

# New Zealand Law Society/ Momentum Legal Salary Survey 2012

---

---

This is the second year that the New Zealand Law Society and Momentum have combined to carry out a survey of legal salaries. The objective is to secure indicative information on New Zealand legal salary levels which can be freely shared with members of the legal profession.

The survey was conducted online in June and July 2012. All New Zealand lawyers who held a current practising certificate were invited to participate. There were 2,117 responses. This represents just under 20% of New Zealand lawyers. As such, the results provide robust insights into current salary trends.

The survey only relates to lawyers and does not touch on any of the other roles in law firms such as legal executives, practice managers, support staff and accounts staff.

The data analysis was undertaken by an independent analyst, in consultation with Momentum.

Most respondents were employees (either as permanent staff or contractors) and this is the focus of the analysis. The survey does not cover partner earnings in any detail.

The New Zealand Law Society and Momentum wish to thank all of those who took the time to participate in the survey.

---

---

---

## INTERPRETING THE SURVEY RESULTS

This survey should only be taken as a general guide to market conditions. Jobs in the legal profession are fairly heterogeneous, with so many variables influencing remuneration levels that it can be difficult to be precise about “standard” pay scales. One example would be entry level salaries – some lawyers bringing relevant sector experience from a previous career may receive a significant premium in salary over their peers and this will skew the average salaries to the higher end.

Another factor affecting averages is mobility: anecdotally Momentum is aware that people changing jobs are likely to receive bigger pay increases than those who stay with the same employee. However, sometimes the prospect of an employee leaving prompts the employer to make a higher counter-offer.

*“As I changed jobs in the last 12 months my salary jumped significantly.”*

*- Lawyer working as an in-house counsel.*

Any analysis is also limited by the dataset – ie, those who have chosen to respond to the survey. For example, the high end of the General Counsel and Chief Legal Advisor salary ranges for private sector legal teams, State Owned Enterprises (SOEs) and Crown Entities may appear to be lower than expected. Momentum is aware of many such roles which pay above the ranges given here; however, those people have obviously not participated in the survey.

### YEAR LEVELS: WHY ONLY YEARS 1 – 9?

We have generally only listed yearly salary levels from years 1 to 9 as there is much more variability in salaries after that point. This suggests that other factors have more influence on salary than seniority.

Other factors which may impact on salary include practice area, business sector, contribution to practice development and whether there are any staff reporting to the role. Having staff reports for example, can add a premium of up to 25% to base salary.

### REGIONAL VARIATIONS

There are indications that firms in major cities tend to pay better than provincial firms. This difference may be attributable to a number of factors affecting the profitability of firms, including volumes and type of work. Practice area may have a large part to play as the high value legal work (mergers and acquisitions, listings and large financing transactions, for example) mostly takes place in the larger cities while provincial firms tend to undertake a higher proportion of the lower margin “commoditised” legal work such as conveyancing, wills and trusts. It would be interesting to compare salary levels on a regional basis for the same practice areas and year levels but there was insufficient data from the survey to do that.

### STATISTICAL TERMINOLOGY

Where appropriate mean, medians, trimmed means, and central ranges have been provided. The trimmed mean removes the bottom and top 2.5% of responses in order to remove very high and very low results that may skew the data. Central ranges show where the middle 80% of results fall. Because the national dataset has the most data, these averages are less prone to being influenced by salary extremes and thus we can have greater confidence in the national means rather than the means for any subgroup.

---

## TERMS USED IN THIS REPORT

**CONTRACTORS:** Very few contractors responded to the survey (4.3% of total). This reflects the limited number of contractors who work in the legal profession. In preparing the results, a contractor was defined as anyone who said they were employed on hourly rate basis, whether on fixed-term contracts or independent contractors.

**IN-HOUSE:** Refers to lawyers who are employed by non-lawyers to provide legal advice and other legal services to their employer.

**IN-HOUSE PRIVATE SECTOR:** Covers in-house lawyers who are employed by a privately-owned business or corporation.

**IN-HOUSE PUBLIC SECTOR:** Covers in-house lawyers who are employed by central and local government, SOEs, Crown Entities, Statutory Authorities industry associations, unions and not for profit organisations.

**MEAN:** The “mean” is one of many statistical measures used to estimate the central or average value of a collection of numbers. It is calculated by summing the values in the collection and then dividing by the size of the collection. It can be affected by very large or very small values. As such, throughout the report a trimmed mean has also been provided. The **trimmed mean** is calculated by removing the bottom and top 2.5% of values from the collection.

**MEDIAN:** The “median” is another statistical measure

used to estimate the central or average value of a collection of numbers. It is calculated by placing the collection of numbers in order and then selecting the middle value. It is less prone to being skewed by large or small values but doesn’t account for the gap between values in the collection.

By looking at the mean, trimmed mean and median a more accurate understanding of how representative the central or average value of the data can be gained. This is the reason for providing all three measures.

**SALARY:** This is used in the report for base salary (including drawings).

**SALARY INCREASES/DECREASES:** These means are of those people who received an increase and those whose salary declined. A significant proportion had no change in their salary. Note that lawyers tend to receive bigger increases in the more junior years. This may skew the overall results upwards, where the figure is given for a sector (eg, all In-house Private Sector) irrespective of seniority.

**YEAR 1, 2, 3 ETC:** Refers to experience since admission as a barrister and solicitor, starting from the current year. So “year 1” means an admission date in 2012 (ie, the law clerk year), year 2 is 2011, year 3 is 2010 and so forth. Only limited numbers of year 1s responded to the survey so they have been grouped with year 2s for analysis purposes.

## PRIVATE PRACTICE SALARIES

Of those who responded to the survey, 72% were currently working in private practice. Of these respondents, 43% were males, 57% females and 47% had been admitted over 10 years ago. The remainder were relatively evenly spread with their admission date from 2 to 9 years ago. Very few respondents had been admitted in 2012 so they have been analysed with those who were admitted in 2011 (Year 2).

These averages and ranges relate to lawyers working in firms across all geographical locations, sizes and specialties.

### Average Salary By Year Level – 1 to 9 years' experience

| Year       | Admission Year | Range (central 80%)  | Trimmed mean |
|------------|----------------|----------------------|--------------|
| Year 1 & 2 | 2012 and 2011  | \$35,000 – \$55,000  | \$45,090     |
| Year 3     | 2010           | \$40,000 – \$68,000  | \$54,162     |
| Year 4     | 2009           | \$45,000 – \$84,600  | \$63,756     |
| Year 5     | 2008           | \$48,400 – \$94,800  | \$70,869     |
| Year 6     | 2007           | \$46,600 – \$112,000 | \$75,273     |
| Year 7     | 2006           | \$58,100 – \$115,300 | \$83,084     |
| Year 8     | 2005           | \$52,100 – \$131,600 | \$88,530     |
| Year 9     | 2004           | \$55,000 – \$140,000 | \$89,941     |

We have generally only listed yearly salary levels from years 1 to 9 as there is much more variability in salaries after that point, suggesting that other factors have more influence on salary than seniority. The figures below illustrate the variability.

### Average Salary – 10 years' or more experience\*

| Measure             | Amount               |
|---------------------|----------------------|
| Mean                | \$108,245            |
| Trimmed mean        | \$104,586            |
| Median              | \$100,000            |
| Range               | \$30,000 - \$300,000 |
| Range (central 80%) | \$60,000 - \$175,000 |

\*Excludes salaried/fixed draw partners or directors, equity partners or directors, those with direct reports, and barristers sole.

In Momentum's experience, remuneration levels in large firms and firms located in main centres tends to be closer to the top end of the salary ranges. Small to medium size firms have greater variability in their remuneration levels and those firms located outside of the main centres tend to have remuneration levels that fall in the middle to lower ends of the pay bands.

## SALARY CHANGES

Of those who responded (excluding salaried/fixed draw partners or directors, equity partners or directors), 65% had a salary increase, 30% had no change and 6% had a decrease in their salary over the last 12 months. For those who received an increase the trimmed means for each year group are:

### Average Salary Increase for Lawyers who received an increase

| Year              | Admission Year | Trimmed mean |
|-------------------|----------------|--------------|
| Year 1 & 2        | 2012 and 2011  | 18.3%        |
| Year 3            | 2010           | 17.8%        |
| Year 4            | 2009           | 16.5%        |
| Year 5            | 2008           | 15.0%        |
| Year 6            | 2007           | 12.8%        |
| Year 7            | 2006           | 9.3%         |
| Year 8            | 2005           | 8.2%         |
| Year 9            | 2004           | 9.2%         |
| 10 years and over |                | 10.3%        |

## REGIONAL VARIATIONS

Because of the relatively low numbers of responses by population centre, the information below shows all employed lawyers in private practice (excluding barristers and all partners and directors). The low number of responses by year of admission means it is not possible to provide this detail. The resulting table shows a locational variance in trimmed mean salaries:

### Annual Salary of employed lawyers by population centre

| Location           | Respondents | Range                | Trimmed mean |
|--------------------|-------------|----------------------|--------------|
| Auckland           | 439         | \$26,325 - \$300,000 | \$87,797     |
| Hamilton           | 66          | \$30,000 - \$200,000 | \$74,362     |
| Wellington         | 214         | \$30,000 - \$204,000 | \$79,488     |
| Christchurch       | 104         | \$32,000 - \$250,000 | \$68,653     |
| Other North Island | 133         | \$29,500 - \$157,000 | \$64,879     |
| Other South Island | 110         | \$24,000 - \$135,000 | \$61,053     |
| ALL NEW ZEALAND    | 1066        | \$24,000 - \$300,000 | \$78,759     |

## PARTNER/DIRECTOR EARNINGS

There was a great deal of variability in partner/director earnings. The results below are based on the responses from equity partners/directors who came from a range of practices and included those from both large and small firms. The analysis excludes barristers sole.

### Earnings of Equity Partners/Directors

| Measure             | Amount                 |
|---------------------|------------------------|
| Mean                | \$244,460              |
| Trimmed mean        | \$209,823              |
| Median              | \$180,000              |
| Range               | \$40,000 - \$2,000,000 |
| Range (central 80%) | \$90,000 - \$400,000   |

Over the last 12 months almost half (46%) of Equity Partners/Directors who responded had no change in their salary, 38% received an increase and for the remaining 16% their salary decreased.

The mean increase (5% trimmed mean) and mean decrease was 15.8%. The range (central 80%) was very broad: 5% to 40.8% for those who received an increase and -5% to -42% for those who received a decrease.

### Earnings of Salaried/Fixed Draw Partners/Directors

| Measure             | Amount                 |
|---------------------|------------------------|
| Mean                | \$160,552              |
| Trimmed mean        | \$142,107              |
| Median              | \$142,500              |
| Range               | \$50,000 - \$1,000,000 |
| Range (central 80%) | \$69,600 - \$250,000   |

Over half (60%) of the salaried partners/directors had received a pay rise in the past 12 months, and only one respondent reported a decrease in their salary over this period.

The mean increase was 13.6% with a range of between 3% and 28%.

## BARRISTERS SOLE

Most of those barristers sole who responded had over 10 years' experience, so only data for that range has been included. The remuneration range for barristers sole was very broad as shown in the figures below:

### Average salary for Barristers Sole with over 10 years' experience

| Measure             | Amount               |
|---------------------|----------------------|
| Mean                | \$203,539            |
| Trimmed mean        | \$192,671            |
| Median              | \$150,000            |
| Range               | \$20,000 - \$650,000 |
| Range (central 80%) | \$65,000 - \$488,000 |

There are indications that those barristers practising in the main centres and in the areas of banking, civil litigation, employment, commercial, intellectual property, resource management, tax and wills and trusts are likely to command higher salaries.

Over the past twelve months, 41% of barristers who responded had an increase in their salaries, 19% had a decrease and the remainder (37%) had no change in their salary. The mean increase was 16%, while the mean decrease was considerably higher at 23%.

## PRIVATE PRACTICE BENEFITS

This section shows the proportion of respondents who stated they were receiving a particular benefit as part of their employment remuneration. Everyone except partners/directors (salaried or equity) is included in this analysis. As could be expected, the longer someone has been working the higher the likelihood that they are receiving additional benefits.

### Benefits received as part of employment remuneration (excludes partners/directors)

| Benefit                               | Proportion receiving |
|---------------------------------------|----------------------|
| KiwiSaver/Superannuation contribution | 55%                  |
| Health support (flu jabs)             | 34%                  |
| Mobile Phone                          | 30%                  |
| Car Park                              | 27%                  |
| Professional membership               | 26%                  |
| Working from home                     | 24%                  |
| Work hours flexibility                | 23%                  |
| Bonus                                 | 18%                  |
| Gym membership                        | 15%                  |
| Health Insurance                      | 14%                  |
| Laptop Computer                       | 10%                  |
| Long service leave                    | 9%                   |
| Additional sick leave                 | 8%                   |
| Study leave                           | 6%                   |
| Airline Club membership               | 3%                   |
| Vehicle                               | 2%                   |
| Post-graduate study (full fees)       | 2%                   |
| Post-graduate study (part fees)       | 1%                   |
| Employee share scheme                 | 0%                   |

### KIWISAVER/SUPERANNUATION CONTRIBUTION

The average KiwiSaver/superannuation employer contribution was 2.2%.

### BONUSES

Of those who received a bonus in 2012, 54% were given a fixed amount, 12% were given a percentage of their salary, 21% were calculated in other ways and 15% didn't say.

There was huge variation in the bonus levels:

- Fixed amounts ranged from \$100 to \$90,000;
- Percentage bonuses ranged from 1% to 95%.

Given the sample sizes it is not possible to look at the bonuses by year level or sector. These are likely to have a significant impact on bonus size and structure.

Some of the other bonus structures mentioned included:

- Percentage based on hours worked;
- Percentage of fees brought in;
- Percentage of fees over and above targets.

### ANNUAL LEAVE

Private practice employees received on average 4 weeks' annual leave per annum. There does not appear to be a significant relationship between length of service and annual leave entitlement.

### PARENTAL LEAVE BENEFITS

In private practice, 14% of employees got parental leave benefits over and above the statutory minimum.

Across the profession, in both private practice and in-house roles, extra parental leave benefits tended to fall into the following categories:

1. An extra period of between 1 and 14 weeks' paid parental leave for the primary care giver. These were distributed in a number of ways, including:
  - A top up of the government funded parental leave payments to bring weekly salary for leave up to employee's normal salary;
  - Some as they started their parental leave, some on return;
  - Retention bonuses paid after a set period of returning to work;
  - An extra period of one to two weeks' paid paternity leave.
2. Greater flexibility in working hours on their return to work.
3. Additional sick leave to care for children.
4. Additional unpaid parental leave.

Entitlement to additional parental leave benefits in some instances was linked to length of service at a firm or required the recipient to become bonded for a period of time.

## IN-HOUSE SALARIES

The sample for in-house lawyers, both private and public sector, was very skewed towards those with over 10 years' experience. This presents difficulties in analysing the lower year groups.

### IN-HOUSE PRIVATE SECTOR

There is wide variation in private sector in-house salaries. Momentum has observed that a number of factors influence pay. These include:

- size of company;
- business sector;
- area of practice;
- whether the company is listed or unlisted;
- whether they are part of an international company or wholly New Zealand owned;
- turnover;
- number of lawyers;
- how much work is done in-house versus that briefed out to external counsel; and
- location.

### YEARS 1-9

Remuneration of in-house lawyers in the private sector appears to be on average relatively higher than their counterparts in private practice. However remuneration of those working in private practice has a larger spread. The top end of the remuneration band is considerably higher for those in private practice relative to those working in-house in the private sector.

#### Over 10 years' experience: No staff

Following are the average salary figures for those with 10 or more years' experience, excluding those with direct reports and/or General Counsel.

| Measure             | Amount               |
|---------------------|----------------------|
| Mean                | \$145,929            |
| Trimmed mean        | \$140,686            |
| Median              | \$132,500            |
| Range               | \$62,000 - \$450,000 |
| Range (central 80%) | \$99,800 - \$200,500 |

#### Over 10 years' experience: With staff

Those with over 10 years' experience with direct reports unsurprisingly also have a relatively higher salary in comparison to those without direct reports.

| Measure             | Amount                |
|---------------------|-----------------------|
| Mean                | \$220,172             |
| Trimmed mean        | \$201,488             |
| Median              | \$180,000             |
| Range               | \$83,850 - \$600,000  |
| Range (central 80%) | \$127,000 - \$362,000 |

#### General Counsel

| Measure             | Amount                |
|---------------------|-----------------------|
| Mean                | \$275,158             |
| Trimmed mean        | \$267,398             |
| Median              | \$230,000             |
| Range               | \$90,000 - \$600,000  |
| Range (central 80%) | \$122,000 - \$600,000 |

### SECTOR DIFFERENCES

There are indications that some sectors pay more than others. Among the higher paying sectors are: construction, manufacturing, retail trade, agriculture, forestry and fishing, and mining.

### SALARY INCREASES

Seven out of ten (69%) in-house lawyers who worked in the private sector had received a pay rise in the last twelve months; 28% had no change in their salary. The results below show how variable the size of pay rises were over the past twelve months.

#### Average salary increase for private sector in-house lawyer who received an increase

| Measure             | Amount   |
|---------------------|----------|
| Mean                | 9.8%     |
| Trimmed mean        | 7.6%     |
| Median              | 5%       |
| Range               | 2% - 50% |
| Range (central 80%) | 2% - 20% |

## IN-HOUSE PUBLIC SECTOR

We have grouped central and local government with industry training associations and unions, not for profit entities and those who listed themselves as working for an “other” public organisation as salary levels were similar across those types of organisations. Similarly, we have grouped State Owned Enterprises (SOEs), Crown Entities and Statutory Authorities into one category.

Of those in-house public sector lawyers who responded to the survey, 55% worked for central government, 5% for local government, 4% not for profit, 3% industry associations and 25% for SOEs, crown entities and statutory authorities. The remaining 7% worked for other public sector organisations.

Of those who responded in this category, 63% had over 10 years’ experience. The remainder were spread relatively evenly across the other year brackets. As such sample sizes for years 1 to 9 are relatively small and the following results are indicative only.

### Years 1-9: SOEs, Crown Entities and Statutory Authorities

There was too little data to provide a year by year analysis for these entities but we observed that their salaries tend to be higher than those of other public sector organisations and more on par with private sector in-house roles.

### Years 1- 9: Central and Local Government, Industry Associations, Not for Profit Organisations

| Year        | Range                |
|-------------|----------------------|
| Years 1 - 3 | \$40,746 - \$80,277  |
| Years 4 - 6 | \$52,000 - \$116,000 |
| Years 7 - 9 | \$63,550 - \$136,000 |

## WHY ARE THESE RANGES SO BROAD?

**Different frameworks:** It has become apparent that public sector lawyer salaries are not as closely linked to PQE as their private sector counterparts. For example, one large government legal team has a salary range for 2-6 year solicitors of around \$58,000-82,000. Different government departments also use different salary frameworks.

**Diversity of experience:** Along with the usual diverse range of factors that impact on salary levels, Momentum’s consultants have found that “second career lawyers” (those who have gained some other significant work experience prior to commencing legal practice), are over represented in in-house legal teams. Prior work experience and previous institutional knowledge of the particular organisation can contribute to broad variations in salaries for their in-house lawyers. Foreign qualified lawyers who have many years’

overseas experience, but who have only recently been admitted in New Zealand may also show up as having unusually high salaries for their “PQE”.

Public sector HR contacts have also confirmed that they do not often hire law graduates. Anecdotal indications are that graduates in the public sector may start on higher salaries than their private practice counterparts, but find that their salaries may not rise as steeply and steadily.

### Over 10 years’ experience: Central and Local Government, Industry Associations and Not for Profit Organisations

| Measure             | Amount               |
|---------------------|----------------------|
| Mean                | \$116,929            |
| Trimmed mean        | \$115,006            |
| Median              | \$109,500            |
| Range               | \$50,000 - \$240,000 |
| Range (central 80%) | \$73,341 - \$164,500 |

### Over 10 years’ experience: SOEs, Crown Entities and Statutory Authorities

| Measure             | Amount               |
|---------------------|----------------------|
| Mean                | \$149,002            |
| Trimmed mean        | \$140,978            |
| Median              | \$137,000            |
| Range               | \$80,000 - \$500,000 |
| Range (central 80%) | \$95,800 - \$229,474 |

### Chief Legal Advisors from any in-house public sector organisation

| Measure             | Amount                |
|---------------------|-----------------------|
| Mean                | \$197,296             |
| Trimmed mean        | \$186,945             |
| Median              | \$172,000             |
| Range               | \$95,000 - \$500,000  |
| Range (central 80%) | \$150,700 - \$312,600 |

## SALARY CHANGES

Six out of ten lawyers (58%) working in-house in the public sector received a pay rise in the last 12 months. Only 4% had a decrease in their salary, while the remaining 38% had no change. Results for those working in SOEs and those in central and local government, industry associations and not for profit organisations were very similar so the results have been analysed in aggregate.

The results for those who received a pay rise are below:

**Average salary increase for public sector in-house lawyers who received an increase**

| Measure             | Amount     |
|---------------------|------------|
| Mean                | 8.2%       |
| Trimmed mean        | 5.6%       |
| Median              | 3%         |
| Range               | 1% - 100%  |
| Range (central 80%) | 1% - 20.9% |

There is a sense that remuneration levels for lawyers in in-house public sector roles falls behind their private sector in-house counterparts and also those in private practice. To an extent this is true, however those in SOEs, Crown Entities and Statutory Authorities appear to be remunerated at a similar level to their equivalent in-house private sector colleagues. On average, remuneration is not dissimilar to those in private practice with the exception of the top end which is considerably higher for those in private practice.

*“Working for a statutory agency is not about the remuneration. It is poorly paid in comparison to those in private practice or practising on their own account. For about three years now, we have only had 1.5% increases in remuneration because of the tight economic climate.”*

## IN-HOUSE BENEFITS

This section shows the proportion of respondents in each category who stated they were receiving a particular benefit as part of their employment remuneration.

**Benefits received as part of employment remuneration**

| Benefit                                | Private Sector | Central & Local Government | SOE/Crown Entity/ Statutory Authority |
|--|----------------|----------------------------|---------------------------------------|
| KiwiSaver/ Superannuation contribution | 71%            | 75%                        | 80%                                   |
| Mobile Phone                           | 71%            | 30%                        | 50%                                   |
| Bonus                                  | 66%            | 3%                         | 28%                                   |
| Health support (flu jabs)              | 59%            | 51%                        | 57%                                   |
| Laptop Computer                        | 54%            | 16%                        | 36%                                   |
| Working from home                      | 48%            | 25%                        | 51%                                   |
| Work hours flexibility                 | 45%            | 50%                        | 38%                                   |
| Health Insurance                       | 33%            | 10%                        | 29%                                   |
| Car Park                               | 26%            | 13%                        | 21%                                   |
| Employee share scheme                  | 20%            | 0%                         | 0%                                    |

|                         | Private | Government | SEO etc. |
|-------------------------|---------|------------|----------|
| Additional sick leave   | 16%     | 20%        | 23%      |
| Airline Club membership | 15%     | 9%         | 10%      |
| Long service leave      | 14%     | 39%        | 18%      |
| Gym membership          | 11%     | 10%        | 11%      |
| Vehicle                 | 6%      | 1%         | 0%       |

## KIWISAVER/SUPERANNUATION

KiwiSaver/superannuation schemes are widely adopted benefits among in-house lawyers. The average KiwiSaver/ superannuation employer contribution is 3% for both public and private sectors.

## BONUSES

Overall 27% of in-house lawyers working in either the public or private sectors received a bonus. Of those who received a bonus, the different types given were:

- 45% received a percentage of their salary ranging between 1.75% and 50%;
- 30% received a fixed amount ranging between \$120 and \$136,000;
- 14% received bonuses in other ways.

## ANNUAL LEAVE

In-house employees receive, on average, annual leave of:

- Private sector - 4 weeks;
- Public sector - 4.2 weeks.

## PARENTAL LEAVE BENEFITS

In in-house roles, the percentage of employees who receive parental leave benefits over and above the statutory minimum are:

- Private sector: 20%;
- Central and Local Government, Not for Profit and Industry associations: 18%;
- State Owned Enterprises, Crown Entities and Statutory Authorities: 15%.

Across the profession, in both private practice and in-house roles, extra parental leave benefits tended to fall into the following categories:

1. An extra period of between 1 and 14 weeks’ paid parental leave for the primary care giver. These were distributed in a number of ways, including:
  - A top-up on top of the government funded parental leave payments, to bring weekly salary for leave up to employee’s normal salary;
  - Some as they started their parental leave, some on return;

- Retention bonuses paid after a set period of returning to work;
  - An extra period of 1 to two weeks' paid paternity leave.
2. Greater flexibility in working hours on their return to work;
  3. Additional sick leave to care for children;
  4. Additional unpaid parental leave;
  5. Child care subsidy.

This year more respondents indicated they were given additional parental leave benefits and that a wider range of benefits were available, including benefits such as additional sick leave, unpaid leave and child care subsidies.

*"My employer is very approachable and understanding. The flexibility of hours around my work have been very helpful and allows me to attend to my daughter who is quite ill. I enjoy my work environment and the nature of the work, very much."*

## PRIVATE PRACTICE AND IN-HOUSE CONTRACTORS

Unlike other professions such as accounting, there is not a large market for legal contractors and this is reflected in the low proportion of contractors participating in the survey (4.3%).

Reasons for this small market may include issues around having the right type of practising certificate (ie, being admitted to practice on own account), professional indemnity insurance requirements, the sensitivity and confidentiality of the type of work and the perceived time it would take a short term contractor to familiarise themselves with files.

## EMPLOYMENT SATISFACTION

### Satisfaction with current employer

Survey respondents were asked about their levels of satisfaction with their current workplace. Of those who responded, a high 84% said they enjoyed working for their current employer.

#### "I enjoy working for this employer"

| Agreement with statement   | Percentage |
|----------------------------|------------|
| Strongly agree             | 61.4%      |
| Slightly agree             | 22.5%      |
| Neither agree nor disagree | 8.7%       |
| Slightly disagree          | 4.9%       |
| Strongly disagree          | 2.5%       |

*"With my current employer I am well remunerated for all my hard work and I am very grateful. I really enjoy working for them as well."*

*"I love my job immensely and I did not choose it in relation to salary. Having said that, I believe I am remunerated well for it."*

*"Really great work environment here. Love this job and intend staying here long term."*

Although satisfaction with employers was generally high, 23% of lawyers said they were considering leaving their current organisation within the next 12 months, 62% said they were not considering leaving and 15% did not know.

Those who were considering leaving were asked what their two main reasons were for leaving. These were as follows:

### Reasons for considering leaving employer

| Reason                            | Proportion |
|-----------------------------------|------------|
| Promotion/career development      | 62.0%      |
| Dissatisfaction with organisation | 36.7%      |
| Dissatisfaction with remuneration | 30.8%      |
| Travel                            | 27.7%      |
| Relocating within New Zealand     | 11.1%      |
| Redundancy                        | 2.6%       |

Other reasons mentioned included retirement, study, relocating overseas, changing career, and family balance.

Those who have been working within an organisation for between 2 and 4 years and 6 and 8 years are relatively over-represented among those who are considering leaving.

### Time with present employer

Respondents were asked to indicate how long they had been working in their current organisation. Just over half had worked at their current organisation for less than 3 years.

| Time in organisation          | Proportion | Cumulative Total |
|-------------------------------|------------|------------------|
| 1 year or less                | 20.8%      | 20.8%            |
| Over 1 year but less than 2   | 18.3%      | 39.1%            |
| Over 2 years but less than 3  | 13.2%      | 52.3%            |
| Over 3 years but less than 4  | 8.7%       | 61.0%            |
| Over 4 years but less than 5  | 8.1%       | 69.1%            |
| Over 5 years but less than 6  | 5.6%       | 74.7%            |
| Over 6 years but less than 7  | 3.7%       | 78.4%            |
| Over 7 years but less than 8  | 3.0%       | 81.4%            |
| Over 8 years but less than 9  | 2.0%       | 83.4%            |
| Over 9 years but less than 10 | 2.1%       | 85.5%            |
| Over 10 years                 | 14.6%      | 100.0%           |

## Remuneration

Six out of ten responded strongly (31%) or slightly agreed (28%) that they were fairly remunerated for their work. On the other side, 28% strongly disagreed or slightly disagreed that they were fairly remunerated for their work.

### “I am fairly remunerated for my work”

| Agreement with statement   | Percentage |
|----------------------------|------------|
| Strongly agree             | 31.3%      |
| Slightly agree             | 28.3%      |
| Neither agree nor disagree | 12.5%      |
| Slightly disagree          | 18.5%      |
| Strongly disagree          | 9.4%       |

Anecdotally Momentum has observed that those who move from one organisation to another are likely to receive higher salary increases than those who stay with the same organisation. Accordingly, those participants who are considering leaving their current organisation for better remuneration elsewhere are probably correct in their reasoning.

*“I changed jobs last week. My remuneration increase is the change in salary between the below market rate salary I received in my previous job to what I consider is a reasonable remuneration in my new job. The positions are at a similar level.” (Received a 55% pay rise)*

*“I changed jobs within the last year so my salary jumped significantly.” (Received a 45% pay increase)*

*“Most recent graduates and junior lawyers are under paid and less valued.”*

*“I do not feel fairly remunerated for my work but as a large proportion is legal aid and this affects my budget, I understand why.”*

## OTHER COMMENTS

While the majority of respondents were satisfied with both their remuneration and employer, some of the comments made indicated some discontent within the sector. Most common:

**Hours worked:** Some respondents reported working very long hours relative to their pay, while others reported finding it difficult to obtain a work/life balance as a result of the long hours they worked.

*“Being part-time has presented difficulties - it is tolerated not welcomed.”*

**The state of the economy:** This has resulted in a perceived “flatness” in the job market and a sense that the remuneration and benefits for employees have weakened.

There is also a sense that there is a lack of choice and jobs are harder to find. The changes to the legal aid system have also had a negative impact on the income of some lawyers. Finally, as a result of the wider economic conditions, restructuring is taking place and some of this is not welcomed by employees.

*“Being remunerated fairly for the value you bring is important; but almost as much is psychological satisfaction and flexibility in terms of work hours or working from home. My employer would be more attractive to me if I felt I was treated well and given choice over those aspects. I’m aware though of other colleagues being far worse off in organisations where junior counsel are paid less than our team members for equivalent PQE experience and they have not received pay increases for years! Currently it is very much an employers market. Though I have been trying for senior roles since 2008 there is a lot of competition at that level.”*

*“I believe I get paid a fair market rate, I believe solicitors in private practice are generally underpaid given the amount of study required and responsibilities entailed.”*

*“Role moving to XX model and I do not want to move with it.”*

*“Legal Aid trends have seriously impacted on income to be generated.”*

*“Due to economic climate work has been taken away from me leaving me with little to do except feel bad about not meeting monthly budgets.”*

## GENDER DIFFERENCES

Previously within the legal sector there has been a perception by some that there is a disparity in pay between males and females; this was particularly true for those in private practice. As shown from the following information, there are disparities between men’s and women’s salaries in different sectors and at different times. Interestingly, there appears to be more parity between males and females in private practice (at least when partners and directors are included in the sample). One reason may be that the main Key Performance Indicators (KPIs) in private practice are easily quantifiable (hours worked and recovered). For in-house roles there is more subjectivity in the assessment of whether or not employees are meeting their KPIs, and therefore deserving of pay increases.

It should not necessarily be assumed from these figures that the same employers are paying male and female lawyers different rates, for the same type of work. As mentioned in the introduction, some areas of practice pay better than others and it may be that females are over-represented in lower paying areas.

**Private Practice: Trimmed mean annual salary (excludes partners, directors and other managers)**

| Experience    | Female    | Male      |
|---------------|-----------|-----------|
| 1 – 5 years   | \$54,485  | \$55,754  |
| 6 – 10 years  | \$84,477  | \$92,070  |
| 11 – 15 years | \$106,950 | \$117,222 |
| 16 – 20 years | \$112,833 | \$119,085 |
| 21 – 25 years | \$119,420 | \$183,111 |

**Private Practice: Trimmed mean annual salary (includes partners, directors and other managers)**

| Experience    | Female    | Male      |
|---------------|-----------|-----------|
| 1 – 5 years   | \$54,947  | \$55,664  |
| 6 – 10 years  | \$89,263  | \$94,609  |
| 11 – 15 years | \$115,664 | \$121,301 |
| 16 – 20 years | \$144,901 | \$159,874 |
| 21 – 25 years | \$143,756 | \$180,318 |

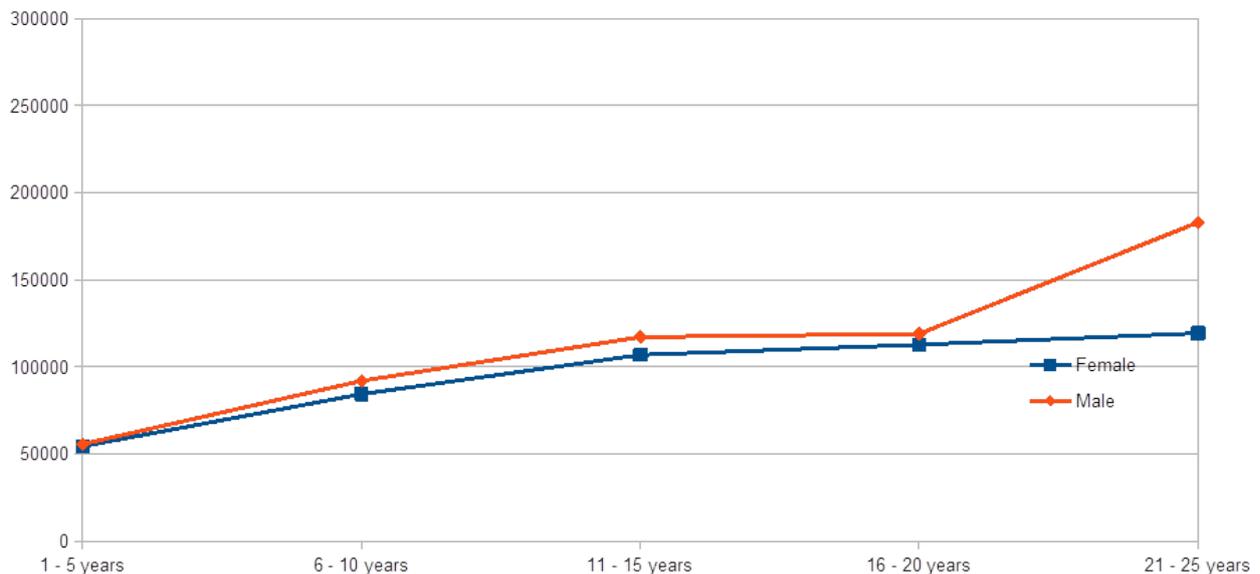
**In-house Private Sector: Trimmed mean annual salary**

| Experience    | Female    | Male      |
|---------------|-----------|-----------|
| 1 – 5 years   | \$74,222  | \$70,370  |
| 6 – 10 years  | \$124,391 | \$138,361 |
| 11 – 15 years | \$137,037 | \$170,468 |
| 16 – 20 years | \$158,445 | \$248,944 |
| 21 – 25 years | \$151,870 | \$221,754 |

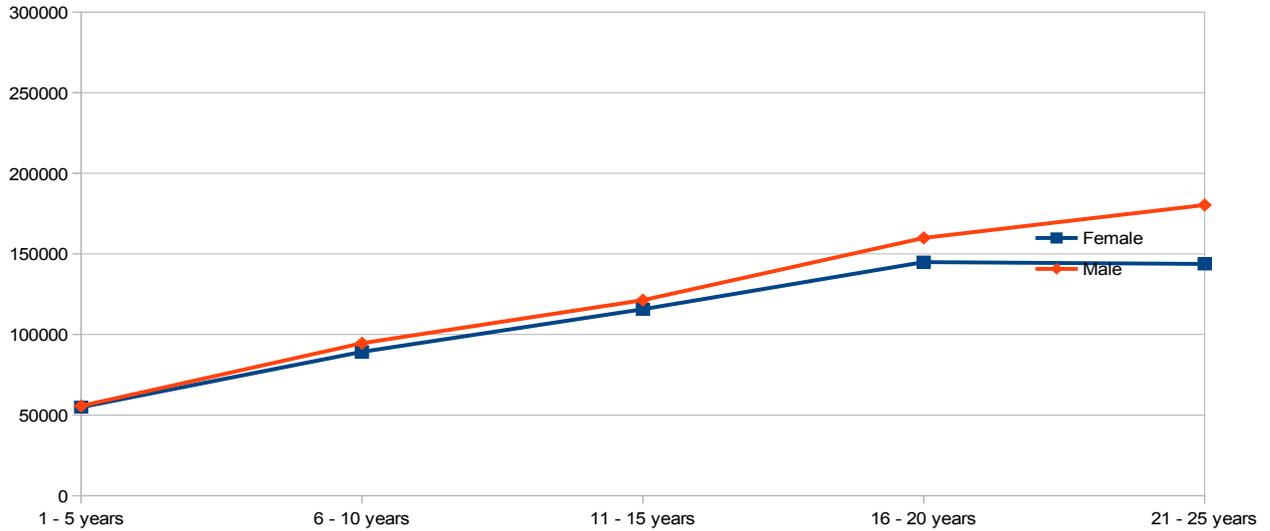
**In-House Public Sector: Trimmed mean annual salary**

| Experience    | Female    | Male      |
|---------------|-----------|-----------|
| 1 – 5 years   | \$58,609  | \$65,786  |
| 6 – 10 years  | \$85,081  | \$90,894  |
| 11 – 15 years | \$106,985 | \$118,556 |
| 16 – 20 years | \$122,895 | \$124,112 |
| 21 – 25 years | \$124,646 | \$155,105 |

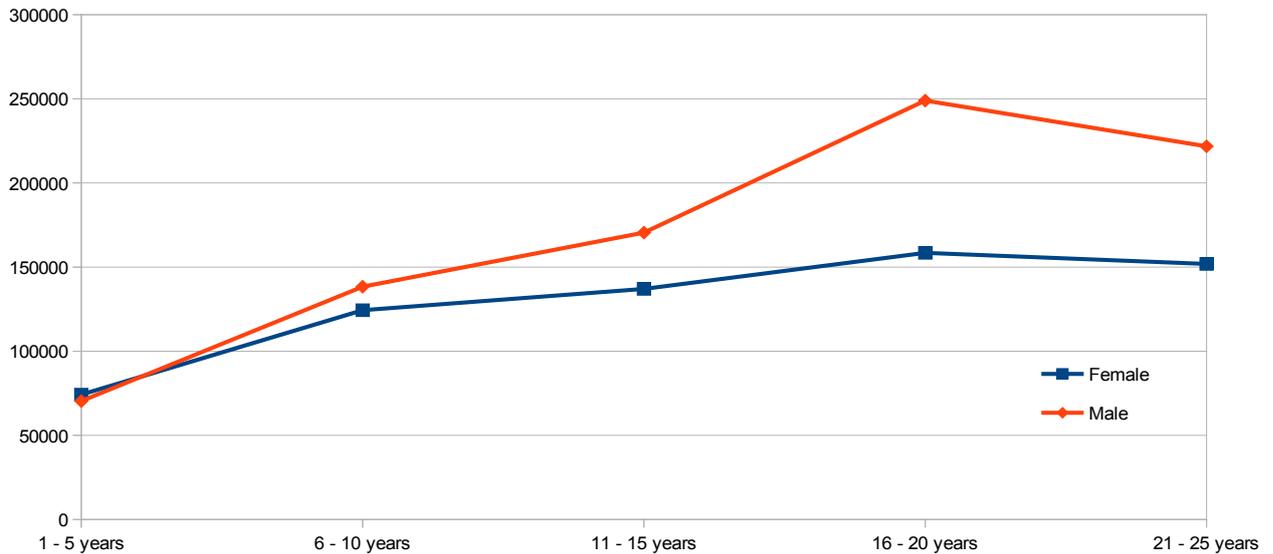
**Private Practice: Trimmed mean annual salary (excludes partners, directors and other managers)**



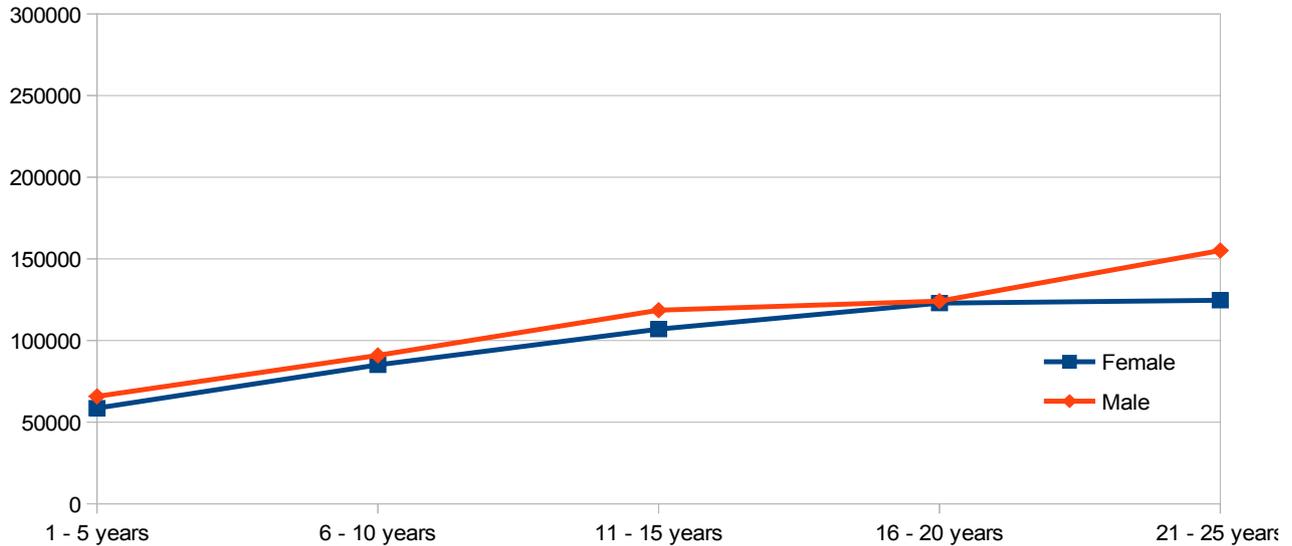
**Private Practice – including partners, directors and other managers**



**In-house Private Sector**



### In-house Public Sector



## LEGAL PROFESSION STATISTICS

To assist with interpretation of the information in this report, New Zealand Law Society statistics show the following legal profession demographics as at 1 August 2012. The information corresponds to the amount of experience since admission used in this report.

### Practising Certificates by employment type

| Year              | Law Firm Employees |             | In-house Counsel |            | Other Lawyers* |             | All Lawyers |             |
|-------------------|--------------------|-------------|------------------|------------|----------------|-------------|-------------|-------------|
|                   | Female             | Male        | Female           | Male       | Female         | Male        | Female      | Male        |
| 1                 | 87                 | 61          | 14               | 6          | 1              | 5           | 102         | 72          |
| 2                 | 276                | 181         | 28               | 22         | 1              | 12          | 305         | 215         |
| 3                 | 239                | 175         | 60               | 34         | 5              | 7           | 304         | 216         |
| 4                 | 223                | 140         | 54               | 35         | 9              | 14          | 286         | 189         |
| 5                 | 189                | 112         | 50               | 35         | 10             | 24          | 249         | 171         |
| 6                 | 165                | 83          | 60               | 52         | 32             | 24          | 257         | 159         |
| 7                 | 152                | 91          | 71               | 39         | 27             | 35          | 250         | 165         |
| 8                 | 138                | 87          | 68               | 27         | 40             | 45          | 246         | 159         |
| 9                 | 180                | 106         | 91               | 48         | 37             | 61          | 308         | 215         |
| <b>Total 1- 9</b> | <b>1649</b>        | <b>1036</b> | <b>496</b>       | <b>298</b> | <b>162</b>     | <b>227</b>  | <b>2307</b> | <b>1561</b> |
| 10+               | 746                | 705         | 847              | 686        | 1191           | 3418        | 2784        | 4809        |
| <b>Total</b>      | <b>2395</b>        | <b>1741</b> | <b>1343</b>      | <b>984</b> | <b>1353</b>    | <b>3645</b> | <b>5091</b> | <b>6370</b> |

\*Barristers and Solicitors practising on own account.



---

## USE OF THIS INFORMATION

This data is owned by the New Zealand Law Society and Momentum Consulting Group. It may be used on the condition that its source is acknowledged as the New Zealand Society/Momentum Legal salary Survey 2012.

### NEW ZEALAND LAW SOCIETY

The New Zealand Law Society is responsible for regulating the New Zealand legal profession and also provides a wide range of services to its members. In its role of issuing practising certificates the Law Society has developed a comprehensive set of demographic information on New Zealand Lawyers. The Law Society has participated in this salary survey with the objective of expanding the range of information available to lawyers and law firms.

For further information or inquiries about this survey, contact Geoff Adlam, Communication Manager, New Zealand Law Society, 04 463 2980, [geoff.adlam@lawsociety.org.nz](mailto:geoff.adlam@lawsociety.org.nz). Information about the Law Society is also available at [www.lawsociety.org.nz](http://www.lawsociety.org.nz) and <http://my.lawsociety.org.nz/>.

### MOMENTUM CONSULTING GROUP

With offices in Auckland and Wellington, Momentum Consulting Group has one of the largest specialist legal recruitment teams in New Zealand. Momentum has recruited lawyers at all levels of the profession, for both private practice and in-house clients, nationally and internationally. Momentum commissioned independent analysis of the data generated by this survey and this report was prepared with input from Momentum's legal recruitment specialists.

For further information or inquiries about this survey, contact Carla Wellington, Principal Consultant - Legal, Momentum, 04 499 6161, [carlawellington@momentum.co.nz](mailto:carlawellington@momentum.co.nz).

For general inquiries about the legal market, contact the Legal Team at Momentum: Auckland ph 09 306 5500, Wellington ph 04 499 6161 or visit the Momentum website at [www.momentum.co.nz](http://www.momentum.co.nz).