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Mahlab Report

➤ Your guide to salary data and market insights

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Welcome to Mahlab Report 2023!

Mahlab Report 2023 provides insights for employers and professionals in the legal industry. It contains valuable information about the legal profession, employment experiences, trends and remuneration tables based on the July 2023 reviews.

The 2023 year has been a more subdued year than last year mostly due to the softer economy. While law firms have reported healthy profits, continued to promote lawyers to partners and aggressively competed for talent, law firm revenues have now slowed. Corporations have continued to build their teams at legal counsel and senior legal counsel levels. At the same time there have been a significant number of corporate restructures. These restructures have generally been designed to create efficiencies, manage costs, and put in place more robust governance frameworks. This has reshaped teams and created some new opportunities for General Counsel, Company Secretaries and governance lawyers.

The exodus of lawyers leaving Australian shores for overseas work experiences continues for the time being, although the demand for Australian lawyers in the UK and the US has slowed. Australian lawyers who left before the pandemic are beginning to return home, although there is still a shortage of lawyers exacerbated by those who left Australian shores in 2021 and 2022.

Employers are continuing their focus on attracting and retaining staff. Firms are offering a range of subsidised benefits and days of bonus leave and additional annual leave. Employers are also focussing on making the work environment attractive and well-resourced with a full suite of benefits to encourage employees to increase their working days in the office.

Remuneration reviews this year have been more conservative than the last 2 years. Many corporate and government employers this year have found their salary offerings are uncompetitive against salaries offered in private practice.

The recent interest rate rises, supply chain issues, geopolitics including the war in Ukraine, and a greater difficulty in raising capital as well as a global slowdown have meant that while legal employers will continue to recruit, they are doing so with caution and tighter cost control.

We hope you enjoy reading Mahlab Report 2023 and find it both interesting and informative.

Private Practice and Corporate

We would be pleased to receive your comments on our Report. Please send these to our Managing Directors:

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Specialists in legal search



Private Practice

Private practice continues to aggressively compete for junior legal talent and quality senior lawyers, particularly partners with transportable practices and teams. As the financial year drew to a close, market activity slowed, impacting the bottom line. Law firm managers are taking a more circumspect approach in their decisions around salary reviews, hiring, and workflow efficiencies. The focus in 2023 has been quality hiring, retention of valuable staff, and ensuring efficiencies with innovation and right sizing.

Recruitment

- The employment market remains tight. Hiring continues but the focus has shifted to retention, engagement, and utilisation.
- While many firms continue to be busy, some slowdown in transactional activity has resulted in the resizing of some practice groups.
- Recruitment at the sought-after 3–8 years level remains competitive.
- The impact of lawyers leaving Australian shores for the overseas law firm experience remains. Lawyers who left Australia in 2021 and 2022 remain overseas, leaving gaps in practice areas for this cohort.
- Firms have active watching briefs for high-calibre lawyers but are being more selective in their approach to hiring: recruitment must be backed by a solid business case.
- Law firms have reduced the hiring of contractors and have focussed on the hiring of permanent employees.
- Areas of demand include energy and resources (particularly renewables), construction and infrastructure, employment, insolvency and restructuring, litigation and dispute resolution (particularly class actions), and insurance.
- Despite attractive offers to make a move, lawyers want to work for a law firm whose values align with their own.

Retention

- Firms continue to offer creative rewards and benefits to retain valued employees.
- Salary increases and bonuses are an even more critical tool in the retention of lawyers given rising inflation.
- The hybrid working week is entrenched in most firms.
- Some firms are investing in their “office customer experience” to entice more staff back to the office and as a means of retention.
- Earlier promotions to Associate and Senior Associate are still being made to retain staff.
- The balance of power in the employment relationship is slowly shifting back toward employers, but for now remains tipped in favour of employees.
- Work/life balance and flexibility are essential to retain staff: these have become non-negotiable, particularly with more junior lawyers.
- Firms continue to promote and offer flexibility to retain an increasingly diverse workforce, for example, gender neutral parental leave.

Remuneration

- Salary increases have returned to the more conservative levels of the past, despite increasing cost of living pressures and higher inflation.
- Many lawyers received reviews less than CPI, in the order of 4-5.5%. Bonuses are being used to reward strong performers.
- Junior and mid level lawyers generally received generous reviews of up to 10% as they moved up and within salary bands.
- Bonuses were paid to top performers. Bonuses ranged from 8% to 20% of base remuneration.
- Mid sized firms awarded higher salary increases while the larger firms relied upon bonuses to reward their lawyers.
- Some international firms now have a strong cost control focus, and this has resulted in the international firms having a more conservative approach to reviews.

Trends

- Law firms continue to hire quality lawyers at the 3-8 years level to fill gaps.
- With leaner budgets for staff, law firms are moving away from hiring contractors. Their focus is on hiring and utilising permanent employees.

- Billable targets and recorded work hours will increase at some law firms. Strict requirements for timely submission of timesheets will determine eligibility for bonus/rewards plans.
- Drivers for lawyers and senior associates are competitive remuneration, quality work, work/life balance, flexibility, culture, diversity, and learning and development opportunities.
- There will be redundancies in underperforming practice areas.
- Non-fee earner positions in some firms have been made redundant, more are anticipated.
- As fewer lawyers seek to work overseas, retention rates within firms will somewhat improve. However, there is still a 'brain drain' as private practice lawyers opt to work in corporate, not-for-profits, government, and NGO's.
- There are the beginnings of generational tension in the legal profession as Gen Z lawyers come through. These lawyers have very different expectations of their career and employer and often see their career path as non-linear (at odds with the linear progression structure of law firms).
- Most lawyers are now working on hybrid working models with a minimum number of days in the office (in Sydney and Melbourne, particularly). This is not always the situation in other major cities where there has been a greater shift back to the office.
- Hybrid working week arrangements may come under pressure if the market contracts and firms seek to ensure that staff are more visible, and productivity is closely measured.



Private Practice Lawyers' Salaries

Major Firms

Sydney

Year Level	Range	Mode
1	\$110,000 – \$120,000	\$115,000
2	\$120,000 – \$130,000	\$125,000
3	\$130,000 – \$150,000	\$140,000
4	\$140,000 – \$170,000	\$160,000
SA 1	\$170,000 – \$185,000	\$170,000
SA 2	\$185,000 – \$230,000	\$210,000
SA 3	\$200,000 – \$245,000	\$230,000
SA 4	\$210,000 – \$265,000	\$240,000
SA 5/SC	\$240,000 – \$350,000	\$280,000

Melbourne

Year Level	Range	Mode
1	\$90,000 – \$110,000	\$100,000
2	\$95,000 – \$130,000	\$110,000
3	\$120,000 – \$145,000	\$130,000
4	\$140,000 – \$165,000	\$155,000
SA 1	\$165,000 – \$175,000	\$165,000
SA 2	\$180,000 – \$210,000	\$200,000
SA 3	\$200,000 – \$230,000	\$220,000
SA 4	\$210,000 – \$245,000	\$240,000
SA 5/SC	\$220,000 – \$330,000	\$260,000

Brisbane

Year Level	Range	Mode
1	\$85,000 – \$105,000	\$100,000
2	\$100,000 – \$120,000	\$115,000
3	\$125,000 – \$145,000	\$135,000
4	\$140,000 – \$170,000	\$160,000
SA 1	\$170,000 – \$185,000	\$170,000
SA 2	\$185,000 – \$230,000	\$210,000
SA 3	\$200,000 – \$245,000	\$230,000
SA 4	\$210,000 – \$265,000	\$240,000
SA 5/SC	\$240,000 – \$350,000	\$280,000



Figures include superannuation but do not include bonuses or other benefits.

The defining criteria of what is a major, mid and small commercial CBD firm includes: size, locations, reputation, quality of work, expectations of employer as well as pay, desirability of employment and training and development.

Given that firms take into account a range of factors when determining remuneration, an individual's position within a band will vary based on their background, experience and performance. Lawyers paid at the higher end of the bands are usually top performers and/or employees who bring with them an additional skill that is over and above the general requirements for the role. For tailored advice please contact our consultants.

Private Practice Lawyers' Salaries

Mid Firms

Sydney

Year Level	Range	Mode
1	\$90,000 – \$110,000	\$100,000
2	\$100,000 – \$120,000	\$110,000
3	\$110,000 – \$140,000	\$130,000
4	\$130,000 – \$155,000	\$140,000
SA 1	\$150,000 – \$170,000	\$165,000
SA 2	\$165,000 – \$190,000	\$175,000
SA 3	\$180,000 – \$220,000	\$200,000
SA 4	\$190,000 – \$240,000	\$220,000
SA 5/SC	\$200,000 – \$270,000	\$240,000

Melbourne

Year Level	Range	Mode
1	\$85,000 – \$100,000	\$90,000
2	\$95,000 – \$115,000	\$100,000
3	\$110,000 – \$130,000	\$115,000
4	\$120,000 – \$150,000	\$130,000
SA 1	\$140,000 – \$160,000	\$150,000
SA 2	\$145,000 – \$175,000	\$160,000
SA 3	\$165,000 – \$200,000	\$175,000
SA 4	\$175,000 – \$210,000	\$190,000
SA 5/SC	\$180,000 – \$240,000	\$210,000

Brisbane

Year Level	Range	Mode
1	\$75,000 – \$95,000	\$90,000
2	\$90,000 – \$120,000	\$110,000
3	\$110,000 – \$140,000	\$130,000
4	\$130,000 – \$155,000	\$140,000
SA 1	\$150,000 – \$170,000	\$165,000
SA 2	\$165,000 – \$190,000	\$175,000
SA 3	\$180,000 – \$220,000	\$200,000
SA 4	\$190,000 – \$240,000	\$220,000
SA 5/SC	\$200,000 – \$270,000	\$240,000

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Private Practice Lawyers' Salaries

Small Commercial Firms

Sydney

Year Level	Range	Mode
1	\$65,000 – \$75,000	\$70,000
2	\$70,000 – \$95,000	\$80,000
3	\$80,000 – \$100,000	\$90,000
4	\$90,000 – \$125,000	\$100,000
SA 1	\$120,000 – \$170,000	\$140,000
SA 2	\$130,000 – \$190,000	\$150,000
SA 3	\$145,000 – \$195,000	\$165,000
SA 4	\$155,000 – \$210,000	\$175,000
SA 5/SC	\$180,000 – \$230,000	\$195,000

Melbourne

Year Level	Range	Mode
1	\$60,000 – \$70,000	\$65,000
2	\$65,000 – \$85,000	\$75,000
3	\$75,000 – \$95,000	\$85,000
4	\$85,000 – \$120,000	\$95,000
SA 1	\$110,000 – \$150,000	\$130,000
SA 2	\$120,000 – \$160,000	\$140,000
SA 3	\$135,000 – \$175,000	\$155,000
SA 4	\$145,000 – \$190,000	\$160,000
SA 5/SC	\$160,000 – \$200,000	\$170,000

Brisbane

Year Level	Range	Mode
1	\$60,000 – \$75,000	\$70,000
2	\$70,000 – \$95,000	\$80,000
3	\$80,000 – \$100,000	\$90,000
4	\$90,000 – \$125,000	\$100,000
SA 1	\$120,000 – \$170,000	\$140,000
SA 2	\$130,000 – \$190,000	\$150,000
SA 3	\$145,000 – \$195,000	\$165,000
SA 4	\$155,000 – \$210,000	\$175,000
SA 5/SC	\$180,000 – \$230,000	\$195,000



Figures include superannuation but do not include bonuses or other benefits.

The defining criteria of what is a major, mid and small commercial CBD firm includes: size, locations, reputation, quality of work, expectations of employer as well as pay, desirability of employment and training and development.

Given that firms take into account a range of factors when determining remuneration, an individual's position within a band will vary based on their background, experience and performance. Lawyers paid at the higher end of the bands are usually top performers and/or employees who bring with them an additional skill that is over and above the general requirements for the role. For tailored advice please contact our consultants.

Partners

Recruitment

- Interest in partners with practices remains strong.
- Partners wanting to make a move require a solid business case. Firms are thorough in their analysis of transportable client bases and historical financial performance. Added to this is the challenge of a partner's ability to retain and bring a team, and a firm's ability to provide the necessary support and resources.
- Firms are using attractive remuneration models to attract partners and continue to pay more for top performers. Competing for top partners has continued to be a challenge for those firms which cannot meet the highly competitive market on partner remuneration.
- As profit per equity partner declines in some firms, high performing partners in areas of demand may seek out better financial deals from other firms with deeper pockets.

Remuneration

- Partner remuneration in some full-service firms has decreased due to increasing costs (particularly staff remuneration) and decreasing financial performance in key transactional practices.
- Financial performance of some boutique and focused/specialist firms remains strong.
- If the market slows, firms may find that client accounts are taking longer to settle, impacting cashflow. This may result in inconsistent partner income as partner draws are impacted and may also impact overall remuneration.
- High performing partners will receive bonuses in addition to draw entitlements.
- Partners feel more comfortable and valued when they see that their reward aligns with their contribution. Those firms which remain with traditional lockstep and other inflexible remuneration models find it a challenge to recruit and retain lateral partners, particularly in a market where partners are constantly approached by competitors.
- Inequity is more prevalent in larger, full-service firms with diverse practices

Retention

- Focus on cost control to maintain profitability.
- Firms have done more to reward top performers, e.g., through awarding bonus equity points and financial bonuses, and in some cases penalising non-performers through a reduction in equity points.

Trends

- The gap between high performing and struggling partners continues to widen.
- Securing up-and-coming partner talent by lowering the benchmarks and salaries for fixed draw/salaried partners will extend the lead time to equity participation.

Partners Remuneration

Major Firms

Mode

SYDNEY
\$1,500,000

MELBOURNE
\$1,500,000

BRISBANE
\$1,380,000

Mid Firms

Mode

SYDNEY
\$900,000

MELBOURNE
\$900,000

BRISBANE
\$825,000

Small Firms

Mode

SYDNEY
\$450,000

MELBOURNE
\$445,000

BRISBANE
\$370,000



Corporate

In-house opportunities remained popular for lawyers of all levels. Despite the economic slowdown, companies across a wide range of sectors, including government entities, expanded their legal teams, in particular at the mid level (3-8 years), competing effectively with the law firms for quality staff. Short- and long-term incentives remained a key drawcard to reward and retain staff against a climate of lower annual increases across the organisation. Often remuneration was not the only important consideration: lawyers were drawn to corporate values and cultures that aligned with their own, flexible work arrangements and quality of life as much as pay.

Recruitment

- Competition remains rife for mid level lawyers and Senior Legal Counsel.
- Quality lawyers with 3-8 years of commercial experience are very difficult to source: these lawyers have multiple options and are well looked after by their current employer.
- Employers are now more flexible about hiring lawyers above or below the stated desired experience.
- Corporate restructures and a greater focus on compliance have created opportunities for executive level General Counsel and Company Secretaries.
- Industry sectors seeking lawyers include: healthcare and pharmaceuticals, energy, education, government, and financial services (particularly superannuation).
- Key legal skills in demand include: commercial contracts, regulatory (competition, data protection/privacy, financial services regulation, healthcare regulations), employment, energy, infrastructure, and project development.
- As a result of anticipated headwinds, some companies are reorganizing their workforces including their legal teams. This has led to a reshuffle of legal roles and the creation of new in-house legal roles.

- An alignment of personal values and company values remains critical for lawyers considering a move. Flexibility, culture, and diversity are also important considerations.
- More employers will consider four day per week arrangements.
- More employers will accept more senior candidates with remuneration expectations that match the employers'.

At the senior end.....

- General Counsel roles tended to be replacement rather than newly created roles. "Greenfield" sites were fewer.
- Extended General Counsel roles, including responsibility for commercial operations, were available in government and related employers.
- Some General Counsel responsibilities extended to service areas such as People and Culture, Insurance, Risk, IT and Finance.
- When hiring General Counsel, employers were more open to considering "step up" lawyers, being Senior Legal Counsel ready to move to a leadership role, a less expensive option with, potentially, a longer retention period.

Remuneration

- Remuneration increases in the corporate environment are lagging behind the inflation rate and typically ranged from 4-5%.
- Bonuses were paid to reward strong individual performance. Some bonuses were adversely impacted by company performance.
- Senior lawyers received more significant annual bonuses and other incentives than their junior colleagues.
- Some Senior Legal Counsel and General Counsel in ASX-listed companies received long term incentives (vesting over two to three years) in addition to short term incentives.

Retention

- Beyond remuneration and bonuses, elements of culture, people and team, quality of work and the opportunity to contribute and be involved in the business all result in higher retention levels.
- Ongoing education, professional development, a supportive environment and mentoring also remain key to retaining staff.
- Hybrid working weeks are entrenched in most organisations, but these arrangements may come under pressure if the market contracts and organisations seek to ensure that lawyers are more visible.
- Effective onboarding of new staff remains critical to long term retention.

Trends

- Jobs growth will slow.
- Restructures will continue throughout the first and second quarter of the 2023-2024 financial year.
- Restructures will create new opportunities for lawyers at General Counsel level including Divisional General Counsel.
- Cost-cutting measures within companies will increase workloads for in-house teams as they will have to do more with less.
- Corporate salaries are becoming more homogeneous between the various Australian states in the larger companies where teams straddle multiple capital cities.
- While lawyers generally continue to work on a hybrid basis, there is a stronger push to get lawyers back into the office (particularly in industries such as property).
- Fully remote working roles are now on the decline.
- Travel for work-related purposes has now returned.
- Meetings by Teams and Zoom are here to stay. In person meetings have reduced dramatically and digital meetings are now the norm.
- More lawyers are opting to leave secure roles to take 6-12 month career breaks to recharge, reflect and refresh.

Corporate Lawyers Salaries

Sydney

Year Level	Range	Mode
1	\$90,000 – \$110,000	\$105,000
2	\$110,000 – \$150,000	\$125,000
3	\$130,000 – \$170,000	\$145,000
4	\$150,000 – \$180,000	\$165,000
5	\$160,000 – \$185,000	\$175,000
6-8	\$190,000 – \$240,000	\$215,000
8-10	\$200,000 – \$260,000	\$245,000
10+ inc DGC	\$240,000 – \$350,000	\$270,000

Melbourne

Year Level	Range	Mode
1	\$90,000 – \$110,000	\$100,000
2	\$110,000 – \$130,000	\$120,000
3	\$125,000 – \$165,000	\$140,000
4	\$145,000 – \$180,000	\$160,000
5	\$150,000 – \$185,000	\$170,000
6-8	\$180,000 – \$230,000	\$200,000
8-10	\$200,000 – \$260,000	\$235,000
10+ inc DGC	\$230,000 – \$340,000	\$260,000

Brisbane

Year Level	Range	Mode
1	\$80,000 – \$100,000	\$90,000
2	\$90,000 – \$120,000	\$115,000
3	\$110,000 – \$140,000	\$130,000
4	\$120,000 – \$160,000	\$150,000
5	\$140,000 – \$180,000	\$170,000
6-8	\$160,000 – \$200,000	\$190,000
8-10	\$190,000 – \$240,000	\$210,000
10+ inc DGC	\$200,000 – \$310,000	\$240,000

Figures include superannuation but do not include bonuses or other benefits.

Salary bands in the corporate market tend to be very broad.

An individual's position within a band will depend on a number of factors including background and experience of the individual, size of the organisation and its legal function, industry sector and level of management responsibility within the role. For tailored advice please contact our consultants.

Company Secretaries

Recruitment

- Demand for senior level company secretaries maintained due to the focus from Boards and Executive teams on adherence to governance standards.
- Most senior roles call for legally qualified candidates, many with listed company experience including developing and implementing governance frameworks, leading, and managing teams.
- High calibre talent in this area is scarce.

Remuneration

- Some organisations are unrealistic about what they feel they need to pay for someone of the calibre they need for the role. Those prepared to pay a premium can secure the best quality talent in a very tight market.
- Salary increases of 4-5% were paid.
- Bonuses are generally around 15-30%. If the Company Secretary is a member of the Executive team, their bonus may be higher.

Retention

- Organisations providing professional development opportunities by way of further education, e.g. Governance Institute of Australia qualifications and AICD course.
- Building of governance teams to allow the Company Secretary to focus on the Board and strategic governance advice while supported by others in relation to Board administration.
- Broadening of the governance role to incorporate ESG responsibilities.

Trends

- As restructures continue throughout the year new career opportunities will arise for Company Secretaries.
- With the increased scrutiny of regulators, the Company Secretary is regarded as one of the most important roles in a company.
- Company Secretaries at the assistant and deputy level are finding their responsibilities and expectations of them are increasing. Remuneration is increasing for these professionals.

Company Secretaries' Salaries

Publicly Listed Companies

National

Range	Mode
\$280,000 – \$550,000	\$380,000

Non-Publicly Listed Companies

National

Range	Mode
\$220,000 – \$360,000	\$270,000

Figures include superannuation but do not include bonuses or other benefits.

Salary bands for company secretaries are broad. An individual's position within a band will depend on a number of factors including background and experience of the individual, size of the organisation and its secretariat function, industry sector and level of management responsibility within the role. For tailored advice please contact our consultants.

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