

The top half of the cover features a complex marbled paper pattern with swirling, organic shapes in shades of grey, white, and black. The pattern is dense and textured, resembling traditional marbling techniques.

**Marlab**

**Report** **2014**

**CORPORATE**

CORPORATE LAWYERS  
COMPANY SECRETARIES

Mahlab gratefully acknowledges the support of the following industry associations in sharing access to the Mahlab Survey with their members:



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Figures contained within tables in this survey have been rounded to the nearest \$500 and are quoted in local currency.

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# Mahlab Report 2014

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# Mahlab

## MAHLAB REPORT 2014

### Welcome

Welcome to the Mahlab Report 2014, the definitive guide to the legal industry's employment and market trends, published annually by Mahlab since 1984.

The Mahlab Report 2014 compares remuneration and rewards, employment experiences and job satisfaction across Australia and internationally based on a survey of private practice lawyers and partners, in-house lawyers, general counsel and company secretaries as well as law firms and legal directorates.

Survey findings are supplemented by Mahlab's in-depth understanding of the market and information gathered from clients and candidates throughout the year.

The report is based on actual salary figures for FY15 (post 1 July 2014 reviews).



KATHERINE  
SAMPSON



LISA  
GAZIS

**To accompany and enhance the Mahlab Report 2014, Mahlab will, for the first time, host a series of 'roundtables' with leaders in the profession. These will provide a forum for the exchange of ideas about the challenges, concerns and opportunities revealed in the report and help us keep our findings up-to-date as the market moves and trends emerge throughout the year. We will develop and publish additional reports following roundtable discussions.**

### Key Findings

This year's report reveals some recovery in the legal market since late 2013, reflecting a rise in business confidence and commercial activity after the Federal election in October and a more optimistic outlook for 2014/15.

### Private Practice

This positivity manifested in the lifting of salary and bonus freezes that were imposed last financial year, although the slowdown in salary band increases in **law firms** continues. Nationally, the average increase in private practice salaries is 3.8%, an increase on last year's national average of 3.7%, maintaining the more positive outlook we've seen since 2012 but far from the peak increase of 2011.

Pressure to maintain profitability in the firms is evident in departures of partners and teams from less profitable practice areas or those that no longer fit the firm's global or national model. Mid firms are still the major beneficiaries of this mobility.

We report a decline in equity partners overall as many firms 'de-equitise' to improve per partner profitability and a rise in performance based partnerships (salaried or fixed draw plus a percentage of billings). The trend here is performance-based reward at all levels, from senior partner to junior solicitor.

For those below partner status, leaner teams overall and a focus on full deployment and redeployment of staff, often reviewed on a national or international basis if the size and nature of the firm allows for this, creates opportunities and threats. Secondment opportunities may arise outside the 'home' office for those who are mobile. However, longer hours, higher budgets and a more difficult path to partnership – with some firms introducing new and higher hurdles to overcome to achieve salaried (let alone equity) partner status – discourage some lawyers.

At Senior Associate level, business development and client retention is more important than ever, although partners still hold their key clients close.

As the Australian law firm market loosens the purse strings and repositions, international markets have also improved and now return as a threat to major firms, whose banking and finance and corporate lawyers in particular are in high demand offshore. This may have an inflationary effect on salaries here or, more likely, increase the incidence of bonuses for existing staff and sign-on bonuses for lateral recruits in these areas.

## Corporate

In the **in-house** arena, modest salary increases are now the norm as companies continue to seek to increase profitability through trimming costs. This trend, which has gained momentum over the past few years, looks set to continue for at least the next 6–12 months amid ongoing soft market conditions.

Corporate salaries have increased by a conservative 3.3% on average for FY14, a modest improvement on last year's increase of 2.8%, but not quite as strong as the 4.4% increase of FY12.

Good news for company secretaries this year: FY14 is the first year that the percentage of company secretaries reporting that their organisations offer performance based bonuses (88%) has returned to pre-recession levels. Overall, however, fewer bonuses are being offered and paid to fewer in-house lawyers this year.

Not surprisingly, job satisfaction has fallen for in-house counsel, although most are positive about remaining in an in-house role.

Contract lawyers are providing companies with cost-effective solutions to short-term resourcing shortages, and will work for a market salary, rather than the expensive premium they attracted in the past.

The relationship between corporate client and law firm service provider is also changing, with an increasing trend for payment models based on pre-determined fees rather than hourly rates.

## Thank You

Mahlab is grateful for the support of everyone who participated in the survey.

In particular, we wish to thank the following associations for sharing the questionnaire with their members: Victorian Women Lawyers, Law Institute Victoria, Women Lawyers of Western Australia, The Law Society of New South Wales, The Law Society of Tasmania, ACT Law Society and The Commercial Law Association of Australia.

Join the social media conversation about #MahlabReport2014 by following @MahlabLegal or by connecting with us on LinkedIn.

Stay tuned for upcoming reports based on Mahlab's industry roundtables and do not hesitate to contact Katherine Sampson, Lisa Gazis or one of our consultants if you would like more detailed career or salary advice.

We wish you all the best for a fruitful and satisfying new financial year.



Katherine Sampson

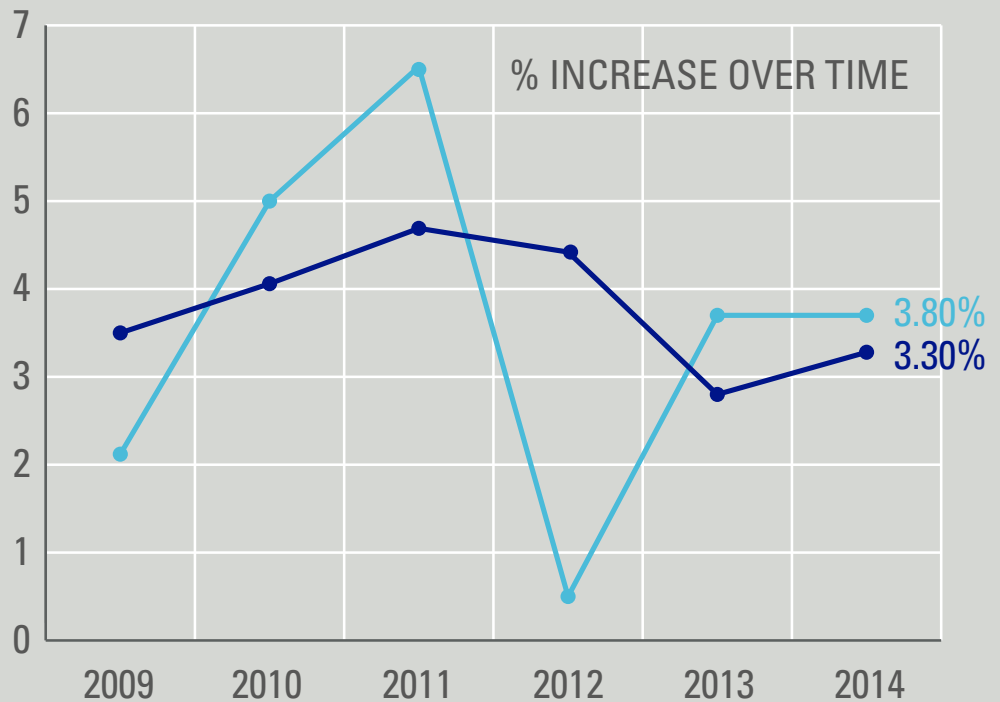


Lisa Gazis

## RESULTS AT A GLANCE

## SALARY

3.55%

LEGAL INDUSTRY  
AVERAGE INCREASE

“ Mahlab Report 2014 reveals a rise in business confidence and commercial activity, and a more optimistic outlook for FY15.”

– Katherine Sampson and Lisa Gazis, Mahlab

## PERCENTAGE OF RESPONDENTS

RECEIVED A BONUS

50%

12%

WERE SATISFIED WITH  
THEIR SALARY REVIEW

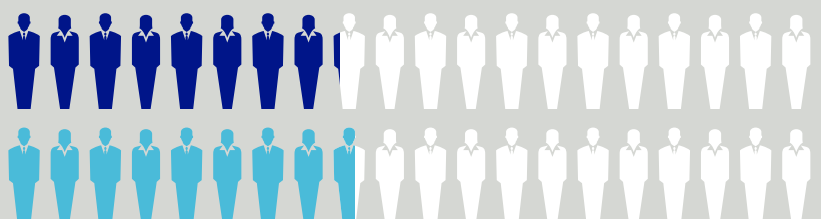
46%

38%

CONSIDERED LEAVING  
THEIR ROLE

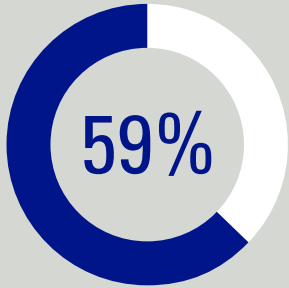
42%

47%

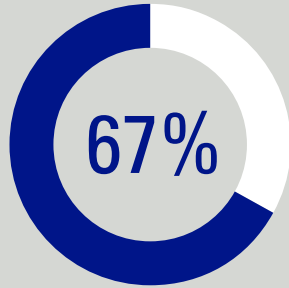


# MAHLAB REPORT 2014

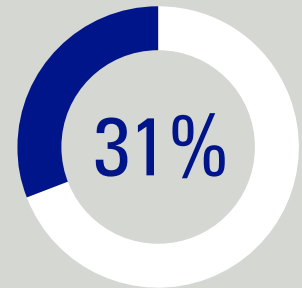
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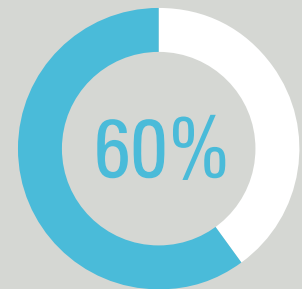
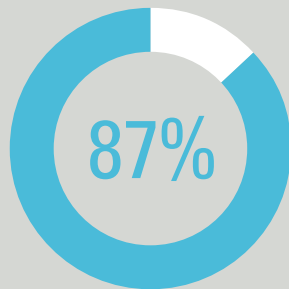
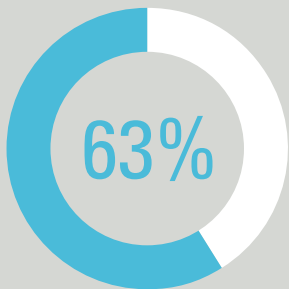
SATISFIED IN  
CURRENT ROLE



FEELING SECURE IN  
CURRENT ROLE



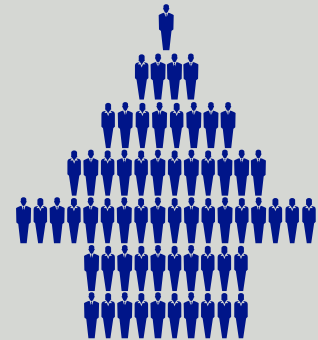
SATISFIED WITH  
CAREER PROGRESSION  
OPPORTUNITIES



## MARKET TRENDS

banking & finance  
property  
employment  
corporate  
construction

PRIVATE PRACTICE GROWTH AREAS



CONTRACT CORPORATE LAWYERS  
INCREASINGLY PROVIDE  
RESOURCING SOLUTIONS

OVERSEAS MARKETS LIFT AND  
CHALLENGE AUSTRALIAN FIRMS



## CORPORATE LAWYERS

### Remuneration

Modest salary increases are now the norm with companies seeking to increase profitability by reducing outgoing costs. This trend, which has gained momentum over the past few years, looks set to continue for at least the next 6–12 months amid ongoing soft market conditions.

Corporate salaries have increased by a conservative 3.3% on average for FY14, a moderate improvement on last year's increase of 2.8%, but not quite as strong as the 4.4% increase of FY12.

While more corporate lawyers received a salary review this year (73% in FY14 compared to 71% in FY13), 46% of those were satisfied with the outcome, continuing the decline in review satisfaction of the past several years.

Performance-based bonuses remain a key feature of corporate lawyers' remuneration packages, however, slightly fewer organisations offered them in FY14 (73%) compared to FY13 (77%). Also fewer lawyers from organisations that offer bonuses received one (50% in FY14 compared to 77% in FY13).

The once robust Perth market is not immune to the financial pressures facing the industry, with new recruits failing to

attract the same inflated salary levels they have in the past.

Contractors are providing companies with cost-effective solutions to short-term resourcing shortages, requiring pro-rata market salary levels, rather than the expensive premium they have attracted in the past. This change has not been resisted by contract lawyers who are undertaking contract roles for lifestyle reasons or to gain a foothold in a new sector.

### Retention

Reflecting the challenging environment, job satisfaction is slightly down, with 59% of corporate lawyers reporting they are "very satisfied" or "somewhat satisfied" in their current role, compared to 70% last year. The decline can be attributed to a combination of years of headcount restrictions, hiring freezes and subdued salaries, leaving lawyers with fewer resources and an increased workload.

In FY14, working hours increased for 30% of corporate lawyers, compared to 43% the previous year. However, more lawyers reported a decrease in hours – 20% compared to 10% in FY13 – with the rest stating no change. The percentage of lawyers considering leaving their current employer is slightly down on last year, at 42% compared to 44% in FY13.

Due to the pressures on revenue, corporations are investing in staff retention through non-financial means. The 2014 survey findings indicate a significant increase in corporations offering their workforce greater flexibility, with an increased number of legal in-house staff on flexible or part-time working arrangements.

### Recruitment









While recruitment activity remains relatively conservative, there is generally positive sentiment for the year ahead. The increase in activity toward the end of FY13 gained momentum last year and looks set to continue into FY15, as companies strive to increase profitability.

Appointments are being made to replace departing lawyers and to grow in-house legal teams where there is a business case to do so. In particular, demand has grown for complex strategic roles that require a greater focus on areas of risk management and compliance, due to an ever-increasing regulatory environment. These roles are attracting notably higher remuneration levels to compensate the specialist skill set.











# CORPORATE LAWYERS' SALARIES









## SYDNEY

YEAR LEVEL	RANGE	MODE	
1	\$65,000 – \$85,000	<b>\$82,000</b>	
2	\$83,000 – \$105,000	<b>\$97,000</b>	
3	\$95,000 – \$125,000	<b>\$118,000</b>	
4	\$113,000 – \$145,000	<b>\$132,000</b>	
5	\$130,000 – \$165,000	<b>\$150,000</b>	
6+	\$142,000 – \$235,000	<b>\$192,000</b>	
DGC	\$180,000 – \$290,000	<b>\$268,000</b>	
GC	\$185,000 – \$600,000	<b>\$310,000</b>	

## MELBOURNE

YEAR LEVEL	RANGE	MODE	
1	\$60,000 – \$80,000	<b>\$75,000</b>	
2	\$80,000 – \$95,000	<b>\$88,000</b>	
3	\$85,000 – \$115,000	<b>\$103,000</b>	
4	\$90,000 – \$130,000	<b>\$120,000</b>	
5	\$120,000 – \$155,000	<b>\$140,000</b>	
6+	\$140,000 – \$200,000	<b>\$175,000</b>	
DGC	\$160,000 – \$270,000	<b>\$230,000</b>	
GC	\$180,000 – \$600,000+	<b>\$280,000</b>	

## BRISBANE









YEAR LEVEL	RANGE	MODE	
1	\$62,000 – \$82,000	<b>\$74,000</b>	
2	\$73,000 – \$92,000	<b>\$102,000</b>	
3	\$82,000 – \$118,000	<b>\$105,000</b>	
4	\$95,000 – \$130,000	<b>\$120,000</b>	
5	\$105,000 – \$160,000	<b>\$135,000</b>	
6+	\$135,000 – \$225,000	<b>\$175,000</b>	
DGC	\$160,000 – \$255,000	<b>\$220,000</b>	
GC	\$170,000 – \$500,000	<b>\$275,000</b>	

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.

Figures refer to total package including benefits but excluding bonuses and share options.

# CORPORATE LAWYERS' SALARIES

**PERTH**

YEAR LEVEL	RANGE	MODE	
1	\$70,000 – \$85,000	<b>\$80,000</b>	
2	\$75,000 – \$100,000	<b>\$87,000</b>	
3	\$90,000 – \$120,000	<b>\$110,000</b>	
4	\$100,000 – \$140,000	<b>\$125,000</b>	
5	\$120,000 – \$160,000	<b>\$145,000</b>	
6+	\$140,000 – \$240,000	<b>\$180,000</b>	
DGC	\$150,000 – \$280,000	<b>\$250,000</b>	
GC	\$180,000 – \$500,000+	<b>\$300,000</b>	

**ADELAIDE**

YEAR LEVEL	RANGE	MODE	
1	\$60,000 – \$68,000	<b>\$64,000</b>	
2	\$64,000 – \$78,000	<b>\$74,000</b>	
3	\$72,000 – \$90,000	<b>\$84,000</b>	
4	\$78,000 – \$120,000	<b>\$100,000</b>	
5	\$95,000 – \$135,000	<b>\$120,000</b>	
6+	\$120,000 – \$195,000	<b>\$145,000</b>	
DGC	\$150,000 – \$220,000	<b>\$210,000</b>	
GC	\$155,000 – \$500,000+	<b>\$260,000</b>	

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# COMPANY SECRETARIES

## Remuneration

Nationally the average salary for company secretaries increased 3%, up from 1.25% in FY13, potentially due to a slightly improved economic environment across the corporate sector.

Company Secretary salaries vary considerably between organisations, with salary level generally tied to the complexity of the role, company size, whether the company is publicly listed and company profitability.

Company Secretaries working for Top 50 ASX listed companies tend to attract the highest remuneration packages due to more complex and strict regulatory regimes. As well as Board Secretary responsibilities, they often have the added responsibility of managing a supporting team of company secretariat/governance professionals.

Combined legal and company secretary roles exist in mainly mid-sized organisations. Large listed entities (Top ASX 30) usually have a dedicated company secretarial function,

headed by a company secretary who may be legally qualified.

FY14 is the first year that the percentage of company secretaries reporting that their organisations offer performance based bonuses (88%) has returned to pre-recession levels.

Increasingly, company secretaries hold the Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. This industry standard qualification provides a platform for a senior career in governance, with those holding the qualification generally viewed more favourably by an employer. The qualification may also aid in the negotiation of a slightly higher remuneration package.

## Recruitment

The prevalence of legally trained Company Secretaries remains. More in-house lawyers are seeking diverse roles that incorporate legal and company secretary responsibilities, providing direct exposure and interaction with the Board.



Increasingly, an ASX-listed company seeking a General Counsel & Company Secretary will require the lawyer to hold either the postgraduate qualification or possess proven practical company secretary experience with an ASX-listed company.

Many companies work within highly regulated industry sectors with complex governance requirements. This provides governance professionals with career opportunities as companies increasingly in-source these specialist skills rather than briefing external firms.



The average size of a company secretarial function remains steady at approximately 1–5 members.

The trend of employing staff on a contract basis in the corporate sector also applies to company secretaries and corporate governance professionals. These contract positions arise due to headcount and budget issues, additional workload requirements and to cover parental leave.

## COMPANY SECRETARIES' SALARIES – PUBLICLY LISTED

	RANGE	MODE	
Sydney	\$150,000 – \$480,000	<b>\$250,000</b>	
Melbourne	\$130,000 – \$460,000	<b>\$240,000</b>	

## COMPANY SECRETARIES' SALARIES – NOT PUBLICLY LISTED

	RANGE	MODE	
Sydney	\$125,000 – \$300,000	<b>\$200,000</b>	
Melbourne	\$120,000 – \$280,000	<b>\$180,000</b>	

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.

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