE

TOP TIER		
STATE	NSW	VIC
SALARY	\$'000	\$'000
Graduate Lawyer	58–66	55–65
1st year PQE	60–85	55–80
2nd year PQE	70–95	70–95
3rd year PQE	75–100	75–100
4th year PQE	85–130	80–120
5th year PQE	110–160	90–150
5–10 years PQE	120–240+	110–230+
Special Counsel†	200+	200+
MID TIER		
STATE	NSW	VIC
SALARY	\$'000	\$'000
Graduate Lawyer	48–65	45–60
1st year PQE	50–85	50–75
2nd year PQE	60–85	60–80
3rd year PQE	70–95	65–100
4th year PQE	75–130	75–120
5th year PQE	85–140	80–135
5–10 years PQE	100–160+	90–150+
Special Counsel†	160+	160+
BOUTIQUE		
STATE	NSW	VIC
SALARY	\$'000	\$'000
Junior	50–70	40–60
Mid Level	70–95	60–90
Senior Associate	95–140	90–130
Partner	140+	130+

### PARALEGALS

STATE	NSW	VIC
SALARY	\$'000	\$'000
Entry Level	30–40	30–40
1 year's experience	40–45	40–45
2–4 year's experience	45–65	45–65
Career Paralegal	55–80	55–80

### LEGAL SECRETARIES

STATE	NSW	VIC
SALARY	\$'000	\$'000
Entry Level	30–40	30–40
1 year's experience	40–45	40–45
2–4 year's experience	45–60	45–60
4+ year's experience	55–75	55–75
PA/EA 5 year's experience	70+	70+

Please note:

Figures indicated are cash component only, excluding superannuation and other benefits, however some firms do remunerate on a package basis.

† Salaries at this level can vary widely depending on the individual's background and experience and the scope of the role. Please contact our Executive Search team for specific advice regarding salaries at the executive level.

## IN-HOUSE: BANKING & FINANCIAL SERVICES

LEGAL COUNSEL								
EXPERIENCE	0-2 YEARS		2-5 YEARS		5-10 YEARS		10 YEARS +	
STATE	NSW	VIC	NSW	VIC	NSW	VIC	NSW	VIC
SALARY	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Services	65-100	65-95	90-140	80-135	130-200	125-190	150-220	140-210
Retail Banking	65-95	65-90	90-140	80-135	130-200	125-190	150-220	140-210
Institutional Banking	70-100	70-95	95-140	80-130	140-200	120-190	160-235	150-235
Funds/Investment Management	75-105	70-100	95-150	90-150	145-220	140-210	175-250	160-250
Financial Markets	80-105	80-95	95-150	90-150	145-220	130-220	170-250	160-250

GENERAL COUNSEL				
COMPANY SIZE	SMALL - MED COMPANIES		ASX 200 <sup>†</sup>	
STATE	NSW	VIC	NSW	VIC
SALARY	\$'000	\$'000	\$'000	\$'000
Financial Services	210-300	200-300	280-380+	250-350+
Retail Banking	210-300	200-300	280-400+	270-370+
Institutional Banking	210-300	210-300	280-400+	270-380+
Funds/Investment Management	220-320	220-320	280-380+	260-350+
Financial Markets	220-320	220-320	280-400+	270-380+

## COMPLIANCE

COMPLIANCE								
EXPERIENCE	0-2 YEARS		2-5 YEARS		5-10 YEARS		10 YEARS +	
STATE	NSW	VIC	NSW	VIC	NSW	VIC	NSW	VIC
SALARY	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Services	50-95	50-85	80-125	80-125	110-170	110-170	150-210	150-210
Retail Banking	50-95	50-85	80-125	75-120	110-170	110-170	150-210	150-210
Funds/Investment Management	55-100	55-90	95-140	95-135	125-185	120-180	160-220	160-215
Financial Markets	55-100	55-90	95-140	95-135	125-190	120-190	160-230	160-230
IT&T/Energy	50-95	50-75	85-120	85-120	110-170	110-165	150-195	150-195

HEAD OF COMPLIANCE				
COMPANY SIZE	SMALL - MED COMPANIES		ASX 200 <sup>†</sup>	
STATE	NSW	VIC	NSW	VIC
SALARY	\$'000	\$'000	\$'000	\$'000
Financial Services	170-220	170-215	220-320	220-320
Retail/Institutional Banking	180-220	175-215	240-350	240-350
Funds/Investment Management	180-220	180-225	230-340	230-340
Financial Markets	180-230	180-230	250-360	250-360
IT&T/Energy	160-210	160-210	210-320	210-320

Please note:

1. Figures indicated are cash component plus superannuation, excluding other benefits.
2. Due to the wide variation of remuneration structures within financial institutions the salary levels included are averages only.
3. Roles marked N/A are not commonly found with less than two years' experience.

<sup>†</sup> Salaries at this level can vary widely depending on the individual's background and experience and the scope of the role. Please contact our Executive Search team for specific advice regarding salaries at the executive level.

## IN-HOUSE: COMMERCE, INDUSTRY & PUBLIC SECTOR

LEGAL COUNSEL								
EXPERIENCE	0-2 YEARS		2-5 YEARS		5-10 YEARS		10 YEARS + <sup>†</sup>	
STATE	NSW	VIC	NSW	VIC	NSW	VIC	NSW	VIC
SALARY	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
IT/Telcos	60-100	60-95	90-150	90-150	150-210	150-200	180-250+	180-230+
Retail/FMCG	60-90	60-90	90-140	90-140	140-190	140-190	170-230+	170-220+
Manufacturing/Industrial	60-90	60-95	90-140	90-140	140-190	140-190	170-220+	170-200+
Energy/Resources	70-100	70-100	95-150	90-150	150-220	150-210	190-250+	200-230+
Property/Construction	70-100	70-100	95-150	90-150	150-220	150-210	190-250+	190-240+
Public Sector	50-75	50-70	70-120	70-110	120-160	110-155	140-180+	140-170+

GENERAL COUNSEL				
COMPANY SIZE	SMALL – MED COMPANIES <sup>†</sup>		TOP 200 <sup>†</sup>	
STATE	NSW	VIC	NSW	VIC
SALARY	\$'000	\$'000	\$'000	\$'000
IT/Telcos	200-250+	200-230+	250-350+	250-340+
Retail/FMCG	190-230+	190-230+	240-320+	230-300+
Manufacturing/Industrial	190-230+	190-220+	230-320+	230-300+
Energy/Resources	200-250+	200-230+	270-350+	250-350+
Property/Construction	200-250+	200-240+	270-350+	250-350+
Public Sector	140-180+	140-170+	180-240+	170-220+

## COMPANY SECRETARIAL

EXPERIENCE	0-2 YEARS	2-5 YEARS	5-10 YEARS	10+ YEARS
SALARY	\$'000	\$'000	\$'000	\$'000
<b>COMPANY SECRETARY</b>				
ASX 100	N/A	90-145	150-240+	250+
Large Pty	N/A	85-130	140-180+	180+
Pty Ltd	N/A	75-120	120-150	150+
<b>ASSISTANT COMPANY SECRETARY</b>				
ASX 100	60-90	90-120	120-160	160+
Large Pty	50-85	85-100	100-125	125+
Pty Ltd	50-75	75-95	95-120	120+

Please notes:

1. Figures indicated are cash component plus superannuation, excluding other benefits.
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3. Roles marked N/A are not commonly found with less than two years' experience.

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# Salary

## SALARY & EMPLOYMENT FORECAST

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