



A•S•U
Australian Services Union

AGM, Promotions and Bargaining update

It's been a busy couple of weeks for the ASU at Slater & Gordon. We have asked your probing questions at the AGM, been investigating an issue with promotions and continued to negotiate for a new EBA. This bulletin provides a brief update about each of these issues.

Slater & Gordon's AGM

ASU reps attended the Slater & Gordon Annual General Meeting (AGM) earlier this week. Members sent through questions, which we put to Andrew Grech, Ken Fowlie and the board. Much has been made of Slater & Gordon's impending financial woes and to staff the pressures that the market and shareholders are putting on the company. The AGM presented a very different view of the company – where Shareholders and Management alike celebrated the company's strong financial successes.

Rising executive remuneration and non-salary costs

The ASU commissioned an independent comprehensive analysis of Slater & Gordon's publically available financial data over the last 5 years. The financial reports show a very profitable business. In EBA meetings Management have made much of the fact that salary costs are rising at an unsustainable rate. However, the financial reports reveal that it is the executive remuneration figures that are rapidly increasing. Over the last 5 years, the annualised salary rate for Slater and Gordon Key Management Personnel grew 3.86% per year. In FY14, remuneration for this group grew by 20.90%. The ASU's Linda White asked about this issue and the rising non salary costs, which are markedly increased as compared to historical data. The company did not address the issue of rising salary costs and argued that the executive remuneration figures were reasonable as most of their salary was now 'at risk' and delivered via short term incentives.

Slater & Gordon's "pacman like ability"

Shareholder activist Stephen Mayne was at the AGM and applauded Slater & Gordon's "pacman like ability" to acquire firms. This was an amusing description of the company's activity over the last few years. Less amusing is the issue these acquisitions have created for staff, particularly in QLD. There have been significant issues with the integration at TML and Conveyancing Works in QLD. We asked a question about what the company had learned from these integrations and how it would apply these with the prospective acquisition of Nowicki Carbone and Shultz Toomey O'Brien. The company conceded that the integration in QLD had been difficult, and the destination for TML has been uncertain. They say they have learned that future acquisitions need careful planning and integration.

Gender inequality at the top

The ASU asked why the company had not achieved its gender targets. The Annual Report shows that just 20% of the Group Executive are women and 33% of the Board are women, despite the company having a target of 50% on the Board and Executive. This is particularly concerning given the employees comprise 72% women. The company responded that these targets were for 2017-2020, that they are better than other companies and they had "women in the pipeline".

Free shares to Grech and Fowlie

The AGM endorsed the proposal to grant free shares to Andrew Grech and Ken Fowlie. Grech will receive approximately \$250,000 worth of shares and Fowlie will receive \$100,000 worth of shares.

Employee share scheme

The AGM also endorsed the new employee share scheme. The ASU's Linda White asked questions to clarify who would be eligible to participate in the scheme. Management responded that employees will 6 months service would be able to participate, and no performance criteria will be applied to participants. Employees of Conveyancing Works and TML will be eligible to participate, but employees who will be acquired from Nowicki Carbone and Shultz Toomey O'Brien will not be eligible to participate until 2015.

Whoops! We forgot to re-elect the Chair!

Stephen Mayne pointed out at the AGM, that Slater & Gordon had forgotten to re-elect the Chair of the board last year, when his term expired. Mayne pointed out that this an embarrassing omission for

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a law firm to make. Management agreed that it was unfortunate and had been an administrative oversight. The mistake was rectified at this year's AGM.

Mayne also complimented the Board and Management for a stellar year for investors in Slater & Gordon – we say tribute not only to management but to all staff!

Withholding promotions

Have you been told your promotion has been delayed due to the Enterprise Agreement?

A number of members have been told that they have earned a promotion but this will not occur until after the Enterprise Agreement is finalised. The ASU is concerned that in many cases employees are already undertaking the work at the higher level and therefore should receive the commensurate pay either through an immediate promotion or a higher duties payment.

The Enterprise Agreement should not delay these promotions. It looks like the company is trying to save money by waiting until the Enterprise Agreement goes through, in the hope that the new Agreement will deliver lower wage rates. The ASU is currently investigating this issue and considering initiating legal proceedings on behalf of members. If you have been told your promotion is to be delayed due to the Enterprise Agreement – please contact your local ASU organiser or delegate immediately. All discussions are confidential.

Bargaining update

On 23 October 2014 a further EBA meeting took place to discuss the job families and lawyers proposal. The meeting was a tense one as Management expressed their frustration that ASU members were resisting the job family and lawyers proposal.

Management have put a further 'job families' proposal. This proposal was encouraging in that management have finally put forward a proposition that is compliant with the minimum rates in the Legal Services Award. However, they have reclassified a number of positions. Some positions such as Junior Legal Assistants have been moved up a family. However, some positions have been moved down a family. The Receptionist 2, Junior Accounts Clerk 2 and Senior Accounts Clerk 2 have been downgraded. The ASU has committed to review this proposal in detail.

The ASU also put a counter proposal for support staff at this meeting. We proposed a wage structure which provided greater clarity about wage movement within a job family. We suggested that staff should receive yearly progression payments to compensate for the fact that the promotion rates are much lower in their proposal. Management feigned outrage at this proposal and have rejected the proposition of progression payments. This is disappointing as the ASU sought to put a proposition that we believed might move the parties closer to agreement.

The parties also discussed the issues of the Lawyers Agreement. Over the last few weeks, members meetings have been held in every state. You have clearly directed us to tell management that you don't want to compromise and don't think a cut in progression payments is fair. We communicated this position to management. Much drama ensued with allegations by management that we were being selfish and that Slater & Gordon wouldn't employ junior lawyers in the future because of our decision. This was in complete contrast to the back slapping and bravado about the company's future displayed at the AGM!

The National Negotiating Team is unfazed by this performance and resolute in ensuring a principled a fair outcome for Lawyers. Over the coming weeks we will hold members meetings to discuss the way forward for this agreement – watch out for meeting dates.

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