



New Zealand Legal Industry Employment Report

2022–2023

Introduction

Every year since 2019, the Aotearoa Legal Workers' Union (ALWU) has surveyed legal workers about their pay, working conditions and wellbeing, and published the results to increase transparency and empower legal workers to take collective action. This report presents the results of ALWU's latest survey, conducted in December 2022 and January 2023.

Like previous reports, this year's findings provide a unique snapshot of an industry that continues to experience significant scrutiny following high profile cases of workplace bullying and harassment.

While the results show some improvements to pay and conditions since previous reports, the essential picture remains unchanged. Across the industry, legal workers are routinely working long hours without proper compensation. Workplace culture and conditions are having a widespread impact on workers' mental health. And amid a cost of living crisis, salaries are only just keeping up with inflation.

At the heart of these issues is an employment model that – though it may work well for employers – no longer delivers for legal workers. In many respects, the deal legal workers get now is worse than it was for previous generations, with fewer opportunities for career progression and a blurring of lines between work and home life.

A better deal for legal workers is possible. But this will only come from legal workers working together to have a greater say over their pay and working conditions. ALWU exists to help legal workers find that voice. We invite all legal workers to join us in making this a profession where all can thrive.

Nā mātou noa, nā

The 2022–2023 ALWU Executive

May 2023

Key findings

The key findings of the report are as follows:

- Increasing numbers of legal workers are working beyond their contracted hours, and in almost all cases without being paid for this overtime work. When employees are compensated, it is mostly in non-monetary form. The average number of overtime hours worked per week rose by 25% from 2021.
- Median salaries for junior lawyers either fell in real terms or only just kept up with inflation. The employers of nearly half of respondents took no action in response to rising inflation and the cost of living crisis.
- The number of legal workers working for less than the minimum wage increased by 50% in 2022. This fact likely reflects the increase in the amount of unpaid overtime work undertaken by junior lawyers.
- Under-recording of work is widespread. More than three quarters of legal workers do not record all their time working on their workplace's time recording system. This suggests that unrecorded time may not be recognised by some employers as work relevant for the calculation of remuneration.
- Among legal workers, those working in private firms are least satisfied with their pay and job overall. Across the legal sector, job satisfaction is marginally higher among male legal workers than female legal workers.

Methodology

This report is based on a survey circulated to ALWU members by email in December 2022 and January 2023. The survey was not restricted to ALWU members and was promoted to other interested legal workers via email and social media. The survey received 307 responses – an increase on previous surveys. All responses were anonymous.

A large majority of respondents (83%) work as lawyers, with the remainder working in administration, information services, corporate services, or other roles in the legal industry. Around three quarters of respondents (76%) are employed in private law firms. Close to half (43%) work at large, private firms with 25 partners or more.

The survey questioned workers on the following topics:

- base remuneration
- bonuses and other additional or discretionary remuneration
- billing and hours
- cost of living or inflation pay adjustments
- overtime pay and time off in lieu (TOIL)
- minimum wage compliance
- job satisfaction
- the impact of work on health and wellbeing.

Questions were framed to allow for comparability with past surveys where possible.

ALWU commissioned a data analyst, Zack Cohen, to process the survey results for analysis and prepare the charts presented in this report.

All of the information in this report is self-reported. As such, ALWU does not assert that the factual information in the report is completely accurate or representative of the legal workforce at large. To improve the accuracy of results in future years, ALWU invites employers to publish key data for their workplaces, such as aggregate salary levels.

Due to the timing of the survey, this report does not include 2023 salary figures or bands, and will be supplemented by a salary update later in the year.

Hours worked

Previous reports have highlighted the long hours worked by many legal workers, often beyond what they are contracted to work. While the need to work long hours is at times unavoidable in legal practice, this challenge is exacerbated by poor management practices and an employment model within firms which creates little incentive on employers to manage their staff well, as employers typically do not pay their employees for overtime hours worked but bill clients for this time. The Independent Review of Russell McVeagh by Dame Margaret Bazley (2018) tied these management practices to staff working long hours unnecessarily, staff working long hours for an extended period, and long hours not being recognised by the employer.



The overwhelming majority of legal workers usually work more hours than they are contracted for – and the average amount of overtime work weekly is increasing.

Hours worked per week by employer type

	5-39	40	41-45	46-54	55-75
Large private firm (25 partners or more)	8	19	33	19	13
Medium private firm (6-24 partners)	7	9	13	10	1
Public sector	12	10	10	3	3
Small private firm (1-5 partners)	5	10	21	9	
Grand Total	39	57	83	45	18

Hours contracted to work per week by employer type

	0-29	30-35	36-39	40-45
Large private firm (25 partners or more)	3	3	75	11
Medium private firm (6-24 partners)	1	3	26	10
Public sector	1	2	17	18
Small private firm (1-5 partners)		1	17	27
Grand Total	7	11	144	80

This year's results show that most respondents (60%) are contracted to work for 36–39 hours per week – a standard full-time week. One third are contracted to work longer hours. Among large firms, Bell Gully is the outlier, by contracting workers for 45 hours per week.

Significantly, the overwhelming majority (78%) of respondents reported usually working more hours than they are contracted to work. Rates of overtime work are higher in private firms of all sizes than in the public sector – and especially high in large private firms, where 92% of respondents regularly work overtime.

Hours worked compared to hours contracted to work by employer type

	Employed at chambers (e.g. junior barrister on a salary)	Large private firm (25 partners or more)	Medium private firm (6-24 partners)	Non-governmental organisation	Other (please specify)	Practicing on your own account/barrister	Private in-house	Public sector	Small private firm (1-5 partners)	Grand Total
At or Under Hours	3	7	4	4	0	0	5	18	13	54
Over Hours	6	85	36	2	2	3	2	20	32	188

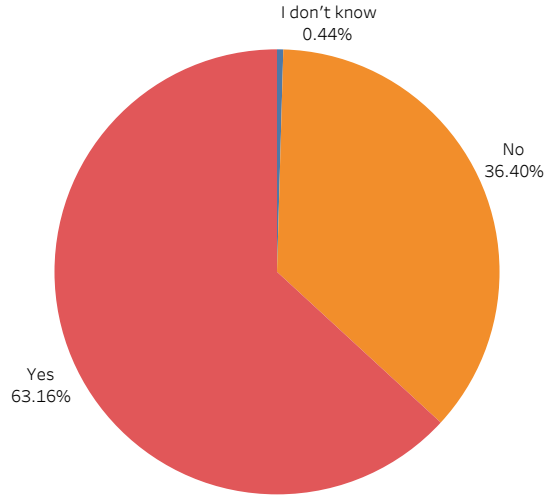


Rates of overtime work are highest in private firms – especially in large private firms.

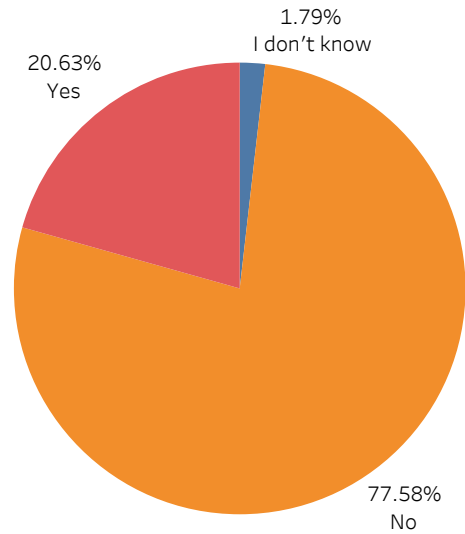
On average, respondents work around 5.9 hours more than they are contracted for per week. This is a 25% increase from 2021, when respondents worked 4.69 excess hours per week on average. This data supports anecdotal evidence ALWU has received of firms seeking to increase profitability without increasing staffing by increasing utilisation rates. A possible explanation for this trend is that the practice of working from home, which became more common during the pandemic, has made more private time available for work and increased the amount of unpaid overtime worked by legal workers. As discussed in the next section, few legal workers are being compensated for this overtime work.

A significant volume of work appears to be going unrecorded in workplace time recording systems. Over one third of respondents (36%) do not record all their time working at work on their workplace’s time recording system. And more than three quarters (78%) do not record all their time checking work emails or their work phone at home.

Do you record all of the time you work on your workplace’s time recording system?



Do you record all of your time at home checking your work emails or work phone?



Remuneration

The remuneration of legal workers is shaped by the partnership model that is common across the legal industry, except for the public sector. Under this model, employers receive a share of profits from the operation of the firm, while employees are paid a fixed salary. The profitability of the firm therefore is determined in part by the ratio of employee lawyers per partner (known as 'leverage'). More employed staff per partner can mean more profits for the employer, especially when staff regularly work more hours than they are paid for.

Previous ALWU reports have highlighted issues with low and inconsistent pay among legal workers, including the risk of employers breaching minimum wage obligations when unpaid overtime work is taken into account. The impact of high levels of inflation on salaries continues to be a feature in this year's results.

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Median salaries for junior lawyers either fell in real terms or only just kept up with inflation.

Salaries

Due to the timing of the survey, this report does not include 2023 salary figures or bands, and will be supplemented by a salary update later in the year. Salary data only includes responses from those working as lawyers to improve comparability.

Change in median salaries by employer type and experience level

	Large private firm (25+ partners)	Medium private firm (6–24 partners)	Small private firm	Public sector	Overall median
Less than 1 year's experience					
2021	58,000	56,250	53,402	57,230	57,230
2022	58,440				61,720
% change	0.76				
1 year's experience					
2021	64,990	58,100	55,160	59,289	59,289
2022	65,000	63,000	60,000	69,500	63,213
% change	0.02	8.43	8.77	17.22	6.62
2 years' experience					
2021	67,000	67,000	65,500	65,957	67,000
2022	73,000	74,500	70,000		72,000
% change	8.96	11.19	6.87		7.46
3 years' experience					
2021	82,000	77,600	68,950	83,614	77,050
2022	90,000	75,000	76,500	83,000	80,000
% change	9.76	-3.35	10.95	-0.73	3.83
4 years' experience					
2021	101,750	85,360	89,725	91,353	95,853
2022	103,000	92,000	85,000	90,500	95,000
% change	1.23	7.78	-5.27	-0.93	-0.89

Blank spaces indicate that insufficient responses were received for the category.

Median salary by employer type and experience level

	Less than 1 year	1	2	3	4	5+
Small private firm (1-5 partners)		60,000	70,000	76,500	85,000	105,000
Medium private firm (6-24 partners)		63,000	74,500	75,000	92,000	115,000
Large private firm (25+ partners)	58,440	65,000	73,000	90,000	103,000	130,000
Public sector		69,500		83,000	90,500	121,000
Overall median	61,720	63,213	72,000	80,000	95,000	130,745

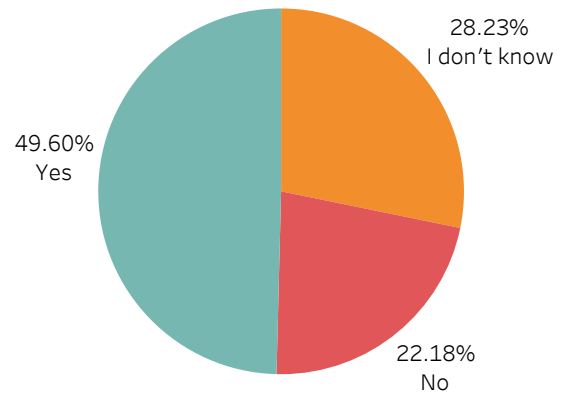
As with all data in this report, this salary data is entirely self-reported. To improve the accuracy of future reports, ALWU invites employers to publish salary levels of their staff.

The median salary for some categories of legal workers fell in real terms, once inflation is taken into account. However, there was significant variation between employer types and year levels. The largest increase was among lawyers in the public sector with one year’s experience (17% before inflation), followed by lawyers in medium firms with two years’ experience (11% before inflation). Significantly, the median salaries of lawyers with less than two years experience in large firms fell in real terms.

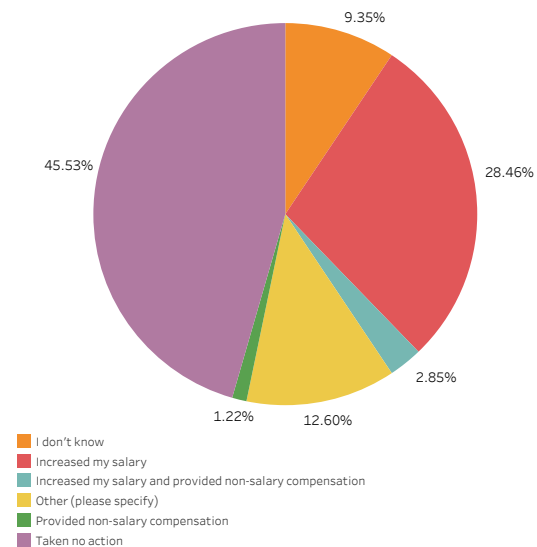
Half of respondents (50%) are employed at workplaces where employees have asked for a salary increase to reflect the effect of inflation on the cost of living. However, less than a third of employers (31%) have increased salaries as a result. 45% of employers have taken no action in response to rising inflation and the cost of living crisis.

The results show that entry level salaries are highest for those working in the public sector, but are overtaken by salaries in large private firms from the third year of practice.

Employees at my workplace have asked our employer for an inflation or cost of living adjustment to salaries.



In response to rising inflation and the cost of living crisis, my employer has:



Overtime and TOIL

While most legal workers routinely work more hours than they are contracted for, the overwhelming majority are not paid for this work, this year’s results show. 84% of respondents reported that they are not paid for overtime work by their current employer. Paid overtime is provided for in the employment contracts of only around 5% of respondents, while a further 4% have paid overtime in a workplace policy.

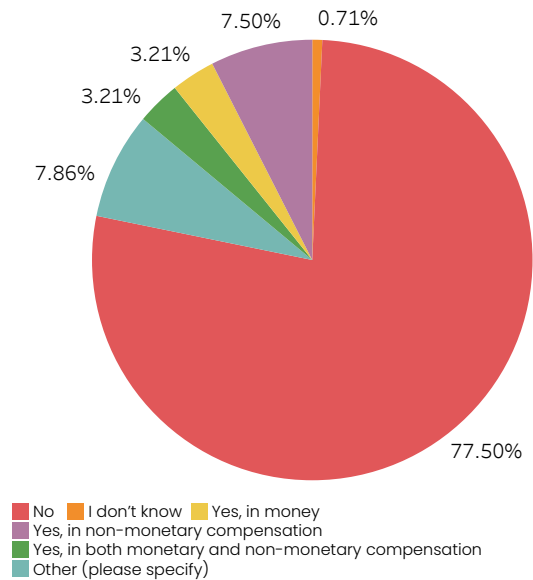
The overwhelming majority of respondents (78%) have never been compensated for overtime work in any way. Of those who have, that compensation has largely taken non-monetary forms, such as through gift cards.

TOIL – or time off in lieu – is another way that employers can compensate employees for working overtime, by allowing employees to take time off to make up for extra hours they work. However, only a minority of respondents (38%) currently work for employers that provide TOIL. Over two-thirds of respondents (69%) of respondents have never received TOIL from an employer.

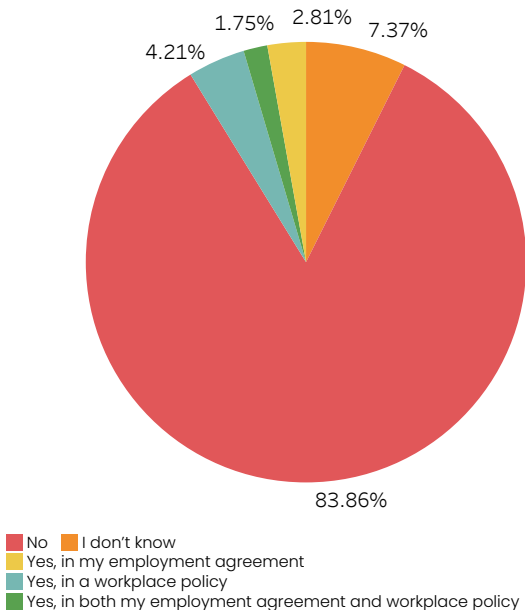


The overwhelming majority of legal workers are not paid for their overtime work.

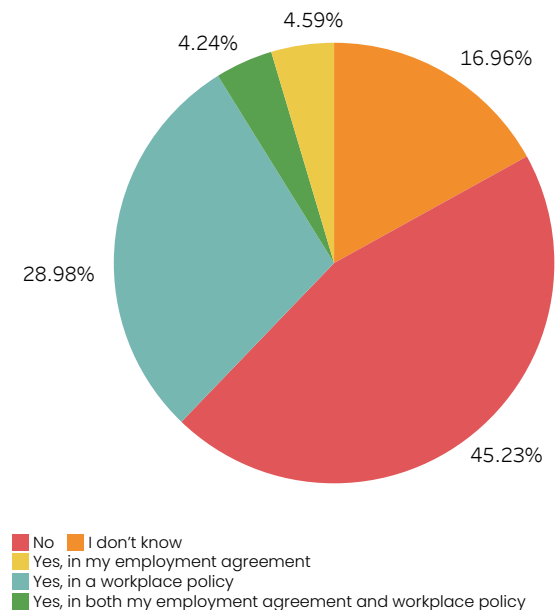
Have you ever been compensated for overtime?



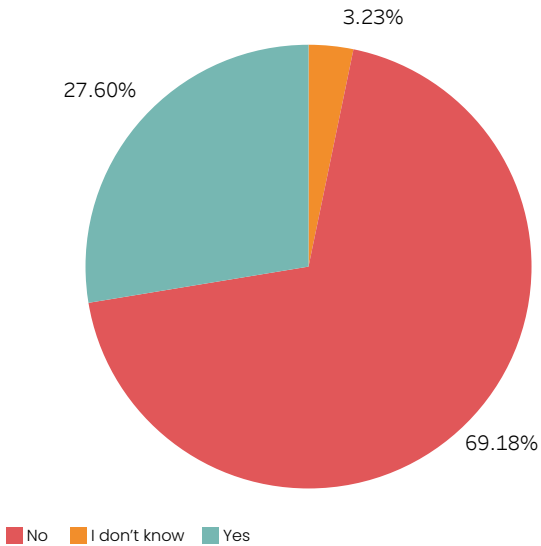
Does your employer provide paid overtime?



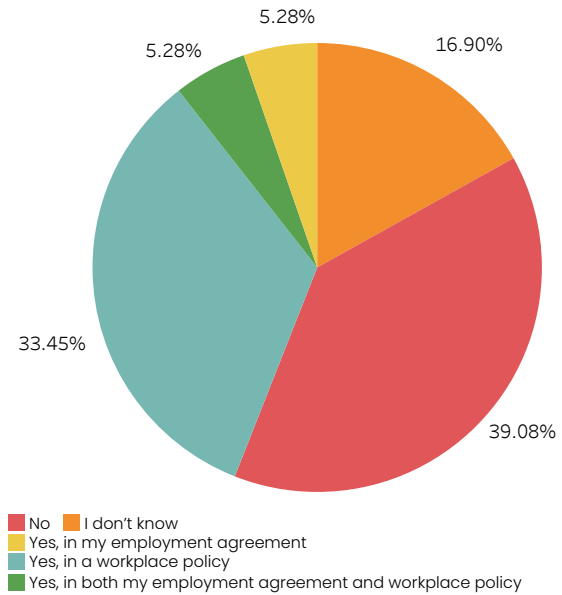
Does your employer provide TOIL?



Have you ever received TOIL?



Does your employer provide bonuses?



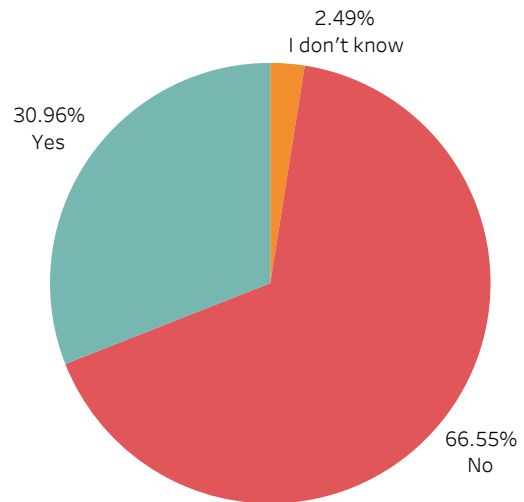
Responses also indicate that TOIL is not typically offered hour for hour but rather on an ad-hoc, discretionary basis, or at a certain threshold above hours worked in a day, week or fortnight. These thresholds are sometimes so high as to be practically impossible to meet with the result that the TOIL policy exists but is not used in practice.

Bonuses

Consistent with previous reports, nearly half of respondents (44%) reported it is possible to be paid a bonus at their workplace. However, just under a third of respondents (31%) reported ever receiving a bonus. This figure represents a marked decrease from the 43% of respondents in 2021 who reported having received bonuses.

When asked to comment on the practice of providing bonuses at their workplace, many respondents noted that they did not know how bonuses were calculated or that bonuses were not tied to any transparent threshold or metric. These results suggest bonuses may be being dispensed on an ad hoc basis and, in any event, are not adequate compensation for the overtime work legal workers are doing.

Have you ever received a bonus?



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Fewer legal workers received bonuses in 2022 than the year before.”



The number of legal workers working for less than the minimum wage increased by 50% in 2022.

Minimum wage

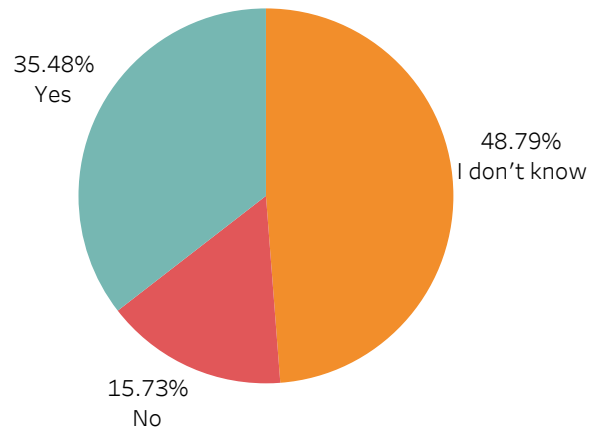
ALWU has previously highlighted the risk of legal workers falling below the minimum wage, given the excess hours routinely worked by junior lawyers on low salaries. This year’s results show that the problem is growing.

Eleven percent of respondents reported working for less than the minimum wage in the last year.¹ This represents an increase from 2021, when 7% of respondents reported working for less than the minimum wage. However, rates of below minimum wage work remain much lower than in 2019, when over half of respondents said they had worked under the minimum wage.

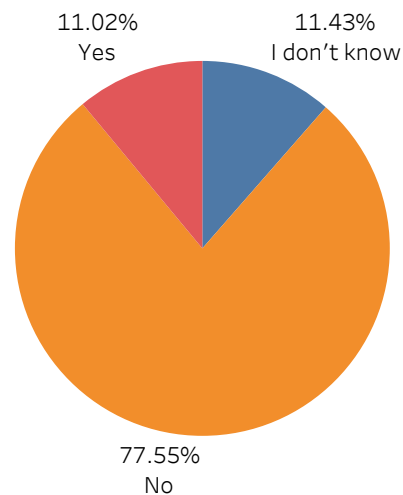
Less than half of respondents working below minimum wage received a top up payment to ensure they were being paid the minimum wage. Around half of respondents (49%) reported not knowing if their employer monitors compliance with the minimum wage.

These results, and the inconsistent time-recording practices reported above, suggest that the burden of monitoring for minimum wage compliance is being left to employees.

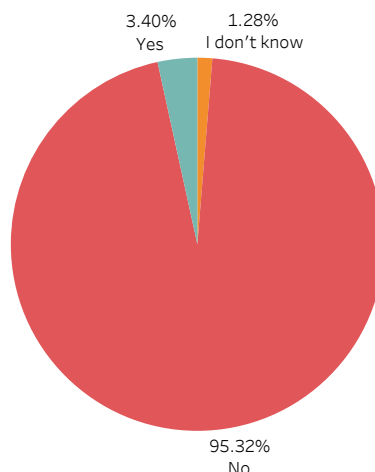
Does your firm monitor compliance with the minimum wage?



Have you worked for less than the minimum wage in the last year?



Have you ever received a top up payment for being paid below the minimum wage?



1. In 2022, the minimum wage was \$21.20 per hour, up \$1.20 an hour on 2021. It has since increased to \$22.70 per hour on 1 April 2023.

Job satisfaction and wellbeing

Job satisfaction

Respondents were asked to rate their job satisfaction on a sliding scale out of ten, both overall and in relation to particular aspects of their work.

On average, respondents rated their overall job satisfaction as 6.7 out of ten. However, there is significant variation in job satisfaction between workplaces. Those working for non-governmental organisations, for barristers' chambers, or in the public sector reported being more satisfied with their jobs than those at private firms.

Satisfaction levels were lowest with regard to pay compared to other aspects of work. On average, respondents reported their satisfaction with pay at 5.4 out of ten. As with job satisfaction overall, satisfaction with pay is lowest among those working in private firms of all sizes. Private firms also scored lowest for satisfaction with hours worked.

Overall, job satisfaction is marginally higher among male respondents than female respondents. However, this difference was most pronounced among those working in small private firms. By contrast, female respondents working in large private firms and the public sector reported higher levels of job satisfaction than their male colleagues.

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Among legal workers, those working in private firms are least satisfied with their pay and job overall.

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Job satisfaction is marginally higher among male legal workers than female legal workers.

Female respondents also reported feeling less able to set and maintain boundaries between work and home life and less able to advocate for better working conditions than male respondents.

Satisfaction

What type of employer do you work for?	I am satisfied with my pay	I am satisfied with the culture in my workplace	I am satisfied with the hours I work	I feel valued in my job	Overall, I am satisfied with my job
Employed at chambers (e.g. junior barrister on a salary)	7.114	6.086	8.114	6.843	7.700
Large private firm (25 partners or more)	5.406	6.520	6.278	6.480	6.558
Medium private firm (6-24 partners)	4.921	6.282	6.300	6.121	6.290
Non-governmental organisation	8.800	9.617	9.050	8.433	8.060
Practicing on your own account/ barrister	7.800	6.980	7.417	8.500	8.267
Private in-house	7.100	5.943	8.114	6.186	6.886
Public sector	5.625	7.017	7.886	7.689	7.243
Small private firm (1-5 partners)	4.504	5.873	6.584	6.364	6.236
Grand Total	5.406	6.475	6.793	6.675	6.669

	I am satisfied with my pay	I am satisfied with the culture in my workplace	I am satisfied with the hour I work	I feel valued in my job	Overall, I am satisfied with my job
Bell Gully	3.525	2.850	3.650	5.650	4.375
Buddle Findlay	5.111	6.379	7.074	6.232	6.472
Chapman Tripp	5.309	6.436	5.064	6.736	6.736
Crown Law Office	2.917	7.633	6.883	6.633	7.220
Dentons Kensington Swan	7.238	7.563	7.588	7.613	7.488
Duncan Cotterill	4.758	6.591	6.473	5.418	6.409
Meredith Connell	4.929	5.967	5.893	6.413	6.453
Ministry of Justice	3.157	7.471	7.057	7.471	7.886
Russell McVeagh	7.914	7.743	5.929	7.400	7.614
Simpson Grierson	4.733	6.533	5.600	6.417	5.950

Gender breakdown

	I am satisfied with my pay	I am satisfied with the culture in my workplace	I am satisfied with the hours I work	I feel valued in my job	Overall, I am satisfied with my job
Female	5.149	6.167	6.660	6.457	6.607
Male	5.893	7.130	7.135	7.133	6.841

Large private firm

	I am satisfied with my pay	I am satisfied with the culture in my workplace	I am satisfied with the hours I work	I feel valued in my job	Overall, I am satisfied with my job
Overall	5.406	6.520	6.278	6.480	6.558
Female	5.291	6.494	6.408	6.632	6.898
Male	5.718	6.689	6.178	6.333	6.027

Medium private firm

	I am satisfied with my pay	I am satisfied with the culture in my workplace	I am satisfied with the hours I work	I feel valued in my job	Overall, I am satisfied with my job
Overall	4.921	6.282	6.300	6.121	6.290
Female	4.585	5.842	5.889	5.958	5.970
Male	5.263	7.063	7.613	6.550	6.925

Small private firm

	I am satisfied with my pay	I am satisfied with the culture in my workplace	I am satisfied with the hours I work	I feel valued in my job	Overall, I am satisfied with my job
Overall	4.504	5.873	6.584	6.364	6.236
Female	4.532	5.081	6.194	5.529	5.623
Male	4.436	7.891	7.255	8.009	7.591

Public sector

	I am satisfied with my pay	I am satisfied with the culture in my workplace	I am satisfied with the hours I work	I feel valued in my job	Overall, I am satisfied with my job
Overall	5.625	7.017	7.886	7.689	7.243
Female	5.252	6.873	7.837	7.533	7.369
Male	5.814	7.057	7.800	7.629	6.443

Health and wellbeing

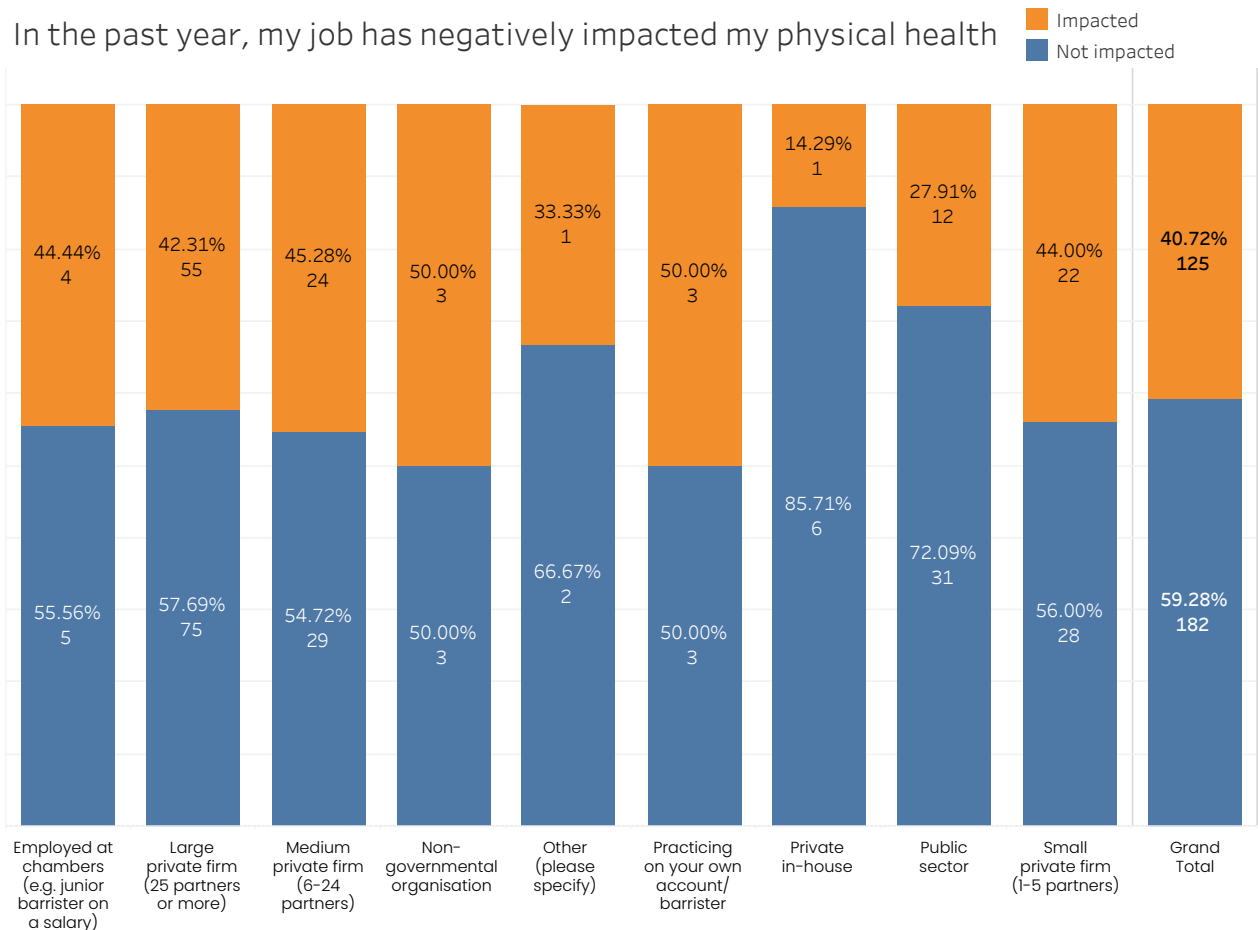
Nearly half of respondents (49%) reported that their mental health had been negatively impacted by work in the past year. This is a significant decrease from 2021, when 74% of respondents said their mental health had suffered because of work.

There was significant variation between types of workplace. Around two thirds of those working in small private firms, in non-government organisations, or employed at barristers'

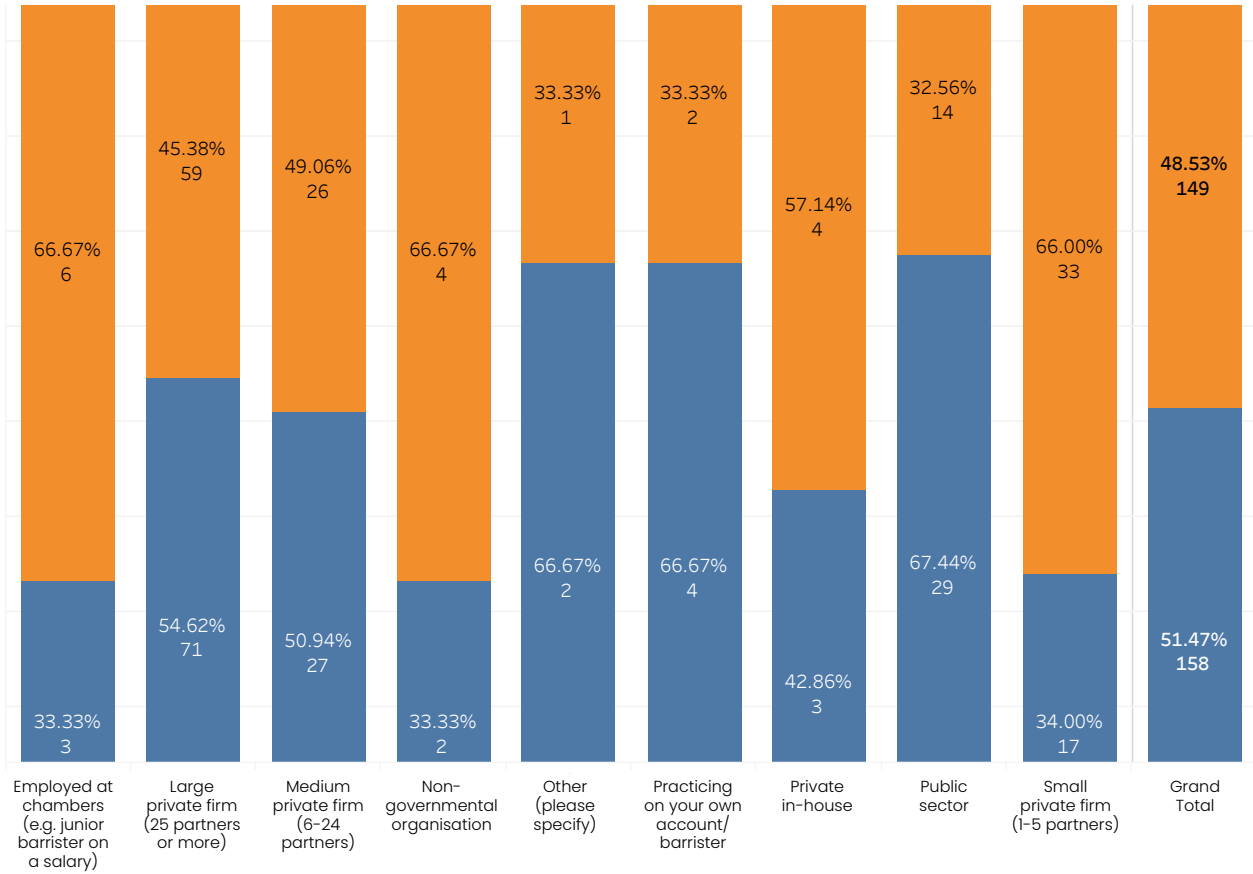
chambers reported negative mental health impacts from work, while those working in the public sector or practising on their own account were least likely to report negative mental health impacts.

A significant proportion of respondents (41%) also reported that their physical health had been negatively impacted by work in the past year. Those working as in-house lawyers or in the public sector were least likely to be impacted in this way.

In the past year, my job has negatively impacted my physical health



In the past year, my job has negatively impacted my mental health



Wellbeing by gender

	I feel able to effectively advocate for better working conditions	I feel able to set and maintain boundaries between my work and non-work life at my workplace	My employer is open and responsive to employee complaints or suggestions for improving working conditions at my workplace	My employer then responds to complaints or suggestions with appropriate action
Female	4.677	6.412	5.096	5.169
Male	5.832	7.385	5.968	5.695
Grand Total	4.986	6.652	5.309	5.270

Wellbeing by employer type

	I feel able to effectively advocate for better working conditions	I feel able to set and maintain boundaries between my work and non-work life at my workplace	My employer is open and responsive to employee complaints or suggestions for improving working conditions at my workplace	My employer then responds to complaints or suggestions with appropriate action
Employed at chambers (e.g. junior barrister on a salary)	4.800	5.900	6.067	5.583
Large private firm (25 partners or more)	4.717	6.357	4.938	4.938
Medium private firm (6-24 partners)	4.054	5.538	4.614	5.111
Non-governmental organisation	7.467	8.533	8.517	4.950
Practicing on your own account/ barrister	7.880	7.400	8.875	5.350
Private in-house	7.571	8.567	5.629	8.100
Public sector	6.103	8.371	5.940	5.844
Small private firm (1-5 partners)	4.313	6.276	5.258	5.167

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