



LEGAL & LEGAL SUPPORT 2018 SALARY SURVEY

CHARTERHOUSE PARTNERSHIP

Level 10, 68 Harrington Street

Sydney NSW 2000

LEGAL MARKET OVERVIEW

After 4 years of consecutive decline in demand in for law firms, 2017 saw the legal market return to positive, but minimal, growth. Growth was shown in 4 key metrics; (according to a report issued by Thomson Reuters and The Melbourne Law School) demand, worked rates, fees worked and utilisation. Although growth in these areas was no greater than 1%.

Lateral partner movement remained strong in 2017 across the top 50 firms in Australia and with that an estimated \$250 million worth of fees transitioned across the market. White and Case was the only global firm to enter the Australian market in 2017 but there has been significant growth for the "Global Boutiques" who enjoy the benefits of a global brand, extensive client and referral networks, and superior support infrastructure.

Large domestic firms have continued with increased growth in Partner numbers, also not disrupted the trend of law firm start-ups. The traditional formula for these boutique start-up firms has been to focus on one particular work type, such as employment or corporate M&A.

2017 saw increased merger activity for new law firms, who continued to build on their position in the Australian market as their leading firms continued with expansion.

Real Estate, M&A and general corporate work all showed significant growth in 2017, while Banking and Finance work experienced a significant decrease in demand. Multi-Discipline Practices (MDPs) PWC, KPMG, EY and Deloitte continued to increase the competition for work against the leading firms.

The Law Society Report in June 2017 indicated substantial growth in in-house legal teams though it should be noted the ACC Australia & NZ indicated many in-house lawyers are undertaking non-legal responsibilities. The ACC also indicated that in-house firms budgeted to spend around 9% on new law firms in 2017.

The NSW Law Society reported that 2017 was the first year with more female, than male, legal practitioners in Australia. Although the AFR reported that female partner numbers remained steady at 25%, the same number as 2016, women continued to take on leadership roles (CEO, Global Partner, Regional Managing Partner and Chair) across a range of firms from large global, large nationals and specialists. With female senior associate numbers growing, many firms are looking to examine their internal policies and past behaviours in order to address the cultural, societal and workplace barriers that prevent women from reaching the highest levels of the profession and what can be done to progress them.

Many firms continued to invest heavily in legal project management training and tools to meet their client's demands for more accurate price estimation and resource planning. With top-tiers hiring specialist legal project managers, data scientists, paralegals and change consultants, some teams have over 70 staff and this no doubt will be a trend seen in more and more firms. Also noted was the demand for off-shore legal process operations (LPO's) decreasing, due to the falling Australia dollar and an increase of competition from on-shore operators.

The majority of firms continued to make more than healthy profits in 2017, despite a continuing flat market.

EMERGING TRENDS 2018

The gentle growth experienced in 2017 is expected to continue throughout 2018. With HWLE and Tresscox having already merged and Dibbs Barker closing - all announced within the first quarter of the year - strategic growth will no doubt continue to occur throughout the year, as firms look to strengthen their position in the market.

With the emergence of new legal technologies, Stanford Law School's LegalTech Index now lists 721 companies across the globe developing and selling technology for the legal market, many of these solutions have found their way into the Australian legal market. Firms must now decide whether they will lead or remain a traditionalist in this space. Numerous larger firms in Australia have already started to employ dedicated legal technology development teams; that combine legal, legal project management, data analytics, and IT skills, hoping to benefit sooner than their competitors who choose to take a late technology adopter stance.

RECRUITMENT 2018

There remains a shortage of experienced legal candidates across the industry and whilst there has been significant talk from the Prime Minister and the head of NSW Law Society about the amount of legal graduates that are qualified each year, there had been limited discussions about those leaving the industry, within their first 3 years of practice.

In particular, the demand remains strong for both Banking and Finance and Building Construction lawyers with an abundance of opportunities for both in in-house and private practice. Corporate experts continue to be in demand, along with senior employment/workplace relations lawyers.

Due to the wealth of work in insurance, there continues to be high volume of opportunities across the various areas, in particular at the 3 to 7 PQE level. Although with the changes to the Motor Accident Injuries Act to take effect, many are looking to diversify their Insurance experience.

INTERNATIONAL OPPORTUNITIES

Many Australian Lawyers remain keen to experience working overseas, with the Middle East, UK and Asia remaining the popular choices. In particular, there is increased interest in Singapore and Hong Kong, with their lower tax rates. With a continuing demand in several areas including Financial Services and lawyers with project finance experience, there is a wide range of opportunities for various levels and even junior lawyers are able to enter specialised teams without having had specific experience. Language skills remain an advantage in Hong Kong and China but are no longer a prerequisite to practice and the ability to earn higher salaries and be given more responsibility remains appealing to many.

With increased global firm presence in Australia it is expected that 2018 will see another large number of overseas secondments. This allows firms to retain their talent, their lawyers to have the overseas experience they are looking for, but give both some security of a career path on their return.

Career Drivers

source: 2018 Charterhouse Legal Salary Survey

What keeps me here non salary benefits



health insurance



gym membership



flexible working hours



paid parental leave



mobile & laptop



performance bonus

What would tempt me to leave top 3 drivers of change



opportunity



salary increase



value alignment

BENEFITS AND RETENTION

The results from the Charterhouses 2018 salary survey, showed a continued pattern of legal employee's looking for more in terms of a benefits package, from their employers. Paid parental scheme's, flexible working hours and health and wellbeing benefits continue to top this list. This is in line with a global trend that is seeing employees' choosing strong benefits packages over pay rises.

The Harvard Business Review found in 2017 that employees place the highest value on benefits that are relatively low-cost to employers, such as flexible hours, more paid vacation time, and work-from-home opportunities.

Australia is yet to see the demand for paid student loan (HECS) or tuition assistance, that is occurring as an employee benefit in the US and UK but with global firms in the market, it is a benefit we expect to see become more common in the coming years.

SALARIES

SYDNEY

Top Tier and International firms

1 year PQE	\$79,000 - \$111,000
2 year PQE	\$86,000 - \$117,000
3 year PQE	\$92,000 - \$127,000
4 year PQE	\$98,000 - \$142,000
5 year PQE	\$116,000 - \$167,000
Senior Associate 1 year	\$142,000 - \$187,000
Senior Associate 2 year	\$150,000 - \$221,000
Senior Associate 3 year	\$165,000 - \$228,000
Senior Associate 4 year	\$172,000 - \$245,000
Special Counsel	\$200,000 - \$345,000

**Salaries include base salary and superannuation only*

SYDNEY

Mid-tier Firms

1 year PQE	\$70,000 - \$85,000
2 year PQE	\$81,000 - \$102,000
3 year PQE	\$92,000 - \$112,000
4 year PQE	\$96,000 - \$130,000
5 year PQE	\$105,000 - \$151,000
Senior Associate 1 year	\$117,000 - \$157,000
Senior Associate 2 year	\$131,000 - \$167,000
Senior Associate 3 year	\$142,000 - \$179,000
Senior Associate 4 year	\$155,000 - \$187,000
Special Counsel	\$172,000 - \$300,000

**Salaries include base salary and superannuation only*

SYDNEY

Boutique/Specialist

1 year PQE	\$57,000 - \$79,000
2 year PQE	\$68,000 - \$92,000
3 year PQE	\$74,000 - \$100,000
4 year PQE	\$82,000 - \$120,000
5 year PQE	\$94,000 - \$140,000
Senior Associate 1 year	\$100,000 - \$162,000
Senior Associate 2 year	\$120,000 - \$179,000
Senior Associate 3 year	\$135,000 - \$192,000
Senior Associate 4 year	\$145,000 - \$200,000
Special Counsel	\$168,000 - \$212,000

**Salaries include base salary and superannuation only*

MELBOURNE

Top Tier and International firms

1 year PQE	\$72,000 - \$100,000
2 year PQE	\$79,000 - \$110,000
3 year PQE	\$82,000 - \$122,000
4 year PQE	\$92,000 - \$138,000
5 year PQE	\$100,000 - \$142,000
Senior Associate 1 year	\$122,000 - \$157,000
Senior Associate 2 year	\$130,000 - \$172,000
Senior Associate 3 year	\$139,000 - \$183,000
Senior Associate 4 year	\$168,000 - \$212,000
Special Counsel	\$175,000 - \$315,000

**Salaries include base salary and superannuation only*

Melbourne

Mid-tier Firms

1 year PQE	\$67,000 - \$82,000
2 year PQE	\$69,000 - \$100,000
3 year PQE	\$80,000 - \$107,000
4 year PQE	\$83,000 - \$118,000
5 year PQE	\$93,000 - \$138,000
Senior Associate 1 year	\$110,000 - \$145,000
Senior Associate 2 year	\$117,000 - \$158,000
Senior Associate 3 year	\$128,000 - \$168,000
Senior Associate 4 year	\$142,000 - \$179,000
Special Counsel	\$155,000 - \$285,000

**Salaries include base salary and superannuation only*

Melbourne

Boutique/Specialist

1 year PQE	\$50,000 - \$75,000
2 year PQE	\$57,000 - \$88,000
3 year PQE	\$60,000 - \$92,000
4 year PQE	\$63,000 - \$108,000
5 year PQE	\$77,000 - \$124,000
Senior Associate 1 year	\$80,000 - \$139,000
Senior Associate 2 year	\$107,000 - \$148,000
Senior Associate 3 year	\$114,000 - \$155,000
Senior Associate 4 year	\$123,000 - \$174,000
Special Counsel	\$138,000 - \$212,000

**Salaries include base salary and superannuation only*

QLD | BRISBANE

1 year PQE	\$68,000 - \$81,000
2 year PQE	\$70,000 - \$96,000
3 year PQE	\$81,000 - \$107,000
4 year PQE	\$92,000 - \$124,000
5 year PQE	\$99,000 - \$148,000
Senior Associate 1 year	\$120,000 - \$165,000

SA | ADELAIDE

1 year PQE	\$55,000 - \$70,000
2 year PQE	\$62,000 - \$80,000
3 year PQE	\$67,000 - \$88,000
4 year PQE	\$77,000 - \$122,000
5 year PQE	\$83,000 - \$133,000
Senior Associate 1 year	\$95,000 - \$155,000

WA | PERTH

1 year PQE	\$71,000 - \$88,000
2 year PQE	\$82,000 - \$97,000
3 year PQE	\$87,000 - \$108,000
4 year PQE	\$92,000 - \$145,000
5 year PQE	\$105,000 - \$155,000
Senior Associate 1 year	\$122,000 - \$167,000



CHARTERHOUSE

Legal Support Market Overview

Legal Support 2018 Salary Survey

LEGAL SUPPORT MARKET OVERVIEW

In line with previous years, salary banding will dictate remuneration levels in each of the firms surveyed. Some firms have re-defined their banding for the intermediate level, which continues to be the most highly demanded band for support staff. As technology continues to advance and junior lawyers are increasingly self-sufficient, support ratios for the intermediate band are also expanding, along with ratios at the senior band in some firms. To support secretarial staff with these growing ratios, firms have invested more in their in-house technology training and Learning & Development programs.

Intermediate level secretaries continue to be the band in the highest level of demand. Candidates at this level are generally spoilt for choice when seeking new employment, so we would advise any firms looking to recruit intermediate legal secretaries that speed is a major factor for a successful recruitment process. The demand at this level is market wide, however over the last year we have seen spikes in the following practice areas; Insurance (Plaintiff and Defendant), Environment & Planning, Commercial Litigation, Property, Construction and Corporate.

Over the last year firms have been much more open-minded to hiring candidates from markets outside of law. The firms that have considered these 'non-traditional' support staff have generally looked to administrators with industry specific experience to the practice or from other professional services bodies.

The majority of the firms surveyed will either see their secretarial bands remain the same as they were the previous year or increase slightly based on Consumer Price Index (CPI), most commonly at 2.5%. The exception to this across firms surveyed will be performance-based bonuses. These bonus payments are either calculated on individual performance or a combination of both individual performance and team performance versus budget.

SALARY DATA

Over the past year we have seen bandings level out across the majority of the tiers. Whilst Boutique firms have raised salaries in the support market to compete with Mid-Tier and Top-Tier firms, the variances in salary banding has generally been with some of the new International firms to the Australian market as they try to attract talent from more established local brands; or from Mid-Tier firms that have established new offices (predominantly post-merger).

DEFINITIONS

Boutique Firms: We categorise Boutique firms by the number of practice areas they offer to clients and the total staff headcount within a firm. This category can sometimes include specialist firms, though the key characteristic for this band is still related to headcount.

Mid-Tier Firms: The Australian Mid-Tier is the broadest in the banding, and the most rapidly changing in the current climate. Over the past year we have seen a lot of staff movement in the mid-tier, primarily due to mergers; which will continue into 2018.

Top-Tier Firms: For the purpose of this survey we are using the classic definition of an Australian Top-Tier firm. They are the largest six firms in Australia based on total headcount and revenue.

International Firms: The number of International firms joining the Australian market has slowed in 2018. Although there have been global mergers in the Top-Tier and Mid-Tier, for the purpose of this survey we are referencing internationally headquartered firms with a smaller Australian presence.

SYDNEY

Junior Legal Secretary (0 - 2 years)	\$42,000 - \$50,000
Intermediate Legal Secretary (2 - 4 years)	\$50,000 - \$65,000
Senior Legal Secretary (5 years +)	\$70,000 - \$82,000
EA to Managing Partner / EA to General Counsel	\$80,000 - \$90,000
WP Operator	\$70,000 - \$80,000
Discovery Paralegal	\$55,000 - \$70,000
Paralegal (Practice Specific)	\$65,000 - \$90,000
Conveyancer	\$85,000 - \$120,000
Practice Manager	\$90,000 - \$130,000
Office Assistant (0 - 1 year)	\$40,000 - \$43,000
Mail Room / Shared Services Assistant	\$40,000 - \$50,000
Legal Receptionist	\$55,000 - \$70,000

**Salaries include base salary and superannuation only*

MELBOURNE

Junior Legal Secretary (0 - 2 years)	\$45,000 - \$55,000
Intermediate Legal Secretary (2 - 4 years)	\$55,000 - \$65,000
Senior Legal Secretary (5 years +)	\$65,000 - \$75,000
EA to Managing Partner / General Counsel	\$75,000 - \$85,000
WP Operator	\$70,000 - \$75,000
Discovery Paralegal	\$55,000 - \$70,000
Paralegal (Practice Specific)	\$60,000 - \$80,000
Conveyancer	\$70,000 - \$100,000
Practice Manager	\$90,000 - \$120,000
Office Assistant (0 - 1 year)	\$40,000 - \$42,000
Mail Room / Shared Services Assistant	\$40,000 - \$50,000
Legal Receptionist	\$50,000 - \$65,000

**Salaries include base salary and superannuation only*

NON-MONETARY DRIVERS

Career Drivers

source: 2018 Charterhouse Legal Salary Survey

What keeps me here non salary benefits



health check ups



fitness groups



flexible working hours



team culture

What would tempt me to leave top 3 drivers of change



Ready for next challenge



salary increase



Quality Management

Firms are increasing using non-monetary benefits to positively influence prospective legal support staff to accept employment offers.

The key motivator for legal support staff to either stay in their role or find a new role is cultural fit, both the firm in general and their existing or prospective team.

The other key movement drivers include team-based Health & Wellbeing initiatives such as Yoga, Pilates, Group Personal Training Sessions and Team Sports such as Soccer, Touch Football and Netball. Some of the other Health & Wellbeing initiatives provided to legal support staff include discounted Health Insurance, free breakfast and fruit at work, Flu Vaccinations and Health Checks.

Due to the nature of the work in legal support roles, flexible working arrangements can sometimes be a challenge for firms to accommodate, however this continues to be a strong retention/attraction motivator for staff when considering opportunities. Over the past year we have seen an increase in firms either tweaking core hours to accommodate support staff, or offering job share solutions to retain high performers.

Learning & Development and Technology within the legal industry are other major drivers in staff movement for 2018. Over the last year we have seen increased retention within the firms who have invested in technology and training, especially in the growing Mid-Tier firms.

ABOUT THIS DOCUMENT

This document was created by Sommer Bath, National Director Legal and David Drew, Manager - Legal Support, in consultation with Lauren Miller, Operations & Insight Manager. The data used to create this document was sourced from a combination of the following sources:

- Charterhouse Partnership 2018 Legal Professional and Legal Support Client Survey
- Charterhouse Partnership 2018 Legal Professional and Legal Support Candidate Survey
- Salary data recorded from placements made since the 2017 review period
- The Law Societies of NSW and Victoria
- Client and market knowledge of Charterhouse Legal consultants
- Articles - Thomson Reuters, Forbes, Legal 500 and the Diversity Council of Australia

ABOUT THE TEAM

The Charterhouse Legal team specialise in the recruitment of Legal Professional and Legal Support, Shared services staffing solutions for Private Practice law firms and In-house Legal teams.

If you would like to discuss any of the information outlined in this document, please contact Sommer Bath sommerb@charterhouse.com.au or 02 96412416

