

Law firm salary guide and market trends Australia

2023-2024

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Introduction

Welcome to the 2023 edition of the Taylor Root law firm salary guide for Australia.

The 2023 financial year (FY2023) has been somewhat of a roller coaster, and we publish this year's guide in a very different market compared to 12 months ago.

At this time, law firms were experiencing unprecedented demand for legal services in transactional practices, resulting in the frenzied heights of associate recruitment locally and internationally in all major legal markets.

Law firms are now monitoring the potential signs of a recession and are being cautious when it comes to increasing headcount and hiring for replacement roles. Interview processes have lengthened, and business cases are put forward to justify hires based on utilisation and pipeline of work.

Over the last couple of years, law firms have used salary increases as a tool to retain talent across the firm. This year, however, few lawyers are receiving sizeable uplifts. We anticipate relatively solid salary rewards for high performing associates and a match of the wider market review for the remainder of the cohort.

Looking ahead, it is difficult to predict how the war in Ukraine, the lingering effects of the pandemic, and the challenges of global inflation will affect demand for legal services in Australia. Lessons have been learned from past slowdowns and while law firm management will continue to take a cautious approach to hiring, an eye on the future and the recovery will remain.

The 2023 Taylor Root salary guide has been compiled by our team of legal consultants, with the assistance of our valued candidates and clients.

The information relates to the salaries of thousands of lawyers across Australia and is collated from offers we have recently secured for candidates.

The information includes the full range of law firms, across top-tier, mid-tier and boutique firms. We have also included international salaries from some of our top global markets, including London, New York, and Singapore.

Whether you are a client or a law firm associate, we hope that you find the information contained in our salary guide useful. If you are seeking more bespoke or granular information relating to your own particular circumstances, please contact one of our Taylor Root consultants.



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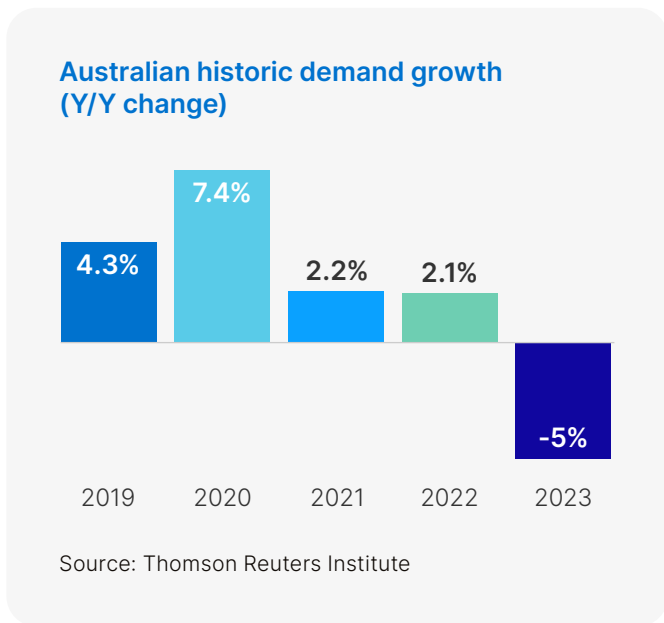
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Australian legal market analysis

The most prominent characteristic of law firm performance in the beginning of FY2023 was a decrease in demand for legal services.

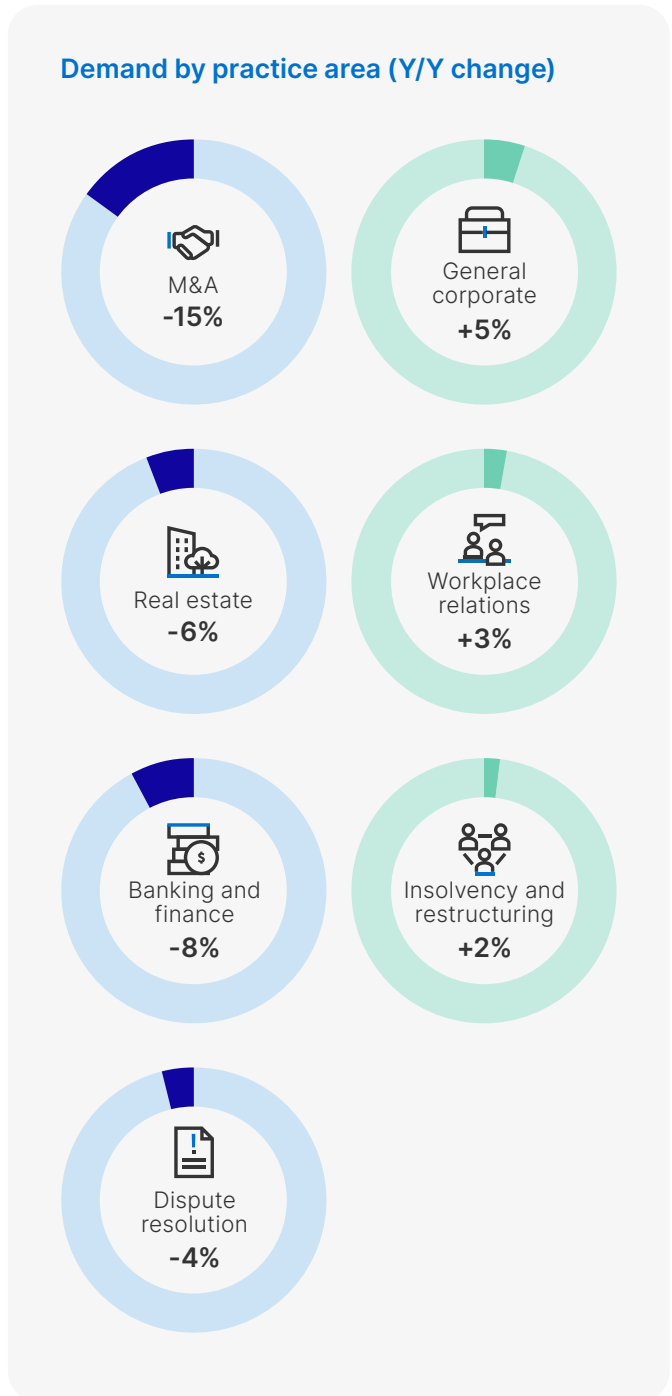
We ended the financial year in a very different position compared to 12 months ago when law firms were experiencing unprecedented demand for legal services in transactional practices which resulted in the frenzied heights of associate recruitment locally and internationally in all major legal markets.

Law firms are now grappling with a decrease in demand compared to the highs of FY2021 and FY2022.



The overall year on year decline for legal services was driven by several key practice areas, including general corporate work (5%), workplace relations (3%), and insolvency and restructuring (2.0%).

However, we also saw a decrease in demand across several of our key practice areas, including M&A (-15%, real estate (-6%), banking and finance (-8%) and dispute resolution (-4%).



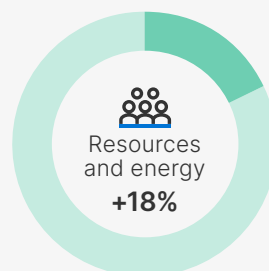
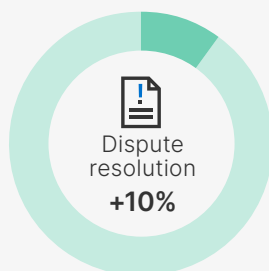
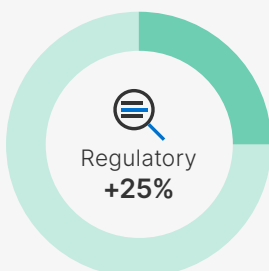
While room for caution abounds for the next 6 to 12 months, there are also indications of positivity for law firms.

- Increasing inflation, while causing a potential pinch for law firm profitability, can also impact larger workforce trends, leading to an increased need for counsel on labour and employment matters
- Increased efforts by the government to stiffen regulations related to data privacy and the climate could easily result in increased need for outside counsel in regulatory, dispute resolution and project energy and resources

There is a great deal of uncertainty for the second half of 2023 and beyond. Australian law firms face the impossibility of knowing how long the current economic downturn will last, how deep it will be, and what the ultimate recovery will look like.

Lessons have been learned from past slowdowns and while law firm management will continue to take a cautious approach to hiring, an eye on the future and the recovery will remain.

Anticipated change in demand by practice area for next 6 to 12 months

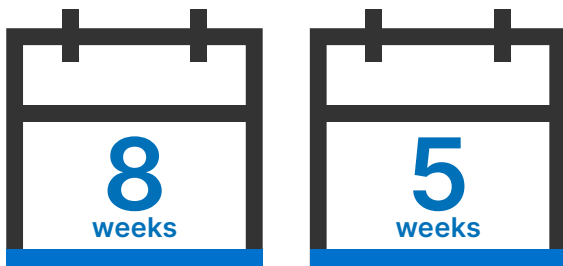


Australian law firm hiring and talent trends

Firms are being cautious when it comes to increasing headcount and hiring for replacement roles but there will still be pockets of activity across different practice areas.

- Historically, indications of an offer being made have come through after a first-round interview. A notable difference in 2023 is that feedback is limited throughout the process until the candidate receives a verbal offer. This has led to the time to hire move from an average of 5 weeks to 8 weeks from submission of the applicant

Average time from application to offer



Last six months

Preceding six months

- Turnover among lawyers in Australia for FY2023 was considerably high, especially for associates, compared to firms in other international locations such as the US and UK

- An area of concern for law firms is the combined detrimental effects that declining demand and increasing hiring has on lawyer utilisation
- An underlying feeling by junior associates is that face time is tied to job security and bonuses. A hesitancy remains from the senior associate cohort whose job satisfaction has increased due to the post pandemic hybrid working week
- In-house opportunities are softening, however there are sectors that remain attractive
- 46% of all departures from the top tier in the preceding 12 months were to in-house opportunities while it was 39.4% for international law firms and 29.5% for mid-tier firms, respectively
- Not surprisingly, the combination of inflated teams and falling demand for legal services combined to trigger a significant reduction in work hours and the heavy workloads that characterised the market in 2021/22



Australian law firm market insights



Top-tier

The perfect storm that exacerbated the war for talent was felt nowhere more than the top-tier. In response, salaries soared to unimaginable levels in 2022. However, this year began with a noticeably different atmosphere as the full effects of the slowdown in transactional practices was felt. The top-tier has still hired throughout 2023 with dispute resolution and employment/workplace relations remaining relatively busy but with the retention crisis abating as the overseas market cooled, the majority of new hires focused on picking up senior expertise.

Salaries during the recruitment process remained highly competitive but sign on bonuses and above market rates offers completely disappeared. The negative impact of falling revenue and increased expenses from the growth in associate pay last year will be felt during review time. Top-tier associates' expectations for salary growth however remain lofty and high performing associates will be rewarded during the review process as a long-term retention tool. For the majority of associates an above wage inflation is forecast, although this will result in a decline in real wages it is realistic growth in this market.



Mid-tier

With the war for talent raging throughout 2022, many mid-tier and international firms found themselves compelled to offer competitive salaries in response to the market's emphasis on compensation. As a result, these firms now provide highly lucrative remuneration packages and in some instances match top-tier rates. There are several mid-tier firms still lagging behind which has increased the banding but the value proposition of the mid-tier of purposeful value laden work combined with a work-life balance and a strong sense of camaraderie continues to attract top talent. Mid-tier lawyers should not expect exciting pay reviews (unfortunately).



Boutique

Much has been written on the rise of the boutique law firm in Australia, but turnover was high amongst the associate ranks as they took up opportunities at mid-tier and often top-tier firms in 2022. Many of the boutique firms were unable to keep up with salary competition during the war for talent but as the market for talent settles boutique firms have again become an attractive proposition. Salaries vary from firm to firm and average increases should match wage inflation while star senior associates who bring in work will continue to be rewarded well.

Australia Associate Salaries

Recruiting trusted and talented associates for law firms of every size.

We have been a market leader in law firm recruitment for more than three decades, connecting global firms and niche practices with the highest quality legal talent.

All salaries are in Australian Dollars (AUD), inclusive of superannuation, and exclusive of bonus.

Sydney

| Level (PQE) | Boutique | Mid-tier | Top-tier/international |
|--------------------|-----------------|-----------------|------------------------|
| 1 year | 82,000-88,000 | 95,000-105,000 | 110,000-120,000 |
| 2 years | 88,000-108,000 | 110,000-127,000 | 130,000-140,000 |
| 3 years | 93,000-133,000 | 125,000-140,000 | 135,000-157,000 |
| 4 years | 108,000-121,500 | 135,000-155,000 | 155,000-170,000 |
| 5 years | 115,000-142,000 | 150,000-170,000 | 170,000-185,000 |
| Senior Associate 1 | 121,400-170,000 | 170,000-185,000 | 185,000-210,000 |
| Senior Associate 2 | 145,000-175,000 | 175,000-200,000 | 200,000-235,000 |
| Senior Associate 3 | 155,000-195,000 | 185,000-220,000 | 220,000-264,000 |
| Senior Associate 4 | 178,000-220,000 | 200,000-240,000 | 240,000-290,000 |

Melbourne

| Level (PQE) | Boutique | Mid-tier | Top-tier/international |
|--------------------|-----------------|-----------------|------------------------|
| 1 year | 70,000-90,000 | 85,000-95,000 | 100,000-120,000 |
| 2 years | 80,000-105,000 | 90,000-120,000 | 115,000-135,000 |
| 3 years | 100,000-115,000 | 95,000-135,000 | 125,000-155,000 |
| 4 years | 120,000-135,000 | 115,000-145,000 | 135,000-165,000 |
| 5 years | 127,000-145,000 | 130,000-160,000 | 145,000-170,000 |
| Senior Associate 1 | 135,000-150,000 | 145,000-175,000 | 170,000-190,000 |
| Senior Associate 2 | 140,000-155,000 | 160,000-195,000 | 175,000-205,000 |
| Senior Associate 3 | 150,000-180,000 | 175,000-210,000 | 200,000-225,000 |
| Senior Associate 4 | 170,000-205,000 | 185,000-225,000 | 210,000-250,000 |

Brisbane

| Level (PQE) | Boutique | Mid-tier | Top-tier/international |
|--------------------|-----------------|-----------------|------------------------|
| 1 year | 65,000-85,000 | 78,000-87,000 | 85,000-105,000 |
| 2 years | 72,000-92,000 | 86,000-97,000 | 90,000-110,000 |
| 3 years | 80,000-113,000 | 95,000-120,000 | 95,000-120,000 |
| 4 years | 93,000-135,000 | 105,000-128,000 | 115,000-140,000 |
| 5 years | 99,000-145,000 | 110,000-139,000 | 128,000-150,000 |
| Senior Associate 1 | 112,000-145,000 | 130,000-155,000 | 150,000-165,000 |
| Senior Associate 2 | 125,000-160,000 | 142,000-167,000 | 162,000-175,000 |
| Senior Associate 3 | 140,000-170,000 | 150,000-185,000 | 165,000-195,000 |
| Senior Associate 4 | 145,000-210,000 | 160,000-230,000 | 175,000-265,000 |

Perth

| Level (PQE) | Boutique | Mid-tier | Top-tier/international |
|--------------------|-----------------|-----------------|------------------------|
| 1 year | 70,000-85,000 | 75,000-88,000 | 83,000-95,000 |
| 2 years | 80,000-95,000 | 85,000-100,000 | 95,000-113,000 |
| 3 years | 95,000-110,000 | 100,000-115,000 | 105,000-130,000 |
| 4 years | 105,000-125,000 | 110,000-130,000 | 125,000-139,000 |
| 5 years | 120,000-135,000 | 120,000-148,000 | 135,000-150,000 |
| Senior Associate 1 | 135,000-145,000 | 135,000-160,000 | 150,000-175,000 |
| Senior Associate 2 | 145,000-165,000 | 155,000-175,000 | 155,000-185,000 |
| Senior Associate 3 | 160,000-182,000 | 165,000-185,000 | 175,000-205,000 |
| Senior Associate 4 | 170,000-190,000 | 170,000-195,000 | 190,000-220,000 |



International Associate Salaries

Assisting experienced lawyers relocate around the globe.

We have an extensive global network and unrivalled reach – with trusted experts on the ground across 14 international locations including London, New York, Hong Kong, Singapore and Dubai.

All salaries are in local currency, please refer to individual salary tables.

London | GBP

| Level (PQE) | Boutique firms | UK National firms | Silver Circle firms |
|-------------|-----------------|-------------------|---------------------|
| NQ | 62,000-76,000 | 75,000-87,000 | 92,000-120,000 |
| 1 year | 65,000-78,000 | 78,000-90,000 | 95,000-130,000 |
| 2 years | 68,000-81,000 | 81,000-94,000 | 100,000-135,000 |
| 3 years | 72,000-85,000 | 84,000-98,000 | 105,000-140,000 |
| 4 years | 75,000-89,000 | 87,000-101,000 | 110,000-145,000 |
| 5 years | 78,000-93,000 | 90,000-106,000 | 115,000-150,000 |
| 6 years | 82,000-96,000 | 95,000-115,000 | 120,000-160,000 |
| 7 years | 86,000-100,000 | 100,000-120,000 | N/A |
| 8 years+ | 90,000-105,000+ | 110,000+ | N/A |

London | GBP

| Level (PQE) | Magic Circle firms | Top-tier US firms | Elite US law firms |
|-------------|--------------------|-------------------|--------------------|
| NQ | 115,000-125,000 | 130,000-140,000 | 145,000-173,500 |
| 1 year | 120,000-130,000 | 140,000-150,000 | 155,000-181,500 |
| 2 years | 125,000-140,000 | 150,000-160,000 | 175,000-201,500 |
| 3 years | 130,000-150,000 | 160,000-170,000 | 205,000-238,000 |
| 4 years | 136,000-160,000 | 170,000-180,000 | 240,000-278,000 |
| 5 years | 142,000-165,000 | 180,000-190,000 | 260,000-298,500 |
| 6 years | 150,000-175,000 | 190,000-200,000 | 280,000-322,500 |
| 7 years | N/A | N/A | N/A |
| 8 years+ | N/A | N/A | N/A |

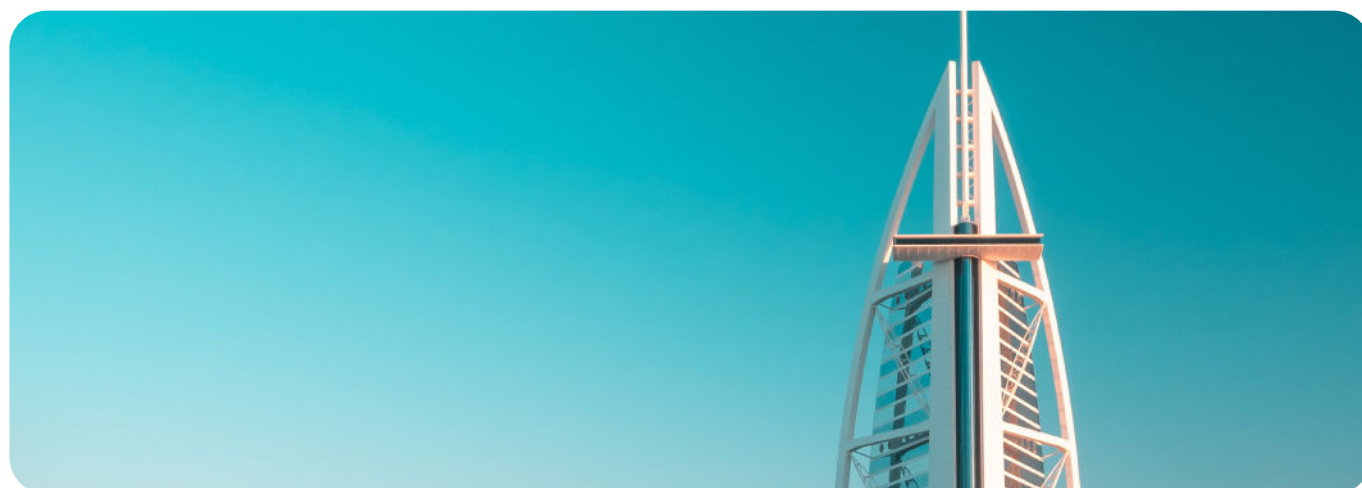
North America | USD

| Level (PQE) | US law firms | Annual bonus | Total |
|-------------|--------------|--------------|---------|
| 1 year | 215,000 | 20,000 | 235,000 |
| 2 years | 225,000 | 30,000 | 255,000 |
| 3 years | 250,000 | 57,500 | 307,500 |
| 4 years | 295,000 | 75,000 | 370,000 |
| 5 years | 345,000 | 90,000 | 435,000 |
| 6 years | 370,000 | 105,000 | 475,000 |
| 7 years | 400,000 | 115,000 | 515,000 |
| 8 years | 415,000 | 115,000 | 530,000 |

NOTE: North America salaries are based on The Cravath biglaw salary scale.

Middle East | AED

| Level (PQE) | Magic Circle firms | International law firms | US law firms |
|-------------|--------------------|-------------------------|-------------------|
| NQ | 480,000-500,000 | 400,000-450,000 | 480,000-720,000 |
| 1 year | 520,000-550,000 | 440,000-480,000 | 520,000-760,000 |
| 2 years | 560,000-600,000 | 470,000-530,000 | 560,000-800,000 |
| 3 years | 600,000-650,000 | 510,000-580,000 | 600,000-850,000 |
| 4 years | 650,000-700,000 | 540,000-650,000 | 640,000-900,000 |
| 5 years | 700,000-750,000 | 580,000-720,000 | 680,000-950,000 |
| 6 years | 750,000-800,000 | 620,000-780,000 | 720,000-1,000,000 |
| 7 years | 800,000-850,000 | 650,000-825,000 | 760,000-1,050,000 |
| 8 years+ | 850,000+ | 700,000+ | 800,000+ |



Hong Kong

| Level (PQE) | International law firms (HKD/monthly) | Magic Circle law firms (HKD/monthly) | Offshore firms (USD/annual) |
|-------------|---------------------------------------|--------------------------------------|-----------------------------|
| NQ | 75,000-95,000 | 93,000-100,000 | 112,500-142,500 |
| 1 year | 85,000-95,000 | 100,000-105,000 | 127,500-150,000 |
| 2 year | 90,000-110,000 | 105,000-115,000 | 132,000-165,000 |
| 3 year | 95,000-120,000 | 115,000-130,000 | 135,000-180,000 |
| 4 year | 100,000-130,000 | 125,000-135,000 | 150,000-187,500 |
| 5 year | 115,000-145,000 | 130,000-150,000 | 165,000-195,000 |
| 6 year | 125,000-155,000 | 140,000-155,000 | 180,000-210,000 |
| 7 year | 130,000-170,000 | 150,000-170,000 | 195,000-225,000 |
| 8 year+ | 145,000+ | 170,000+ | 225,000+ |

Singapore | SGD

| Level (PQE) | UK Magic Circle firms | Top-tier UK (Non-Magic Circle) | US law firms |
|-------------|-----------------------|--------------------------------|--------------|
| NQ | 186,000 | 120,000-185,000 | N/A |
| 1 year | 202,000 | 135,000-210,000 | 215,000 |
| 2 year | 222,000 | 140,000-215,000 | 225,000 |
| 3 year | 244,500 | 150,000-230,000 | 250,000 |
| 4 year | 269,000 | 165,000-235,000 | 295,000 |
| 5 year | 290,000 | 170,000-280,000 | 345,000 |
| 6 year | 310,000 | 190,000-285,000 | 370,000 |
| 7 year | 318,000 | 210,000-300,000 | 400,000 |
| 8 year+ | 335,000 | 230,000+ | 415,000 |



About Taylor Root

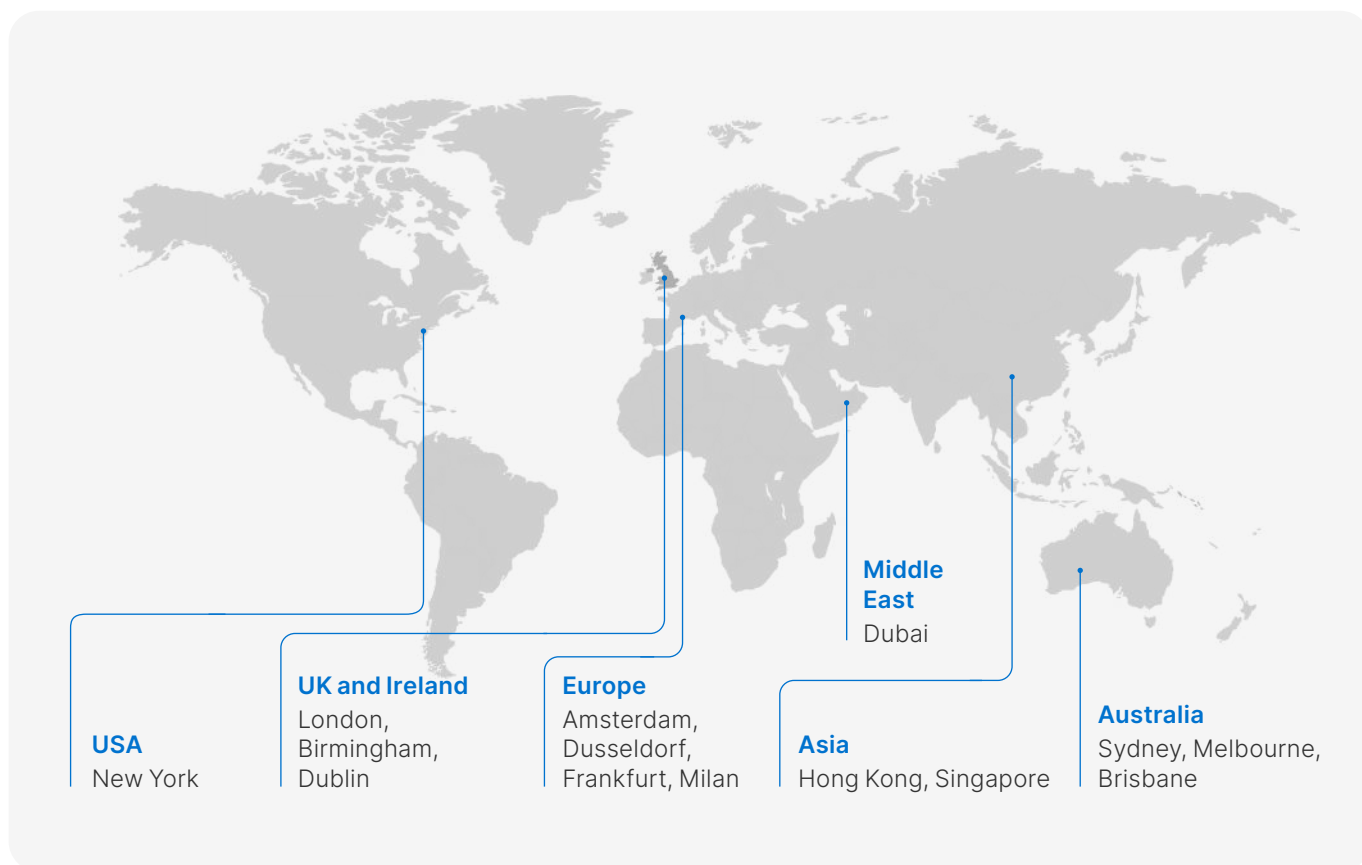
We are a global legal, risk and compliance search and recruitment consultancy and have been a market leader for more than 30 years.

We help global law firms and businesses to build and expand their legal, risk, compliance and corporate governance functions. Whether you're hiring your first In-house Counsel, expanding your associate team in a certain practice area or expanding your risk department internationally, we partner with businesses at every step of your journey.

Our services include contingent and retained search, permanent, temporary and interim recruitment as well as consultancy solutions.

Wherever we operate we have made an impact, from Düsseldorf to Dubai, New York to Shanghai or Milan to Melbourne. From pioneering specialist recruitment in particular locations, to shaping how our clients have approached hiring, our influence is evident everywhere.

Today, we have 14 international offices – a truly global network of search and recruitment experts. Put simply, no one can match our global reach, or our history.



Meet the team

Our expert consultants have vast industry experience and an extensive understanding of every global market that we cover.

Interested in an informal chat with one of our specialists?
Get in touch here – we would love to hear from you.



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