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# Guide to Living and Working as a Lawyer in Australia

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Nicholas Scott Legal Services

## GUIDE TO LIVING AND WORKING IN AUSTRALIA

### Introduction to Australia

Despite having a population of only 25 million and with only 200 years of post-colonial history, albeit set against a backdrop of a rich indigenous culture, a life in Australia offers an enviable combination of climate, commerce and culture to many. With each of the principal centres of commerce being located on the coast, access to the great outdoors assumes greater importance in daily life.

Although Australia does offer fantastic quality of life, you will still be expected to work hard. Hours of work will of course vary depending on the nature of the transaction or case which a lawyer is working on. Overall, the laid-back Australian lifestyle means that firms stress the importance of having a life outside of work.

A move to Australia from the UK is one of the easiest moves overseas (especially long-haul) as the major law firms in Australia have a Visa Quota for bringing in key workers from overseas or non-Australian residents and a tax break is offered called the Living Away From Home Allowance.



### The Legal Market

The legal market for overseas lawyers is concentrated on a relatively small number of commercial centres: Sydney and Melbourne, Brisbane and Perth. Occasionally opportunities will arise in other cities, but these are not areas of significant activity for the overseas market. Within this market the 'Magic Circle' equivalents number five or six in total, and it will be these, and possibly also the next tier of law firms, that the majority of lawyers considering relocating will be interested in approaching.

Lawyers specialising in any of the key practice areas (banking and finance; corporate/commercial; energy/resources/projects; construction; IP/IT/telecoms and to a lesser extent commercial litigation) will usually find their skills in demand. There is a little demand for less internationally transferable practices such as property, tax and employment law, family, personal injury or criminal law.

Although the size and numbers of deals may not always match those on offer in the UK, the quality of work in Australia is very good and, as Australian firms develop their networks and contacts in Asia, very internationally focused. With international quality work, however, comes international quality time in the office – according to recent research, the average working week for lawyers in Australia is 49 hours.

The training system in Australia differs slightly from that in the UK. For this reason there is an element of adjustment of non-Australian CVs in order to take into account this difference.

UK qualified lawyers tend to be regarded as being 1 year ahead in post qualification experience to their Australian counterparts.

### **Visas and Relocation**



Unless you have an Australian passport or a right to work, you will need a visa. Visas are applied for on your behalf by your employer and usually last for 4 years. After this period, you can apply for residency and thereafter citizenship.

There are also Spousal and Defacto visas (for unmarried partners) which will allow your partner to live and work in Australia without restriction, on the proviso that your visa remains valid.

Most employers will assist with the cost of flights, short-term accommodation and shipping your belongings. Each employer is different of course and will have their own policies in this regard, some more generous than others.

### **Salaries**

Salaries in Australia have moved to a more comparable international level due to the shortage of lawyers in key disciplines and the ever stronger Australian dollar. There is now a direct comparison with your London salary.

20 days is the usual annual leave allowance. It is unusual for employers to provide health insurance for their staff. It is normal for it to be a condition of your visa that private health care be taken out prior to your arrival.

Seniority or PQE in Australia is calculated differently to the UK. In Sydney, for example, there is no two year training contract, so a newly qualified lawyer in London has two years' more experience than their Sydney counterpart. Firms in Australia rarely give credit for the full two years' training however. They look at the 'seats' undertaken and assess their relevance to the candidate's current practice group and establish seniority in this manner. It is common to have around one year of the training not counted. It would be possible for a 1 year PQE UK lawyer to be considered a 3rd year in Sydney terms, however this is unlikely.

### SYDNEY PRACTICE SALARIES

PQE	Min	Max
0-1	\$88,000	\$115,000
01	\$97,000	\$125,000
02	\$108,500	\$137,500
03	\$118,000	\$150,000
04	\$140,000	\$202,500
05	\$158,000	\$187,000
Special Counsel	\$250,000	\$350,000

### MELBOURNE PRACTICE SALARIES

PQE	Min	Max
0-1	\$87,500	\$100,000
01	\$100,500	\$117,000
02	\$107,000	\$130,000
03	\$125,000	\$140,000
04	\$135,000	\$155,000
05	\$155,000	\$175,000
Special Counsel	\$240,000	\$290,000

**BRISBANE PRACTICE SALARIES**

PQE	Min	Max
0-1	\$82,000	\$100,000
01	\$87,000	\$105,000
02	\$92,000	\$116,000
03	\$105,000	\$135,000
04	\$110,000	\$145,000
05	\$142,000	\$162,000
Special Counsel	\$210,000	\$300,000

**PERTH PRACTICE SALARIES**

PQE	Min	Max
0-1	\$80,000	\$94,000
01	\$92,000	\$110,000
02	\$102,000	\$130,000
03	\$118,000	\$138,000
04	\$130,000	\$148,000
05	\$150,000	\$169,000
Special Counsel	\$200,000	\$240,000

Australia has a tiered income tax system, where the more money you earn, the higher tax rate you pay on the extra income (as in the UK).

Tax rates for Residents:

<b>Taxable Income (AUD \$)</b>	<b>Tax on this Income (AUD \$)</b>
0 - \$18,200	Nil
\$18,201 - \$45,000	19c for each \$1 over \$18,200
\$45,001 - \$120,000	\$5,092 plus 32.5c for each \$1 over \$45,000
\$120,001 - \$180,000	\$29,467 plus 37c for each \$1 over \$120,000
\$180,001 and over	\$51,667 plus 45c for each \$1 over \$180,000

It should be borne in mind that Australia does not have a National Insurance, although it does operate Medicare levy which funds the scheme that gives Australian residents access to health care. Most taxpayers pay a Medicare levy of 2% of their taxable income.

A further benefit in Australia is Superannuation: this is a compulsory contribution made by employers to a fund made available on retirement, and currently stands at 10% of salary.

In a strong market, the major firms will sometimes pay sign on bonuses.

Taking all these factors into account, it is fair to say that the cost of living in Australia (save perhaps for the cost of purchasing property in the hotspots of Sydney and Melbourne) is such that lawyers relocating from overseas are remunerated sufficiently generously to afford a great quality of life.

Foreigners who relocate for work purposes under a visa obtained by their employer will usually be eligible for a Living Away From Home Allowance (LAFHA). Put simply, this will allow you to deduct the cost of expenses such as rent from your gross income and greatly reduce your tax bill. It is quite common for foreign employees to effectively increase their salary by around \$20,000 (net) on this basis alone.

## UK vs. Australia Salary Comparison

*As of 7<sup>th</sup> June 2022:*

### **London**

The average salary for a lawyer in the London area is £70,321 (AUD \$123,302.98) per year. The average additional cash compensation for a Lawyer in the London Area is £10,485, with a range from £2,361 - £46,553.

### **Sydney**

The average salary for a lawyer in the Sydney area is A\$100,000 (GBP £57,031) per year. The average additional cash compensation for a Lawyer in the Sydney, Australia Area is A\$15,000, with a range from A\$2,400 - A\$100,000.

This example comparison indicates the relatively large salary gap that exists between the UK and Australia as it does between Australia and many other jurisdictions. This makes it a tough challenge for leading Australian firms (international or domestic) to retain their most talented lawyers and to attract overseas' ones in practice areas where the shortage of candidates is severe. It may also drive some talent away from the legal industry, in a country where salaries are notoriously high and where another corporate career will ensure you relatively similar incomes and probably a better work life balance. Put aside the issue of the competitiveness of Australian law firms in the eyes of international candidates, the local market is on average quite homogeneous at the mid & top tier level, with some noticeable exceptions at very specific firms or in practice areas where the shortage of candidates forces a stretch. It is important to be aware of how much your expertise is valued in the market to be able to make the most of the move.

## Requalification

In Australia, the responsibility for dealing with admission to the profession is that of the Law Societies/Bar Associations in each individual State or Territory.

Typically, however, UK lawyers will be required to sit exams in the areas of Australian Constitutional Law, Trust Accounts and Professional Conduct. Firms will allow you time off/study leave and provide all the assistance required to pass the exams. In the meantime, you can practise as a foreign-qualified lawyer, provided you have a current practising certificate in another jurisdiction. Should this lapse, you would operate in the capacity of Law Clerk until you requalify.

The Law Council of Australia (the organisation which represents the State and Territory Societies and Bars) paper on admission to the profession and contact details of Law Societies and Bars can be found at [www.lawcouncil.asn.au](http://www.lawcouncil.asn.au)

## After Work

It's in the air, the light, the space, the surf – the lifestyle and the attitude. Australian cities are all about the lifestyle:

- Sydney has an exuberant quality defined by the city's climate, magnificent harbour and superb beaches. The stunning Sydney Opera House and Sydney Harbour Bridge are sights not to be missed.
- Melbourne, the capital of Victoria and a cultural hub, is known for the good things in life – fashion, food, entertainment and sport. A city of style, architecture, trams, theatres and art.
- Brisbane is an easy-going city with sub-tropical temperatures. There is plenty to do; visit islands, sample the exquisite cuisine and fine local wines or soak up the arts or sporting lifestyle.
- Perth is Western Australia's sophisticated capital city. It's well known for sun, surf and sea life. Its warmer climate ensures almost every day is a good day to visit the beach, go whale watching or to explore the natural bush. It boasts some of Australia's true beauty such as the spectacular Kings Park and Swan River.





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